

NATO of California/Nevada

PREVIEWS

Information for the California and Nevada Motion Picture Theatre Industry

CALENDAR of EVENTS & HOLIDAYS

Mother's Day
May 14

**Memorial Day
Observed**
May 29

**Board of Directors
meeting**
June 13

**Annual Membership
Meeting at ArcLight
Cinemas**
June 14

Flag Day
June 14

Fathers Day
June 18

Independence Day
July 4

Annual Membership Meeting Set For June 14

The National Association of Theatre Owners of California/Nevada has set its annual membership meeting for Wednesday, June 14, at ArcLight Cinemas in Hollywood. A continental breakfast will be served beginning at 9:00 a.m., with the business portion of the meeting to commence at 10:00 a.m.

Among the items included on the morning's agenda are the introduction of new officers and directors of the Association, the announcement of winners of the Association's scholarship programs at the University of Southern California, and the University of California, Los Angeles, along with a review of accomplishments over the past year.

A special part of the program will be dedicated to the announcement of the winners of our original Scholarship Program for NATO of



ArcLight Cinemas

CA/NV members. As many as 18 \$7500 scholarships will be awarded to field level employees and spouses and dependent children of management.

A special presentation by Kathy Benjamin, Senior Vice President and Strategic Analyst for Nielsen NRG will present excerpts from Nielsen's latest 2006 research on movie consumption trends both in the

theater and at home. The presentation will be based on information compiled from more than 5,000 moviegoers surveyed last Summer and this Winter. Topics will include insight into who are today's entertainment consumers and what are the dynamics between the various entertainment venues.

Attendance is open to all employees of member companies and is by reservation only. Please RSVP by Monday, June 4th, at (310) 460-2900, or email, Office@NATOCalNev.org. ▼

NATO of California/Nevada Donation Goes A Long Way In Helping Tsunami Victims

NATO of California/Nevada's \$100,000 donation to the nonprofit international relief organization AmeriCares has gone a long way in helping to ease the plight of tsunami victims in South Asia.

AmeriCares' Lisa Karl, Associate Director, Major Gifts, has written to say that thanks to the Association's generous donation they were able to carry out a number of major relief projects in the aftermath of the

tsunami. These included the purchase of a fully equipped ambulance for the District Health Office in Aceh Besar, the purchase of materials for a malaria prevention program in northern Nias, an island in North Sumatra, including bed nets, insecticide, spray cans and protective gear, and the replacement of medical equipment damaged in the tsunami at Jaffna Hospital, one of Sri Lanka's major hospitals. ▼

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Charlene Sievers
Director, Member Services

Record Turn-Out For Spring/Summer Product Seminars

Rain did not impede theatre personnel from attending NATO of California/Nevada's Spring/Summer Film Product Seminars with more than 325 attending in Southern California and 250 in Northern California. Each of the major film studios had strong representation at both of the meetings where they collectively showed footage from eighty different films. From the reaction of the audience it promises to be a very busy summer.

On behalf of the Association we extend our appreciation to host circuits; the Regal Entertainment Group for the Southern California seminar and Century Theatres up north, and to our breakfast sponsor, Patrick Artiaga of ACS Enterprises, Inc. A heartfelt thank you goes to Dave Pricz, Brent Lynch and Eddie Torres of the REG Edwards Long Beach 26 Theatre and Ruth Ward and Bryan Edwards of the Century 16 Downtown Pleasant Hill theatre, along with their staffs, for welcoming us and doing such a great job hosting the events.

As in past years the product seminar also included lucky winners. Wendell Arciaga of Pacific's The Grove Theatre and Josh Bastian of Sierra's Sutton Cinemas were the winners of the raffle, each receiving the beautifully illustrated book *The Ninetieth Anniversary Edition of Glorious Technicolor, The Movies' Magic Rainbow*.



*Milt Moritz presented the raffle prize, **The Ninetieth Anniversary Edition of Glorious Technicolor, The Movies' Magic Rainbow**, to lucky winner **Josh Bastian of Sierra Cinemas' Sutton Cinemas**.*



*Milt Moritz congratulates lucky raffle winner **Wendell Arciaga, Pacific Theatres' manager at The Grove**.*

The winners of NATO's 2nd Annual Showmanship Awards were also announced. The three winners were all from Southern California and received their award certificates and checks from Association President Milt Moritz. The first place award of \$1,500.00 went to Ted Goldbeck at Krikorian's Monrovia 12 Theatre for his promotion of *Dust to Glory*. Sherry Gartley of The Movie Experience at Cal Oaks and Janet Swindell of The Movie Experience at Tower Plaza split the second place prize of \$1,000 for their joint promotion based on *Charlie and the Chocolate Factory*. The 3rd Place award of \$500 went to Penny Benson also at The Movie Experience at Cal Oaks for her promotion of *Lords of Dogtown*. Penny had a double prize with the recent birth of a baby daughter and was not able to attend but Lisa Kanno from The Movie Experience home office happily accepted on Penny's behalf.

As a special added attraction the excellent documentary CINERAMA ADVENTURE was shown. This feature length documentary chronicles the amazing history of the long lost three-camera, three –projector cinematic process which thrilled millions around the world in the 1950s and early 60s and led the film industry into the widescreen – stereo sound era. For many it was an emotional thrill to again witness the way movies were shown in those amazing theatre palaces of the past. Director and Producer David Strohmaier and Producer Randy Gitsch attended the screenings and provided a Q & A session.

The next NATO of California/Nevada Product Seminar will be held in the Fall featuring product coming for the Holiday season. ▼



*Milt Moritz presented appreciation plaques to hosts, **Dave Pricz in Long Beach** and **Ruth Ward in Pleasant Hill**.*

Top Three Showmanship Award Winners Divide \$3000



Sincere appreciation goes to the Showmanship Award Judging Committee comprising Lisa Kanno, The Movie Experience; Dan Cahill, CinemaStar Luxury Theatres; Melody Graves, Brenden Theatres; Shaun Mullen, Regal Entertainment Group; Todd Cummings, Krikorian Premiere Theatres and John Sittig, Pacific Theatres.

1st Place

Ted Goldbeck of Krikorian Premiere Theatres' Monrovia Cinema 12

"Our "Dust to Glory" block party raised money for the Malcom Smith's Baja Orphanage and the Monrovia Public Library. We worked with radio, TV, newspaper, websites, local and national businesses to help promote the film and event. We shut down over three city blocks to display off-road vehicles and more!"



2nd Place

Janet Swindell of The Movie Experience at Tower Plaza and Sherry Gartley of The Movie Experience at Cal Oaks for their *Charlie and the Chocolate Factory* promotion



"Our promotion was a joint promotion in which we advertised through events in the Murrieta & Temecula area. We contacted local businesses & established several media relations to help promote opening weekend events including many contests and activities for children, giveaways, a golden ticket annual pass give away, and a charity event in support of Variety."

3rd Place

Penny Benson of The Movie Experience at Cal Oaks for her promotion of *Lords of Dogtown*. Lisa Kanno accepted the award for Ms. Benson who just gave birth to a new daughter.

"Our promotion consisted of teaming up with skateboarding vendors to coordinate local skatepark contests in which we advertised our location and opening weekend activities, in-theater 70's era lobby displays, prize giveaways in all opening weekend shows and a very successful fundraiser benefiting Young Variety of Southern California." ▼



"Dust To Glory" Promotion Campaign Earns Ted Goldbeck Top Showmanship Honors and \$1,500

Ted Goldbeck, General Manager of Krikorian's Monrovia 12 Theatre, pulled out all the stops in his promotion campaign for the one night only showing of the documentary film "Dust to Glory," earning him top honors in NATO of California/Nevada's 2nd Annual Showmanship Awards and a \$1,500 prize for his efforts.

Building on the film's theme of the Baja 100 off-road race, Ted tied in with a number of local and national promotion partners in casting a wide net to attract the audience. Staged in connection with Monrovia's Street Fair, the street in front of the theatre along with a nearby park were blocked off to display over 200 off-road vehicles, motorcycles, and trucks, while on-air personalities from a local radio station broadcasted live from the site, interviewing the film's director, star and fans. Local merchants displayed fliers throughout the town, and news crews from two Los Angeles TV stations came out to cover the event. With a portion of ticket sales going to benefit an orphanage and the local library, the efforts were recognized with a Certificate of Recognition signed by the Mayor and members of the City Council.

Ted's far-reaching promotion was well documented in a colorful, eye-catching and very expansive scrapbook identifying his many promotion partners, and with plenty of photos recording the theatre front activities, the media in attendance, the large crowds at the theatre, all capturing much of the day's excitement.

Ted reports that over \$5,000 was raised for the orphanage and library, with each of the evening's three performances being sold out. Well Done! ▼

NATO of California/ Nevada's Spring/ Summer Film Product Seminars

Northern California



A sincere thank you to Pleasant Hill Manager Ruth Ward (R) and her efficient and enthusiastic theatre staff who took a moment to pose for a photo.



Century 16 Downtown Pleasant Hill



Tiffany delos Santos and Joegene Bruel of Century Theatres



Thanks go to Lisa Johnson-Foster and Bryan Edwards of Century for their help with the seminar



Steve Indig of Landmark Cinemas with Eric Carr of Focus Features



Robert Macias of Century Theatres with Cynthia Orellana of Universal Pictures



Wendell Jacob and Patricia Fitzgerald of Colfax Theatre



Mike Timko of Theatre Booking Services with Vinele Grana of Sony Pictures



Demetri Panos of Lions Gate Films with Rex Hescoock of Regal



Carolyn and Mike Smith, owner/managers of Oak Creek Cinemas



Our hosts, Bryan Edwards and Ruth Ward of Century 16 Downtown Pleasant Hill with Eric Martin from corporate.



Ray Wright with Hans and Esther Van Wesenbeeck of Aivolution, LLC and Greg Jones of Pacific Standard



Bill Smith, Warner Bros; Michael Morgan, Morgan Theatres; Charlene Sievers, NATO of CA/NV and Mike Timko, Theatre Booking Services



Cinerama Adventure Director and Producer David Sirobmaier and Producer Randy Gitsch following the after-screening Q&A session.



Wendy McBane, Fernando Castillo and Holley Castillo of Central Coast Cinemas



Dave Corkill of Cinema West with Eric Tabak of Paramount Pictures and Brandon Knott of Fox



Jason Strobel, Pacific Standard; Katy Caruso, Century; Joseph Depew, Regal and Evelyn Abisia, Century



Maria Silva, Somnuk Vannarath, Diana Orozco and Lauren Gutierrez of the Regal Entertainment Group

Southern California



Many thanks go to our gracious hosts – the REG Edwards Long Beach 26 Theatre staff and managers



Raymond Cornelio from National Amusements standing with Mann Theatres managers Grace Baldoz, Michael Northing and seated are Sharon Miller, Rica Mabuyo and Joseph Lepore



Nicole Kollar and Jeff Zarrillo of AMC with Vinele Grana of Sony Pictures



Tammy Peterson of Regal poses with her mom, Stacy Peterson, and Esthela Hernandez of Krikorian Theatres



Kim Zolna, Roxanne Catalano and Kamron Meyer of CinemaStar Luxury Theatres



Our team of photographers Katy Bellamy and Kaylea Jacobson of REG Edwards Long Beach 26 Theatre and Gene Cofsky



Reynee Scofield of Krikorian and Dave Pricz of Regal with Eric Tabak & Stacy Chin of Paramount Pictures/DreamWorks



Donny Clemena of Pacific Theatres with Cynthia Orellana of Universal



Dan Cahill of CinemaStar Luxury Theatres with Brandon Knott of Fox



Jonathan Wu of Focus Features with Todd Naylor of Regal



Scott Shellenberger, Favio Adame and Miguel Salgado of AMC Theatres



Rusty Jones, Jill Rosenow and Sonya Grossberg of UltraStar Cinemas



Greg Misa of Buena Vista with Garric Bates of Landmark Theatres



Aaron Campos, Biniam Gbilay and Alex Martinez of Pacific Theatres



Christine Castaneda and Nicki Solomito of Regal Entertainment Group



Sean Woodyard, Janet Swindell, Renee Evans, Sherry Gartley and Jones Jamieson of The Movie Experience



Derek Tang and Daima Lai from the Regal Entertainment Group



Eric Ward and Michael Tisdale from Krikorian Premiere Theatres



Kyu Lee and Christian Arenas of Sony Pictures with Charlene Sievers of NATO of CA/IV



LABOR ISSUES & Updates

Handling Final Pay, Equipment Return for Terminated Exempt Employee

Question: *We are calling an exempt employee in today to be terminated. What do we need to pay the employee? How can we be assured the employee will return the company's cell phone and laptop computer?*

Answer: If an exempt employee is called in to work, you must pay that employee for that day.

Final Pay

An exempt employee must be paid for the entire day, unlike a non-exempt employee, who is paid only for all hours worked. You are not required to pay the exempt employee's full salary for the week in which he or she was terminated.

The final paycheck must include any salary earned through the last day of employment and any accrued, unpaid vacation pay.

Return of Equipment

At the time company equipment is issued to the employee for business use, the employee should sign an acknowledgment agreeing to the return of the property and acceptance of responsibility if the equipment is damaged or not returned.

At the time of termination, the employer should go over the property agreement with the employee and ask that the equipment be returned.

The phone service company should be contacted immediately to stop service to the phone, and any security codes on the computer should be changed immediately so access to company programs and data is no longer possible.

Court Option

If the employee fails to return the equipment after being requested to do so, the employer may go to court to obtain an order for the return of the equipment. ▼

Many Conditions Restrict Release of Employee Information

Question: *Am I authorized to release employee information to any additional parties? If not, is there any party to whom I am required to disclose employee information?*

Answer: Many issues must be considered relating to whom employee information may be released and under what circumstances.

Employee Information

First to be clarified is what constitutes employee information. Generally referred to as "personnel information," it is data maintained by the employer in relation to an individual's employment in his/her personnel file.

Personnel information includes, but is not limited to:

- employment applications;
- reference letters;
- employment agreements/contracts; and
- evaluations.

Third Party Rights

California law has stated unequivocally that one's right to privacy is a personal and fundamental right under the state Constitution.

Personal information in a personnel file, therefore, must be maintained and disseminated only under specified circumstances and under strict limitations, and employers have a duty to protect the confidentiality of personnel records and limit disclosure to only individuals with a legitimate right of access.

Employment laws require that under certain circumstances, however, personnel information must be released, even without employee authorization, such as upon a request from the district attorney relating to child support obligations.

Continued from page 6

Lawfully Issued Subpoenas

A subpoena requesting employment records must be in strict compliance with legal requirements. If an employer receives a subpoena that does not appear to be consistent with the following requirements, the employer should contact legal counsel prior to responding to the subpoena

A valid subpoena contains the following:

- The party issuing the subpoena must serve a copy of the subpoena on the employee whose records are being sought and a copy of any affidavit supporting the issuance of the subpoena.
- The party issuing the subpoena must serve the employee whose records are being sought at his/her last known address or, if known, to the employee's attorney of record.
- If the employee is requesting the documents, the subpoena must be accompanied by an affidavit signed by the employee, or his/her attorney of record, authorizing release of the employment records.
- The subpoena must be issued at least 15 days prior to the date the subpoena specifies for producing the employment records.
- The employer must receive the subpoena and a copy of the affidavit that supports the subpoena. Alternatively, the employer may accept a release of those records signed by the employee.

Accompanying Subpoena Notice

Every copy of the subpoena and accompanying affidavit served on an employee or his/her attorney must be accompanied by a notice, in a typeface designed to call attention to the notice, indicating:

- employment records about the employee are being sought from the employer, as named on the subpoena;
- the employment records may be protected by a right of privacy;
- if the employee objects to the witness furnishing the records to the party seeking the records, the employee shall file an objection with the court prior to the date specified for production on the subpoena; and
- if the subpoenaing party does not agree in writing to cancel or limit the subpoena, an attorney should be consulted about the employee's interest in protecting his/her rights of privacy.

If you are unsure whether release of personnel information is appropriate, be sure to consult legal counsel. ▼

Source: California Chamber of Commerce, Alert Labor Law Corner

**Exhibitor Relations
Contact Information**

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Christina Nedelec Christina.Nedelec@disney.com
One sheets & trailers can be ordered from Technicolor

Focus Features

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Fox/Fox Searchlight

Fox Fulfillment
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www.FoxExhibitor.com

FOX REWARDS

Fox Rewards Enrollment & Hotline
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www.FoxRewards.com

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All materials can be ordered at www.sonypicturesreleasing.com
or by phone: 877/Deluxe6

Universal

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The Weinstein Company

Roe Campo..... roe.campo@weinsteinco.com
Onesheets and trailers can be ordered from Technicolor

NATO of California/Nevada Members Honored at ShoWest

Peter Brown, Chairman, CEO and President of AMC Entertainment, Inc., was honored with the 2006 ShoWester of the Year Award. This award is presented to an individual who has demonstrated a dedication to the betterment of the exhibition industry and its causes. In addition to Mr. Brown's industry endeavors he is committed to the support of many charitable programs that benefit the industry including the Will Rogers Motion Pictures Pioneers Foundation who received a check for \$529,000 from Loew's/AMC Theatres for money raised in the summer campaign.



The 2006 ShoWest/NATO Marketing Achievement award for Best Overall Promotion & Showmanship was won by the Brenden

Modesto 18 Theatre team led by Joseph Girouard for its "Star Wars: Episode III-Revenge of the Sith" promotion. The members of the team pictured above are Joseph Girouard, Executive Director Marketing & Promotions; Will Ryan, Modesto Assistant General Manager; Mark Perez, team member; Patty Duarte, team member; Alicia Duarte, Modesto Promotions Manager; Saul Trujillo, Modesto General Manager and Johnny Brenden, CEO/President Brenden Theatre Corporation.

Jennifer Fardig, General Manager of the Century Ventura 16, received a commendation award from the Will Rogers Motion Picture Pioneer Foundation as one of the top fundraisers in their record-breaking 2005 Summer Campaign. Ms. Fardig's theatre raised \$32,000 of the record-breaking \$4 Million for the organization. Century Theatres accounted for \$580,000 of that total. Jennifer was also the lucky winner of a Fuji digital camera at the Awards Breakfast.



Regal Entertainment Group's Mohamed Shahkshir, General Manager of the REG South Gate 20 Theatre, was honored for his theatre's contribution of \$30,000 raised during the 2005 Will Rogers Summer Campaign. Nationwide the Regal Entertainment Group collected \$2.250 Million dollars for Will Rogers this past summer. ▼

USC School Of Cinema-Television Scholarship Winners Announced

NATO of California/Nevada is pleased to announce the four University of Southern California School of Cinema-Television students who will share the Association's \$25,000 scholarship award. They are:

John Helton, a first year graduate student in the Division of Animation and Digital Arts. John received his Bachelors Degree from Marycrest International University in Davenport, Iowa, and is now working toward his goal to produce animation and visual effects for entertainment.

Chris Velazquez, a first year graduate student in the Division of Writing for Screen and Television. Chris attended Boston University's School of Communication's film program, and is working on his goal of becoming a writer for film and television.

Hieu Ho, a current MFA candidate in the USC Peter Stark Producing Program. With a BA from UCLA, Hieu previously participated in the Warner Bros. Global Trainee Program, and one of his independent films was named winner of Best Short Film at the Hawaii International Film Festival.

Rain Brew, a third year graduate student in production. She studied film and anthropology at Vassar College, and has produced several short thesis films, one of which won the Director's Choice Award for Best Student Short at the Sedona Film Festival.

In addition to the USC Scholarship program, now in its second year, the Association will present for the third consecutive year a \$25,000 scholarship award to four students in the UCLA School of Theatre, Film and Television. Also up to \$135,000 will be presented in scholarship awards to member companies' field level employees and/or the spouses and dependent children of managers and corporate employees based in California and Nevada. Since the inception of the field level employee scholarship program in 1996 NATO of CA/NV has awarded scholarships totaling almost half a million dollars to its members' employees. ▼

A LOOK AT SUMMER PERFORMANCES

Summer will officially start this year on May 5th with the opening of *Mission: Impossible III*. We look back to top openers for this period in years past.

Opening Date	Film (Studio)	FSS Gross	Domestic Cume
2005	MONSTER-IN-LAW (NL)	\$23,105,133	\$82,931,301
2004	VAN HELSING (Univ)	\$51,748,040	\$120,073,130
2003	X2:X-MEN UNITED (Fox)	\$85,558,731	\$214,949,694
2002	SPIDER-MAN (Col)	\$114,844,116	\$403,706,375
2001	THE MUMMY RETURNS (Univ)	\$68,139,035	\$202,007,640
2000	GLADIATOR (DW)	\$34,819,017	\$187,683,805
1999	THE MUMMY (Univ)	\$43,369,635	\$155,270,725
1998	DEEP IMPACT (Para)	\$41,152,375	\$140,464,664
1997	THE FIFTH ELEMENT (Col)	\$17,031,345	\$63,802,150
1996	TWISTER (War)	\$41,059,405	\$241,708,928
1995	CRIMSON TIDE (BV)	\$18,612,190	\$91,387,195

-Source: Exhibitor Relations Co.

Analyst: B.O. Reversal Coming Soon

As reported in The Hollywood Reporter

Wall Street continues to discuss the outlook for the film business after a sluggish 2005, with Ladenburg, Thalmann analyst William Kidd in a recent research report taking a more optimistic stance than some peers.

“A solid 2006 boxoffice should breathe new life into cinema” the headline for this report said.

Kidd predicts “an important reversal in 2006,” namely “modest growth in boxoffice sales and attendance.” He predicted the U.S. boxoffice would grow about 2% this year, with attendance inching up 1% and increased admissions prices doing the rest.

Kidd cited “a strong film slate including a slew of animation films” as key growth drivers this year, listing such upcoming films as “The Da Vinci Code,” “Superman Returns” and “Mission: Impossible 3” as important summer tentpole releases.

While Standard & Poor’s Equity Research Services last week cautioned investors about secular trends that could hold movie studios back this year – such as declining U.S. DVD sales and increased competition from newer forms of media – Kidd argued that film business trends always have been cyclical. “Film quality is among the most important

near-term determinants of boxoffice revenue,” he argued, pointing to recent data. “Industry critics have largely blamed the proliferation of home theater and movie substitutes, like the Internet, for the boxoffice ills, without taking into consideration other contributing factors.”

Besides big live-action tentpole releases, Kidd counts eight known animated films for the current year, including “The Wild,” “Over the Hedge,” “Cars” and “The Ant Bully,” up from just three major releases in 2005. “Given that children-friendly movies tend to do better than R-rated movies, and animation movies do even better, we are optimistic that 2006 will show both boxoffice growth and attendance growth,” Kidd said.

The current second quarter, Kidd estimates will see a 3.5% year-over-year boxoffice improvement, and the third quarter, for which he eyes a 2% gain, could be key periods to help reverse investor perceptions as they would end seven consecutive quarters of boxoffice declines, Kidd said.

Given his expectations, the analyst started coverage of exhibition giant Regal Entertainment Group with a \$23 price target and a “buy” rating. “We think this story warrants attention,” he said. ▼

Year-To-Date Box-Office

YEAR-TO-DATE 106 days starting Sunday, January 1, through Sunday, April 16, 2006
Average ticket price for 2006 is estimated

Year	Avg. Ticket Price	Ticket Price Change	Total Gross	% Change vs. Previous Year	Attendance vs.	% Change Previous Year
2006	\$6.61	3.12%	\$2,469,652,867	5.38%	373,623,732	2.19%
2005	\$6.41	3.22%	\$2,343,665,936	-4.90%	365,626,511	-7.87%
2004	\$6.21	3.97%	\$2,464,491,148	-	396,858,478	-

-Source: Exhibitor Relations Co.



**Films To Video:
Projected Release
Schedule**

available at www.natocalnev.org

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PREVIEWS

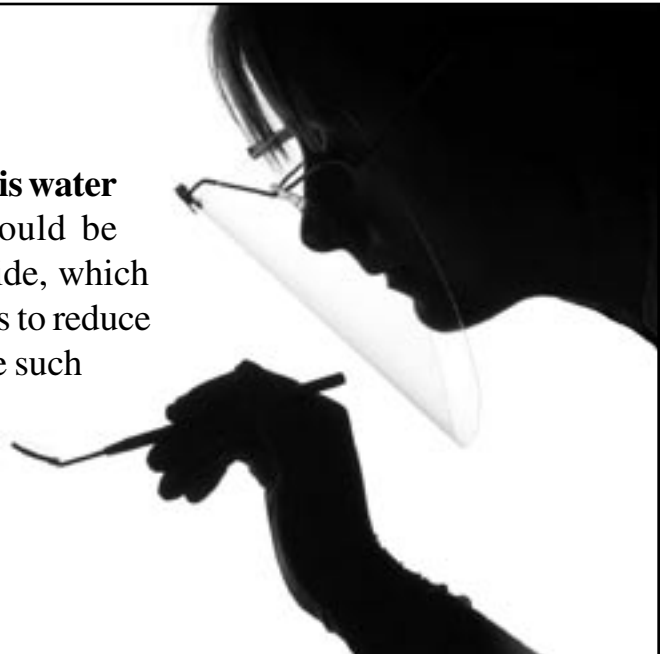
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Health Tip

If you use a reverse-osmosis water filter or a distiller, you should be aware that they remove fluoride, which is added to most water supplies to reduce cavities in children. If you use such a water filter (or drink only bottled water), you should make sure that you and your kids use fluoride toothpaste and/or a fluoride rinse.



**Annual membership meeting set for June 14th.
See page 1 for details. Registration Deadline is Monday, June 4th.**