

NATO of California/Nevada

PREVIEWS

Information for the California and Nevada Motion Picture Theatre Industry

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History Of Exhibition Off To Great Start!

October 13, 2009 marked the beginning of a very special lecture series presented by NATO of California / Nevada in the screening room of Metropolitan Theatres. A cross section of industry members were in attendance as lecturer Ross Melnick took the group down memory lane from the very inception of the exhibition industry with a very prolific background of one of the industry's greatest showmen Samuel "Roxy" Rothafel. Archive film clips from newsreels of the past as well as footage of personal interviews with the great architects who designed some of the great movie palaces of the past were also shown.

This first lecture covered many of the technical advancements that took place including sound and color and how they had a major impact on the business. Artifacts of the period were also on display including souvenir theatre programs for

Radio City Music Hall (circa 1933), Roxie Theatre, NYC (circa 1928), Capitol Theatre, NYC (circa 1923) and the World Premiere souvenir program for Cecil B. DeMille's *The King of Kings* (1927) which was the opening attraction at Grauman's Chinese Theatre, Hollywood and the opening attraction souvenir program for *Glorious Betsy* (1928) at the Warner Brothers Hollywood Theatre, Hollywood. Also on display was a very rare Vitaphone Disc for Reel One of Warner Bros. *Weary River* (1929).

"The War and Boom Years" (1941-1948) will be the subject for the second lecture. Also on display will be artifacts from the glory days of the mighty MGM studios who claimed "MGM has more stars than there are in the heavens". Remember the date is November 10, 2009, 7:30 pm.

Attendance is by reservation only and is limited to employees of NATO of California/Nevada member companies only.



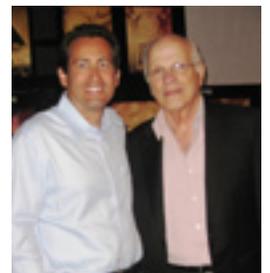
Lecturer Ross Melnick explains the workings of the Vitaphone Disc to Dan Summerfelt of Regal Entertainment Group.



John Sittig, Pacific Theatres, (center) looks on as Dan Summerfelt of Regal Entertainment Group and David Corwin of Metropolitan examine the display of some of Mr. Sittig's many personal movie artifacts that he so generously provided.



Can you identify this circa 1940 theatre artifact that was on display at the recent History of Exhibition lecture? Answer in next month's issue of PREVIEWS.



David Corwin, Metropolitan Theatres host and Milt Moritz, NATO of CA/NV President.

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Credit Card Interchange Fee Legislation

The following is a summary of a report issued by Todd Halstead of national NATO with regards to the current status of credit card interchange fee legislation in both chambers of Congress as well as information on services that could potentially help lower credit card processing costs.

The House Financial Services Committee held a full committee hearing on Thursday, October 8 on H.R. 2382. The bill is sponsored by Rep. Peter Welch (D-VT) and Rep. Bill Shuster (R-PA). H.R. 2382 would eliminate the anticompetitive rules Visa and MasterCard impose on merchants and increase transparency so merchants can steer consumers to make an informed decision regarding their choice of payment.

Congressman Barney Frank (D-MA), chairman of the House Financial Services Committee, said during the hearing that his committee will begin to take a more serious look at interchange fees. The chairman, however, did not set a firm timeline for debate on the issue.

Meanwhile, lawmakers in both chambers have introduced the Credit Card Fair Fee Act, which would set forth a limited antitrust immunity to allow merchants to band together to negotiate interchange fees with Visa and MasterCard and their issuing banks.

Also in the Senate, Sen. Christopher Dodd (D-CT) has indicated he plans to offer legislation to "substantially modify" interchange fees. Dodd, chairman of the Senate Committee on Banking, Housing, and Urban Affairs, currently is overseeing a massive overhaul of the rules governing the financial-services sector.

Services that Help Lower Credit Card Fees

As interchange and other credit card processing fees continue to skyrocket, exhibitors have a number of options to lower the cost of doing business. As NATO explores possible partnerships with credit card processors as a way to drive down processing costs for our members, we wanted to make you aware of a few of the companies that offer services designed to help merchants reduce the credit card fees they pay. The following three companies are just a sample of the services that claim to have insider knowledge of the credit card industry and the know-how to lower processing costs for your business. Please be aware that NATO makes no representation or assurance as to the quality or reliability of any service. We simply want to alert you to options we become aware of that might help you address the burden of credit card processing costs. The summaries below are based on the companies' descriptions of their services.

Continued on next page



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Casablanca Ventures

Casablanca Ventures is a Connecticut-based boutique management advisory firm founded by CEO Wynn J. Salisch, who has 40 years of experience in building and running payment processing and global motion picture distribution, exhibition, and other entertainment ventures. Casablanca says it helps its clients understand how the processing industry and its complex cost structure works, how to get the best rates and fees, and how to effectively manage their organization's payment technologies to mitigate risk, streamline operations, and maximize profits. Next, forensic analyses of clients' processing statements are conducted to uncover the hidden rates, fees and surcharges that are frequently buried in code on many statements. This shows clients how much they are truly paying versus what they thought they were paying. Then Casablanca provides recommendations to help clients cut their processing costs and improve their operations, technology, and security. These services are provided free of charge and without any obligation.

For more information, contact:

Wynn J. Salisch

Chairman and CEO

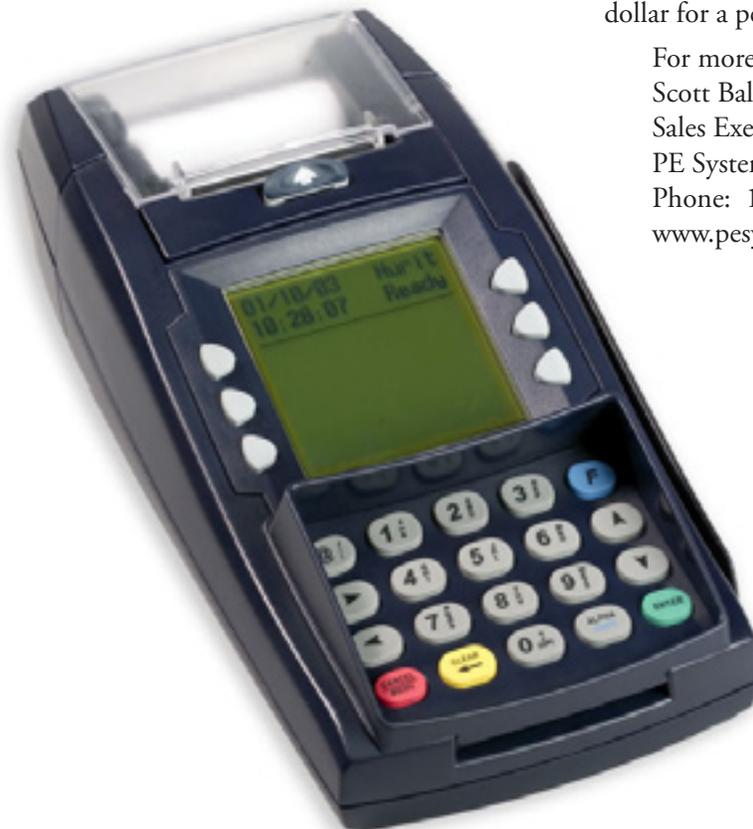
Casablanca Ventures

Merchant Payment Processing Advocates & Advisors

Entertainment – Media – Hospitality Venture Development

Phone: 203-253-7259

wynn@casablanca-ventures.com



Electronic Payment Consulting

Electronic Payment Consulting says it reduces merchant payment processing costs without having to switch credit card processing providers. EP Consulting, which is not a processing company, analyzes a merchant's credit card processing statement and creates a plan to minimize the costs of accepting credit and debit cards. EP Consulting earns 50 percent of the realized savings over the 24-month period following the supply of consulting services. If there are no quantifiable savings directly attributable to their services, then there are no fees charged by EP Consulting.

For more information, contact:

Adam Pflaumer

Electronic Payment Consulting

Phone: 1-888-303-0897

www.epconsulting.com

PE Systems

PE Systems LLC, is an independent consulting firm that analyzes credit card processing statements using a proprietary methodology that it says uncovers and recovers credit and debit card processing fee overpayments 96% of the time. If after reviewing their analysis the merchant decides not to implement the fixes suggested, no savings were realized, therefore, no payment will be due and owing to PES by the merchant. However, if a client decides to recover the dollars from those findings, the merchant will be charged a consulting fee at a rate of 50% of every saved dollar for a period of 24 months following the first invoice.

For more information, contact:

Scott Ballou

Sales Executive

PE Systems, LLC.

Phone: 1-800-498-7505

www.pesystemscorp.com

Winter / Spring Product Seminar Sold Out!

A record turnout is expected for the Winter/Spring Product Seminar with 14 studios making presentations. For the first time 3-D footage will be presented for some of the upcoming film titles and it is expected that over 90 film titles all together will be previewed.

Because of the overflow registration the Southern California seminar has been moved from its original planned location to Regal's Edwards Long Beach Stadium 26 Theatre on Thursday, November 12th.

The Northern California Product Seminar is scheduled for November 5th at Cinemark's Century San Francisco Centre 9 Theatre. This location provides attendees the ease of commuting to the location via BART as the Powell Street station stop is directly beneath the Westfield Shopping Center on Market Street. The theatre is located on the 5th floor of the Center.

In addition to our regular seminar format a special presentation by MediaMax Online will provide attendees information on how advance publicity and advertising information can be obtained for all feature releases through MediaMax Online website at no charge. This service has been available and known basically to media outlets but now is being made available to theatre exhibition. A special power point presentation will precede the studios as to the use of this new service.

Continental breakfast will begin at 8:30 am with presentations starting promptly at 9:30 am.

Through the courtesy of Sony Pictures a special screening of one of their most anticipated films for the holiday season will be screened at the conclusion of the seminar. Advance RSVP will be required to attend.

Exhibitors look beyond the multiplex New programming changes theater design plans

By Rachel Wimberly

In the first week of October, Sony teamed up with movie theaters for a four-city tour that allowed gamers to play the new PlayStation3 title "Uncharted 2: Among Thieves" on the bigscreen. Mike Fidler, senior vice president of Sony Electronics' Digital Cinema Solution and Services Group, says the tour gave exhibitors the chance to offer additional programming options that could come from alternative content, "such as gaming events, simulcasts, prerecorded concerts and sporting events."

With new programming, though, come different patrons who use theaters differently and make different demands. Gamers, for example, are likely to sit longer than moviegoers. So exhibitors are rethinking theater design with an eye toward accommodating new customers and events.

That affects everything from concessions to theater seating.

AMC Entertainment has tried to get ahead of the curve at a few of its theaters. In Buckhead, a suburb of Atlanta, patrons can sit in plush seats in the Fork & Screen theater and have tabletop service that includes fire-roasted veggie quesadillas as well as a beer to go along with it from MacGuffins, a bar adjacent to the theater.

Frank Rash, AMC Entertainment's senior vice president of strategic development, says only a handful of theaters so far offer the upgraded service. "Obtaining a liquor license is a city-by-city, municipality-by-municipality case," Rash notes.

In other words, don't expect bars to pop up in all of AMC's theaters overnight. But with sports beginning to push their way

onto theater screens, exhibitors can see they'll need to sell beer if they want to sell tickets.

Besides alternative content, the digital rollout also challenges exhibitors to push the envelope on how theaters themselves should look in the future.

Digital projectors eliminate the need for large platters to hold prints, so projection booths can shrink. And with a central control room running those d-cinema systems remotely, multiplexes might evolve away from the current air-terminal design, which is dictated by the need to have projectionists keep an eye on many screens at once.

Creating a more immersive theater experience, especially with the explosion in the popularity of stereoscopic 3D (S3D), also looks like a priority.

"The introduction of digital design has increased stadium-seating presentation house experiences with better sound, acoustics, seating comfort and overall viewing," says Don Rataj, principal of Rataj-Krueger Architects.

Even with the upgrades, Marty Banks, director of the Visual Space Perception Laboratory at UC Berkeley, pointed out at the NAB Digital Cinema Summit earlier this year that S3D will force exhibitors to redraw the floor plans of their theaters because patrons sitting on the sides, especially in front, get a poor experience in S3D.

"We do have viewing challenges with 3D and even 2D," Rash concedes. "We're always trying to improve sight lines."

CALENDAR of EVENTS & HOLIDAYS

**Northern California
Film Product Seminar**
November 5

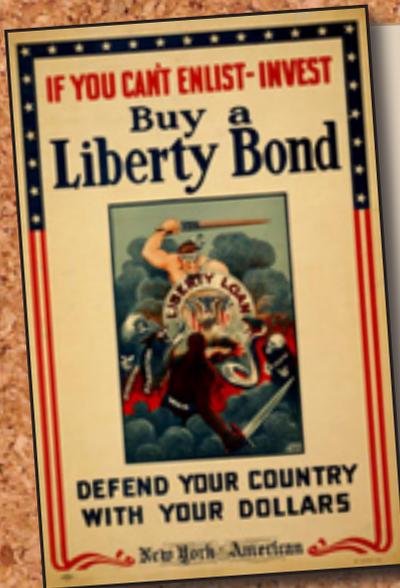
Veterans Day
November 11

**Southern California
Film Product Seminar**
November 12

Thanksgiving Day
November 26

Hanukkah begins
December 12

Christmas Day
December 25



REMINDER

The second lecture in the
History of Exhibition
Seminar/Lecture Series

"The Golden Age of Hollywood, Liberty Bonds"
is Tuesday, November 10th.

Confirmation/reminders will go out this week
via email to all registered guests.

2009 Gross and Attendance UP!

As of October 25th U.S. theatre attendance and grosses are up 2.62% and 6.9% respectively for 2009.

	2009 (billions)	2008 (billions)	Increase
Gross	\$8.42	\$7.87	6.9%
Attendance	1.12	1.09	2.62%