

PREVIEWS

Information for the California and Nevada Motion Picture Theatre Industry • Dec. 2003/Jan. 2004

Calendar of Events and Holidays

Dec. 20-28
Chanukah

Dec. 25
Christmas Day

Jan. 1, 2004
Happy New Year

Jan. 19
Martin Luther King, Jr. Day

Jan. 27
Academy Award nominations announced

Feb. 14
Valentine's Day

Feb. 29
Academy Awards presentation

Mar. 22-25
ShoWest

April 20-22
National NATO Board of Directors Meeting

NATO of CA/NV Establishes Fellowship at UCLA School of Theater, Film and Television

NATO of California/Nevada has established an annual \$24,000 scholarship program at the University of California at Los Angeles (UCLA) School of Theater, Film and Television.

The program will provide four students each with a \$6,000 fellowship to be awarded annually, beginning February, 2004 in one of the following fields: animation, documentary, narrative filmmaking and producing. In order to apply for a fellowship, students must have a GPA of 3.0 or higher, applicants must demonstrate professional promise and excellent artistic talent in their specified fields, as well as be working toward an M.F.A. degree in Animation, Directing or the Producers Program. Applicants who qualify for financial need will be given preference.

UCLA boasts one of the world's premiere programs, offering a multi-disciplined, comprehensive approach to film. UCLA has produced such notable filmmakers as Allison Anders, Charles Burnett, Alex Cox, Moctesuma Esparza, Francis Ford Coppola, Colin Higgins, Gregory Nava, Alexander Payne, Gina Prince-Bythewood, Tim Robbins, Paul Schrader and Penelope Spheeris.

In addition, NATO of California/Nevada will continue to sponsor its own annual \$50,000 scholarship program for field level employees at member theatres. The Association also awarded a \$22,000 grant each of the last two years to an American Film Institute fellow. The National Association of Theatre Owners of California/Nevada to date has awarded a total of \$359,000 to 123 scholars.



Unemployment Insurance (UI) Tax Hikes

California employers should begin to brace themselves for a severe unemployment insurance (UI) tax hike on their 2004 renewal notices. Indications are that the looming insolvency of the UI Trust Fund will leave California businesses paying the highest average UI tax rates in the nation.

This multibillion-dollar rate increase amounts to a 74 percent rise in just one year, and translates to a tax increase of approximately **\$136 per employee** for California employers.

Massive Increases

The UI Trust Fund's insolvency is expected

to trigger the first-ever 15 percent emergency solvency surcharge on the state's employers, estimated to cost businesses \$815 million annually. Coupled with the other increases forecast by the state Employment Development Department (EDD), necessary solely to maintain the fund for 2004, employers are facing a nearly \$2.5 billion increase.

In 2001, the maximum weekly benefit was \$230; that amount skyrocketed to \$330 in 2002. Currently the unemployed in California receive up to \$370 a week, an amount scheduled to increase in January '04 to a maximum of \$410 a week and in 2005 to \$450.

Routing Slip

Please share **Previews** with other people in your organization:

- _____
- _____
- _____
- _____



How the Chicago and Rhode Island Night Club Tragedies Affect the Exhibition Industry

— Gene Boecker, NATO - CA/NV Code Consultant

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The concern over nightclubs has not diminished over the past few months. Ordinarily this would not affect the exhibition industry except that both nightclubs and theatres are places of assembly and the National Fire Protection Association (NFPA) recently passed two rules that address all assembly occupancies. The

NFPA produces the *Life Safety Code*® and the new *Building Construction and Safety Code*™. While both codes affect new construction, the *Life Safety Code*® also affects existing facilities. Consequently, the two new rules affect existing theatres.

One of these rules, referred to as a Tentative Interim Amendment (or TIA) requires crowd managers; and, that additional crowd managers must be provided at a rate of one for every 250 occupants. The training program for crowd managers, as stated in the Annex to the *Life Safety Code*® should be such that they “develop a clear appreciation of factors of space, energy, time, and information....” What is actually being required is that the crowd manager understands what people are likely to do in an emergency and use that to assist them in exiting in an orderly manner.

There is an exception that allows the number of crowd managers to be reduced where the authority having jurisdiction (usually the fire marshal) determines that a lower number is warranted based

on the nature of the event (movie exhibition) and the existence of an automatic sprinkler system. While this allows for the number of crowd managers to be reduced, it is not likely that the number can be reduced to zero.

The second TIA requires that each day, before opening to the public, it will be necessary to inspect the means of egress for the facility and remove any obstructions. The inspection must be recorded on forms “approved by the local authorities and the records must be maintained at the building for review by the fire service.”

Both of these provisions should be discussed with the local authorities to determine if the number of crowd managers can be reduced and to determine what the “approved form” will be for the egress inspection.

Please note that these new provisions only apply to jurisdictions that have adopted the 2003 edition of the *Life Safety Code*® and not to earlier editions. Also, the new NFPA building code is not in effect in California yet and the International Codes Council, producers of the International Building Code, did not adopt similar rules.

Gene Boecker, R.A. has been a project manager with Code Consultants, Inc. since 1995. He is responsible for the development of Fire Protection concepts used in the design of construction projects for both new and existing buildings. He also specializes in performing engineering evaluations of alternative (equivalent) methods and concepts for meeting code issues in projects. Mr. Boecker can be reached at 314/991-2633 or via email at geneb@codeconsultants.com.

United States of America, v. Cinemark USA, Inc.

By Gregory F. Hurley & Stacey L. Jaramillo



On November 6, 2003, the United States Court Of Appeals For The Sixth Circuit rendered its decision in *United States v. Cinemark, USA, Inc.*, 2003 WL 22508500 (6th Cir. Ohio) and delivered a blow to the theatre industry by reversing the District Court's holding that Cinemark was in compliance with § 4.33.3 of the ADAAG because its stadium-style theaters provided wheelchair patrons with unob-

structed views of the movie screen from wheelchair seating located amid or adjacent to seating for the general public.

In so ruling, the Sixth Circuit looked to the plain meaning of ADAAG § 4.33.3 and whether the DOJ's interpretation of ADAAG § 4.33.3 was reasonable and entitled to deference as a matter of law. Ultimately, the Sixth Circuit held that § 4.33.3 required that wheelchair patrons have something more than merely an unobstructed view in seating adjacent to other patrons. While the Court agreed that “line of sight” can be defined as unobstructed view, it also found that it requires comparable lines of sight, meaning “similar” “lines of sight.” The Court also found that such an interpretation furthers the central goals of Title III of the ADA because “similar” “lines of sight” affords wheelchair users “equal enjoyment” with the general public.

Cinemark urged the Court to follow the Fifth Circuit's holding in *Lara v. Cinemark USA, Inc.*, 207

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(USA vs. Cinemark continued from page 3)

F.3d 783 (5th Cir. 2000) and in particular the *Lara* court's finding that "lines of sight comparable" requires nothing more than that theaters provide wheelchair-bound patrons with unobstructed views of the screen. (207 F.3d at 789.) The Sixth Circuit found the arguments advanced in *Lara* unpersuasive and that they ignored the phrase "comparable to those for members of the general public." In so doing, the Sixth Circuit found that the *Lara* court failed to take sufficiently into account the purpose of Title III of the ADA.

The Sixth Circuit afforded great deference to the DOJ's interpretation of § 4.33.3 because it included a consideration of the quality of the viewing angle of the movie screen, which was consistent with the Court's conclusion that there be greater points of commonality between lines of sight (i.e., that viewing angles must also be taken into account to some degree.)

Finally, the Sixth Circuit rejected Cinemark's arguments that (1) the DOJ's interpretation of ADAAG § 4.33.3 amounted to a new substantive rule in circumvention of the Administrative Procedure Act's (the "APA's") notice and comment

requirements; (2) the DOJ should be estopped from arguing for its interpretation of ADAAG § 4.33.3 because it approved the Texas Accessibility Standards, which Cinemark's theaters were built in compliance with; (3) the government was precluded under the doctrine of collateral estoppel from re-litigating issues that it previously litigated unsuccessfully against Cinemark in *Lara*; and (4) summary judgment should be given to Cinemark with regard to its theaters in the Fifth Circuit.

The Court left it to the district court on remand to determine the extent to which lines of sight must be similar for wheelchair patrons in stadium-style theaters.

Mr. Hurley chairs Kutak Rock's California Litigation Group and is a nationally recognized expert on disability law. Kutak Rock is actively involved in working with the owners and operators of assembly areas nationwide in defending these claims, negotiating with the United States Department of Justice, and in preparing new regulations and guidelines. Mr. Hurley can be contacted at 949-417-0965 or Gregory.Hurley@KutakRock.com.

Prevent Camcording Piracy

With the new California law (Penal Code 653z) going into effect on January 1, 2004, and in cooperation with the MPAA, motion picture theatres throughout the state are asked to embark upon a public relations campaign to prevent camcording piracy by educating the public that recordings of any sort in a motion picture theatre is against the law. Law enforcement officials are now equipped with the legal tools to respond to theatres that witness such piracy.

As part of the campaign a special one-sheet and smaller box-office signage will be shipped to all theatres throughout California prior to January 1, 2004. Theatre management staff should coordinate posting of signs with the approval of home-office policies. In an effort to help theatre employees and moviegoers report criminal activity, the MPAA has established a nationwide hotline that enables the reporting of violations 24 hours a day, seven days a week – **(800) 371-9884**.

A special White Paper dealing with the Education, Prevention and Enforcement of this new law is being prepared by NATO of California/Nevada for distribution to all NATO California/ Nevada member companies.



The above is a sample of the one-sheet poster and box office sign that will be sent to every theatre location in California.

Courtyard Theatres of California

Grauman's Chinese and Egyptian Theatres and the Fox Fullerton are the last remaining courtyard theatres in Southern California built by the firm of Meyer & Holler and influenced architecturally by Sid Grauman. The Fullerton Historic Theatre Foundation, a nonprofit dedicated to saving the endangered Fox Fullerton Theatre, will present noted architectural historian Alfred Willis, who will speak on "Sid Grauman and the Courtyard Theatres of California" at 7 pm, Tuesday, January 13, 2004, at the Egyptian Theatre, 6712 Hollywood Blvd. in Hollywood.

The event is being sponsored by the non-profit Foundation, which is raising funds in order to buy, restore and re-open the original vaudeville and silent movie house, to share Mr. Willis' insights into these special theatres and to inform the community of the plight of the Italian-Renaissance Fox Fullerton Theatre, which was built in 1925.

Admission is free; for more information call (714) 607-0884 or visit www.FoxFullerton.org

Welcome New Members

Brenden Theatres
 CinemaStar Luxury Theaters
 CSLM Inc. -
 Crest Theatre, Sacramento
 Eastman Kodak (Associate)
 Feather River Cinemas
 JRJ Limited Partners
 (Associate)
 Morgan Theatres
 Parkway Speakeasy Theater
 Reel Source, Inc. -
 Crest Theatre, Westwood
 Selma Theatre
 Trinity Theatre



LABOR ISSUES & Updates

Paying Employees When Fire, Disasters Prevent Business from Operating

California employers experience disasters such as power outages, floods, earthquakes, fires and severe weather conditions. When I am unable to continue operating my business, what are my obligations to pay my employees?

Many businesses may experience interruptions in operations due to severe natural disasters or severe weather. Employees may be unable to report to work, or report to work to find no work available, or are sent home early.

When to Pay

The Industrial Welfare Commission (IWC) wage orders contain a provision requiring "reporting time pay" when an employee reports to work and is furnished less than half of his/her usual or regularly scheduled day's work.

If this occurs, the employer is required to pay the employee one-half of his/her scheduled day's work, with a two-hour minimum and a four-hour maximum.

Reporting time pay is not required for unexpected business interruptions due to the effects of severe weather or other "acts of God" beyond the control of the employer.

The purpose of the reporting time pay provision is to guarantee at least partial compensation for employees who report to work, expecting a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.

When Not to Pay

Reporting time pay is not required when:

- operations cannot begin or continue due to threats to employees or property, or

- when recommended by civil authorities;
- public utilities fail to supply electricity, water or gas, or there is a failure in the public utilities or sewer system; or
- the interruption of work is caused by an act of God or other cause not within the employer's control.

Reporting time pay is required when business interruptions are caused by equipment failure or other conditions under the control of the employer.

The reporting time pay requirements are contained in Section 5 of the wage orders. Copies of the wage orders are available at www.dir.ca.gov.

Exempt employees are not subject to the wage orders, and must be paid for any week in which they perform any work.

Source: Alert

California Poster Myths and the Loch Ness Monster

Okay, this isn't really about the Loch Ness monster. However, our Customer Service staff and Helpline consultants receive so many calls about posters that we are starting to believe there is a "Loch Ness poster monster" - or something out there creating myths that grow and spread about employee poster and notice requirements.

Here are seven of our favorite poster myths:

1. All changes are mandatory and the poster must be updated at once.

Sometimes one of the agencies does make mid-year changes to reflect new contact information, such as addresses and phone numbers. For example, recently the Equal Employment Opportunity Commission (EEOC) made non-mandatory changes to the EEO poster.

Even though the changes were **not** mandatory, some poster companies still used creative advertising to get employers to buy all new posters. While the EEOC poster is mandatory, the **mid-year changes to the poster are not**. In fact, the "new"

poster was printed with the notation "Previous Edition Usable."

2. Employers must use the posters and notices printed by the specific agency that issued the notice.

This is not always true. The agency responsible for a particular poster requirement may be required by law to provide the language or approve any posters that employers draft. The agency also may be required to enforce the poster requirement, but is not required to provide the mandatory poster. The agency may provide sample language or a sample notice. Two examples are the California Secretary of State's "Time Off to Vote" notice and the "Payday Notice" provided by the Division of Labor Standards Enforcement (DLSE).

Employers may use their sample notices, one of their own design, or notices from another source, as long as the notice contains the required information.

3. Employers can be fined \$17,000 for not having the correct poster.

There are fines associated with failure to have the appropriate notices and posters in the workplace, and some do allow the enforcement agency discretion in the amount of the fine. One example is the potential fine of up to \$10,000 for violating the Employee Polygraph Protection Act.

It is unlikely, however, that an employer will be fined the maximum amount for a single poster violation. Maximum fines typically would be incurred if the employer continued to violate the law. The largest fine for failure to display one poster is a \$7,000 penalty-and the text of the Cal-OSHA poster contains the amount of the penalty.

4. You must post a notice about immigration discrimination.

There is no such poster. All new hires must complete an I-9 form when they are hired, and the I-9 form contains an anti-discrimination notice to inform employees and employers about the illegality of discrimination on the basis of national origin or citizenship status.

(continued on page 5)



LABOR ISSUES & Updates

(Poster Myths continued from page 4)

The posters from the Equal Employment Opportunity Commission and the Department of Fair Employment and Housing contain the required information about discrimination on the basis of national origin.

5. An Earned Income Credit/IRS Notice 797 must be posted in the workplace.

There is no such notice requirement. The Earned Income Credit does not apply to all employees. The IRS Notice 797 is "Possible Federal Tax Refund Due to the Earned Income Credit." You cannot meet the requirement by **posting** the information. If you have employees who are eligible for the Earned Income Credit, you must provide the information to them directly-by handing them the IRS Notice 797 or by sending it by first class mail.

Additional information about Earned Income Credit and the Notice 797 may be obtained from the IRS Web site: <http://www.irs.gov/individuals/article/0,,id=104984,00.html>

6. All the required posters and notices are available from the agency responsible for enforcing the poster/notice requirement.

Some notices and posters are not available from a governmental agency. The other notices usually are available from safety equipment suppliers.

7. You are required to post everything on the required notices/poster lists that you receive from companies selling posters.

Most employers are required to post far fewer posters than the list of posters and notices you may receive from a company selling posters. There are many posters unique to a specific industry or business that are not required in our industry. The majority of businesses do not have to post the specific business/industry posters.

Remember that the majority of changes to posters are published at the end of the year, to reflect new legislation or changes in the law. You will find the latest poster requirements as well as a complete list of Unique Posters and Notices on the California Chamber Web site at: <http://www.hrcalifornia.com/posters>.

Source: California Chamber of Commerce

California Employers' Workplace Obligations for Acts of Non-Employees

By: Denis S. Kenny, Scherer & Smith, LLP



If employers feel like the risks of doing business in California are steadily rising, that's because they're probably right. Whether it be the rising costs of workers compensation insurance, the attendant tax penalties and other

liabilities associated with misclassifying workers as independent contractors (the action of choice for many employers seeking to avoid workers' compensation, unemployment, and disability insurance obligations) or the more longstanding concerns of being hit with a six or seven figure harassment, discrimination or wrongful termination verdict, the liability risks to California employers are indeed, real and substantial.

For the past few years, California employers were led to believe by recent appellate court decisions that they did not have to worry about lawsuits by employees for harassing conduct committed against them by non-employees, such as customers, clients, or independent contractors. As of

January 1, 2004, this, too, will be an added concern for employers. Specifically, a bill recently passed by the Legislature, AB76, will amend California's Fair Employment and Housing Act ("FEHA") to clarify that the FEHA, indeed, is intended to impose liability on the part of an employer for harassment by any person. (This "clarification" is consistent with federal law where employers may already be held responsible for not protecting their employees from customer, client or contract worker harassment under Title VII of the Federal Civil Rights Act.)

AB76 was introduced, in part, as a response to recent California Court of Appeal decisions which concluded that FEHA does not impose liability on employers for the acts of non-employees. In the most publicized decision, *Salazar v. Diversified Paratransit, Inc.* (2002) 103 Cal.App.4th 131, the Court of Appeal reversed a lower court's findings in favor of a bus driver who was grotesquely attacked by one of her regular passengers after she had repeatedly complained to her employer about being subjected to that passenger's harassing conduct. *Salazar* is pending review by the

California Supreme Court but it and decisions following it, will effectively be made moot in light of the FEHA amendment.

LESSONS FOR EMPLOYERS

The lower courts' findings in *Salazar* illustrate the legal landscape California employers will face as of January 1, 2004. Employers, therefore, are advised to pay close attention to the types of clients, customers, and independent contractors with whom they do business. In the case of clients and customers, the old adage "the customer is always right" must be conditioned when it comes to inappropriate or unwanted behavior to which employees may be subjected by customers and clients. Employers are advised to educate their employees to voice complaints about any unwelcome or inappropriate conduct that adversely affects their working environment, regardless of the source. In this manner, employers will go a long way toward fulfilling their obligations of providing a zero-tolerance, harassment-free workplace.

Employers must also take the added step, when at all possible, of monitoring the activities of their clients and customers. In

LABOR ISSUES & Updates

(Workplace Obligations continued from page 5)

the case of an employer who provides services to the paying public, such as a movie theatre or a restaurant, sound judgment must be exercised before an employer allows a prospective customer onto its premises or, alternatively, an employer may be advised to demand that certain customers leave the premises, depending on the circumstances. To this end, these employers are strongly advised to establish and post in conspicuous places on their premises Rules of Conduct designed to give customers notice of the types of conduct and behavior that will not be tolerated and the actions that may be taken in the event such conduct and behavior occurs.

CONCLUSION

A potentially problematic ramification of FEHA's expansion into the realm of employer's liability for the conduct of non-employees, is the likely escalation of discrimination claims from such non-employees who may claim they were denied or refused service because of a protected status, such as race, sex, gender, sexual orientation, or the like. It remains to be seen how this dichotomy will play out in the courts. In the near term, however, employers must be careful to educate their employees about all of these concerns. A recommended step to take in this education process is to consult with an employment practices specialist, such as an attorney or human resources professional, to make sure your company's harassment policies are consistent with applicable legal requirements and that your employees, and, particularly, your managers and key decision-makers, are fully advised of their obligations to provide a harassment-free workplace.

Mr. Kenny, a former California Deputy Attorney General, is now a partner with the San Francisco law firm Scherer & Smith, LLP where he practices general civil litigation and labor and employment law. Should you wish any further information, Mr. Kenny can be reached via e-mail at DSK@SFCounsel.com.

TECHNICAL Corner

Winter Static Can Wreak Havoc on Your Film

By Ken Jacquart, Cinema Product Manager; Motion Picture Division, Dolby Laboratories Inc.



Winter static is a unique projection booth issue which can wreak havoc on your film.

Have you taken your hat off on a cold winter's day and had your hair stand up? We've all had that shocking experience with static after walking across a carpeted floor and touching that door handle.

Why do these things happen? All things are made up of charges. Opposite charges attract each other (negative to positive). Like charges repel each other (positive to positive or negative to negative). Most of the time positive and negative charges are balanced in an object, which makes that object neutral. The rubbing of certain materials against one another can transfer negative charges, or electrons. For example, if you rub your shoe on the carpet, your body collects extra electrons. The electrons cling to your body until they can be released. As you reach and touch the door handle, or an unsuspecting friend, you transfer those excess electrons and create a shock. As you remove your hat, electrons are transferred from the hat to your hair, creating that interesting hairdo! Now your hair has the excess electrons and because they have the same charge, your hair will stand on end. Your hairs are simply trying to get as far away from each other as possible!

What does this all have to do with film? Well, what tends to happen in a very dry projection booth is a large build up of excess electrons on the surface of your film prints. Static electricity building up on film will attract dust, will cause platter "brain-wraps" due to the film sticking together, and in extreme situations can even cause static in your audio (I've seen tiny sparks shooting from the film to the solar cell in the soundhead).

Static is usually a winter problem because when a room is heated up, the humidity will decrease. A very dry room is conducive to static build up on film. Great! If we know that static problems are a side effect of low humidity, why not increase the humidity and be done with it? This resolution is not usually attainable in a simple manner. Placing humidifiers around a projection booth may not be very affective if the overall HVAC system is moving air in and out of the room in large volumes. A good quality accurate humidity indicator should be mounted in the room and monitored. The ideal humidity level is 50%. If you are successfully using humidifiers, be sure not to over humidify your room because you may end up with a bigger problem called rust!

If humidifiers are not an option, there are other options to reduce static. You may choose to place a wet sponge in a container underneath a sheet of plastic covering your film overnight. The film will absorb some moisture and reduce static. Obvious cautions are advised when using water around film. Others use anti-static sprays or even laundry static-ling products to treat the edge of the film and rollers. A popular product called "FilmGuard", a cleaner / lubricant seems to be widely used and accepted in the industry and is effective in neutralizing static. There are even elaborate methods such as air ionizers which blow ionized air across the film. Ionized air is conductive and tends to "short out" the static.

Whatever your choice, be on the lookout for sticking film this winter during these dry months and take appropriate action.

Do you have a question about the operations of your booth? Feel free to submit questions or suggestions for upcoming Tech Tips to techtips@dolby.com. We look forward to hearing from you.

STATISTICS

Year-To-Date Box-Office

YEAR-TO-DATE 341 days starting Wednesday January 1, through Sunday, December 7, 2003.
Average Ticket price for 2003 is estimated.

Year	Avg. Ticket Price	Ticket Price Change	Total Gross	% Change vs. Previous Yr.	Attendance	% Change vs. Previous Yr.
2003	\$6.03	3.97%	\$8,506,738,047	-0.71%	1,410,735,995	-4.50%
2002	\$5.80	2.65%	\$8,567,830,780	12.94%	1,477,212,203	10.01%
2001	\$5.65	-	\$7,586,485,812	-	1,342,740,852	-

Source: Exhibitor Relations Co.

Films To Video: Projected Release Schedule

<i>American Wedding</i>	1/2/04	<i>American Splendor</i>	2/3/04
<i>Out of Time</i>	1/6/04	<i>The Fighting Temptations</i>	2/3/04
<i>Freddy vs. Jason</i>	1/13/04	<i>Lost in Translation</i>	2/3/04
<i>Johnny English</i>	1/13/04	<i>My Boss's Daughter</i>	2/3/04
<i>Marci X</i>	1/20/04	<i>Secondhand Lions</i>	2/3/04
<i>Once Upon a Time in Mexico</i>	1/20/04	<i>City of God</i>	2/17/04
<i>Open Range</i>	1/20/04		
<i>House of the Dead</i>	1/27/04	For additional listings refer to:	
<i>Le Divorce</i>	1/27/04	www.hive4media.com	
<i>Radio</i>	1/27/04		

Source: Video Store Magazine

Top 15 February Openers of All Time

RANK	TITLE	DISTRIBUTOR	3-DAY OPENING	SITES	DOMESTIC GROSS	DATE OPENED
1	HANNIBAL	MGM	\$58,003,121	3230	\$107,376,007	Fri, 2/9/01
2	DAREDEVIL	FOX	\$40,310,419	3471	\$102,543,518	Fri, 2/14/03
3	SCREAM 3	MIRAMAX/ DIMENSION	\$34,713,342	3467	\$89,143,175	Fri, 2/4/00
4	HOW TO LOSE A GUY IN 10 DAYS	PARAMOUNT	\$23,774,850	2923	\$105,807,520	Fri, 2/7/03
5	EMPIRE STRIKES BACK: SPECIAL EDITION	FOX	\$21,975,993	2111	\$67,594,302	Fri, 2/21/97
6	PAYBACK	PARAMOUNT	\$21,221,526	2720	\$81,526,121	Fri, 2/5/99
7	JOHN Q	NEW LINE	\$20,275,194	2466	\$71,062,935	Fri, 2/15/02
8	SHANGHAI KNIGHTS	BUENA VISTA	\$19,603,630	2753	\$60,470,220	Fri, 2/14/03
9	THE WEDDING SINGER	NEW LINE	\$18,812,156	2821	\$80,245,725	Fri, 2/13/98
10	DANTE'S PEAK	UNIVERSAL	\$18,479,435	2657	\$67,127,760	Fri, 2/7/97
11	OLD SCHOOL	DREAMWORKS	\$17,453,216	2689	\$74,608,545	Fri, 2/21/03
12	DOWN TO EARTH	PARAMOUNT	\$17,268,883	2521	\$64,186,502	Fri, 2/16/01
13	MESSAGE IN A BOTTLE	WARNER BROS.	\$16,751,560	2538	\$52,799,004	Fri, 2/12/99
14	CRADLE 2 THE GRAVE	WARNER BROS.	\$16,521,486	2625	\$34,604,054	Fri, 2/28/03
15	WAYNE'S WORLD	PARAMOUNT	\$15,658,897	1768	\$121,697,323	Fri, 2/14/92



STATISTICS

Year 2003 Box-Office Milestones and Timeline

- 1/17 2003 sees the third best Martin Luther King weekend with \$150.7 million for 4-days.
- 2/7 Paramount's "How to Lose a Guy in 10 Days" opens with \$23.8 million, the third best February opening ever.
- 2/14 Highest grossing President's Day weekend in history is realized with \$165 million generated for the 4-days. Fox's "Daredevil" posts the best President's Weekend opening ever (\$40.3 million for the 3-days) and the second best Feb. opening of all-time (behind "Hannibal.")
- 2/21 Fox's "Daredevil" holds at number one for two weekends.
- 3/7 BV's "Bringing Down the House" posts fourth best March opening ever with \$31.1 million.
- 3/21 BV's "Bringing Down the House" holds number one for three consecutive weekends. Through the end of March, six of the top 10 2003 releases are comedies.
- 4/11 Sony's "Anger Management" becomes the highest grossing April opener of all-time with \$42.2 million and at this point the best opening gross of 2003. The film holds the number one position for two weeks in a row.
- 5/2 Fox's "X2: X-Men United" posts the fourth highest opening weekend of all-time.
- 5/16 Warner's "The Matrix Reloaded" becomes the sixth film of 2003 to cross \$100 million as it becomes the second biggest opener of all-time and the best R-rated opener of all-time.
- 5/23 Best Memorial Day Weekend on record with \$201.9 million for the 4-days as Universal's "Bruce Almighty" becomes the second best Memorial Weekend opener in history with a 4-day total of \$85.7 million. "The Matrix Reloaded" crosses the \$200 million mark in just eleven days (a record for an R-rated film.)
- 5/30 Disney/Pixar's "Finding Nemo" posts the biggest animated opening weekend of all-time with \$70.2 million. This was also the best opening weekend for Buena Vista.
- 6/6 Universal's "2 Fast 2 Furious" becomes the fourth biggest June opener of all-time. BV's "Finding Nemo" crosses \$100 million in just 8 days and becomes the eighth film of the year to do so.
- 6/13 "Finding Nemo" jumps back into the number one spot in its third weekend of release as it nears \$200 million.
- 6/20 Universal's "The Hulk" posts the best June opening ever with \$62.1 million.
- 6/27 "The Hulk" crosses \$100 million in just ten days of release.
- 7/4 Warner's "Terminator 3: Rise of the Machines" marks the biggest opening weekend for its star, Arnold Schwarzenegger. Post Fourth-of-July sees year-to-date revenues down 4.59% vs. 2002 and Summer revenues down 3.42%.
- 7/25 Weekend of July 25, 2003 is the first time five films earned over \$20 million in the same three-day weekend.
- 8/8 Sony's "S.W.A.T." posts the fifth best August opening of all-time with \$37.062 million and marks the fourth number one opening of the year for a film starring Colin Farrell.
- 8/15 Horror films start a mini-revival of the August box-office with the number one \$36.4 million opening of New Line's " Freddy vs. Jason."

(continued on page 9)

STATISTICS



Year 2003 Box-Office Milestones and Timeline

(continued from page 8)

- 8/29** "Jeepers Creepers 2" continues the horror onslaught with its number one 3-day opening of \$15.3 million over Labor Day Weekend.
- 9/5** Post-Labor Day Weekend generates the lowest overall weekend of the year at this point (109 films with a total of \$66.7 million).
- 9/12** Sony's "Once Upon a Time in Mexico" posts the third best September opening ever with \$23.4 million.
- 9/19** Sony boasts its eighth number one opening of the year with yet another horror film "Underworld" which opens with \$21.8 million.
- 9/26** "The Rundown" gives Universal its fifth number one debut of 2003.
- 10/3** Paramount's "School of Rock" opens at number one with \$19.6 million and the fifth best October opening ever.
- 10/10** Miramax's "Kill Bill Vol. 1" replaces "School of Rock" as the fifth best October opening of all-time with its \$22.1 million debut.
Warners' "Mystic River" opens in just 13 theatres and generates a whopping \$49,293 per-theatre.
- 10/17** Horror and intensity prevail with the opening of New Line's "Texas Chainsaw Massacre" as it opens at number one with \$28.1 million, the third best October opening in history.
- 10/24** Dimension Film's "Scary Movie 3" is re-tooled as a PG-13 comedy and comes out a winner, boasting the best-of-franchise opening of \$48.1 million and taking top honors for October openers.
As Disney's "Pirates of the Caribbean" crosses \$300 million in domestic Box-Office, the studio has two films released in the same year to cross that box-office milestone (joining their "Finding Nemo"). This is an Industry first.
Disney's "Brother Bear" opens in New York and Los Angeles in two theatres generating an impressive \$145,000 per theatre.
- 11/7** Warners' "The Matrix Revolutions" generates over \$200 million worldwide in its first five days.
- 11/14** New Line's "Elf" takes the top spot in its second weekend of release and begins its steamroller-like ride through the holidays.
"Matrix Revolutions" and "Scary Movie 3" become the 22nd and 23rd films released in 2003 to cross \$100 million.
- 11/21** Warners' "Gothika" adds yet another strong horror opening to the mix with an impressive second place finish (behind "Cat in the Hat") of \$19.3 million.
- 11/26** Third best Thanksgiving frame ever with \$221.5 million for the five days. Year 2000's record still holds with \$244.4 million.
"Elf" crosses \$100 million over the Thanksgiving frame making it the 24th release of the year to cross the mark and tie year 2002's record number.
- 11/30** Year-to-date box-office holding at a 0.95% deficit vs. 2002 while attendance is down 4.72%.

Source: Exhibitor Relations Co., Inc.

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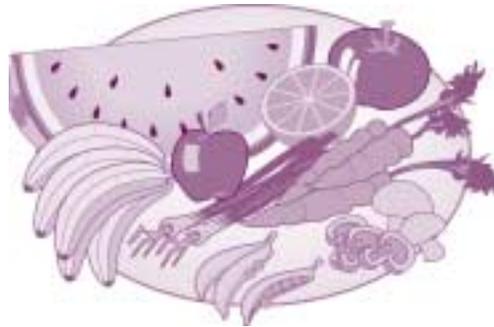
National Association
of Theatre Owners

of California/Nevada

116 No. Robertson Blvd., Suite 708
Los Angeles, CA 90048

ADDRESS CORRECTION REQUESTED

Health Tip



For Strong Bones

Dairy products are most commonly associated with strong bones. But fruits and vegetables are also important, since some of their nutrients - notably potassium, magnesium, beta carotene, vitamin C, and fiber - help keep bones healthy.

Source: UC Berkeley Wellness Calendar

