

PREVIEWS

Information for the California and Nevada Motion Picture Theatre Industry • June/July 2004

Calendar of Events and Holidays

July 4
Independence Day

Sept. 6
Labor Day

Sept. 16
Rosh Hashanah

Sept. 22
First Day of Autumn

Sept. 25
Yom Kippur

Oct. 25 – 28
ShowEast

Oct. 31
Halloween

National Association Of Theatre Owners Of California/Nevada: Year In Review

Respectfully submitted by Milt Moritz, President and CEO, at the Associations Annual Membership Meeting

These past twelve months have marked another successful year for the Association. Even with the ongoing industry consolidation our membership continues to grow. We have a total of 64 member companies representing 3,532 screens, a little over 85% of the total operating screens in California and Nevada. Our membership also includes 20 associate members.

The Association retains the firm of Thomas Advocacy as our lobbyist in Sacramento where we continuously monitor the various bills that may have an effect on motion picture theatres and auxiliary businesses. This year we were successful in our efforts to defeat the governor's proposed admission tax in Nevada. We retain Code Consultants, Inc. to review proposed new and revised building codes both on the local and national level.

We continue to monitor ADA issues. The Association in conjunction with national NATO filed an amicus brief in support of the Regal case to

be heard before the U.S. Supreme Court regarding lines of sight. Unfortunately the Solicitor General's office filed a motion in opposition to our position. We await further notice as to whether the U.S. Supreme Court will agree to hear the case.

The Association organized five seminars this past year. One of the seminars provided an in depth review of the recently passed Senate Bill 1032 dealing with unauthorized recordings in theatres. A special White Paper commissioned by the Association was prepared on the subject by the national law firm of Kirkpatrick and Lockhart. Attendance at our twice a year product seminars continues to grow, with an audience of more than 600 persons at our last one.

A survey was commissioned by the Association to ascertain audience reaction to rolling stock screen advertising. The survey was conducted this past March by Nielsen NRG. (See survey summary on page 3.)



Milt Moritz, NATO of CA/NV; Bruce Sanborn, *The Movie Experience*; Tim McCarthy, winner of a UCLA Fellowship and director of *The Rick*, which was screened at the Cannes Film Festival and the NATO of CA/NV membership meeting; Phil Harris, *Signature Theatres*; and James Yuan, UCLA student cinematographer for *The Rick*.



Lobbyist Terri Thomas of Thomas Advocacy Inc. with Bill Hertz of Mann Theatres.



Milt Moritz, center with Frank Rimkus (new board member) and Chuck Goodman of Galaxy Theatres.



Mike Becquet, ArcLight Cinemas café manager, with Nora Dashwood and Kelly Ritchie-Davoren of Pacific Theatres.

Based upon the past year results of the Associations financial portfolio, the Board of Directors unanimously voted to expand our scholarship programs. Effective with this year's field level employee scholarship program, the board approved to increase the number of scholarships from 10 to 15 and the dollar amount from \$5,000 to \$7,500. The Board also approved a separate program for dependents of field management staff and for California and Nevada based corporate office employees. The awarding of ten dependent scholarships in the amount of \$7,500

(Continued on page 5)

Routing Slip

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

Scholarship Winners Announced

PrevIEWS is published by the
**National Association of
Theatre Owners of
California/Nevada**

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Len Westenberg
Loews Cineplex

Charlene Sievers
Manager, Member Services

Fifteen 2004 scholars have joined the ranks of winners in the National Association of Theatre Owners of California/Nevada Scholarship Program. These talented students, who represent eleven member circuits, will each receive \$7,500.00 for their post secondary or vocational education.

The applications, submitted by field level employees representing 65 theatres from 24 member circuits, were evaluated by the scholarship committee judges who spent many hours reading and scoring the essays, letters of recommendation, personal statements and transcripts. The Association extends its heartfelt appreciation to this dedicated group: Sergio Contreras, Premiere Cinemas; Clyde Cornell, Signature Theatres; David Corwin, Metropolitan Theatres; Will Fox, Landmark Theatres; Nancy Klasky, Century Theatres; Van Maroevich, MOC Insurance; Jay Reisbaum, Laemmle Theatres; Gary Richardson, The Movie Experience; Chairperson Jay Swerdlow, Pacific Theatres; Len Westenberg, Loews Cineplex; Marc Wolfe, Cinemark USA and Bruce Wren, Regal Cinemas.

NATO of CA/NV has introduced the Dependents Scholarship Program for 2005. Up to ten \$7,500.00 awards will be presented to dependents of field management staff and California and Nevada based corporate office employees. Between the two programs for members and the fellowships being provided to outstanding students at the UCLA and USC film schools NATO of CA/NV will award \$237,500 in scholarship awards in 2005.



Scholarship Committee
Front row: Jay Swerdlow, Will Fox, Charlene Sievers, Sergio Contreras, Clyde Cornell and Jay Reisbaum.
Back Row: Van Maroevich, Marc Wolfe, David Corwin, Gary Richardson, Len Westenberg and Bruce Wren.
Missing from photo: Nancy Klasky

Congratulations to Our Winners!

Name	Theatre and Location	Will be Attending
Kelly Christiansen	Regal Boulder Station 11 Theatre, Las Vegas, NV	Brigham Young University
Shannon Correia	Regal's Edwards Mira Mesa Stadium 18 Theatre, San Diego, CA	UC San Diego
Zoltan Csizmadia	Laemmle's Town Center 5 Theatre, Encino, CA	CSUN
Erin DeVoll	Feather River Cinemas, Oroville, CA	Butte Community College
Karyn Noel Gee	Regal's Natomas Marketplace 16	Sacramento City College
Joshua Grace	Fallon Theatres, Fallon, NV	University of Oregon
Emily Guerra	Cinemark 14 Tinseltown, Chico, CA	UC Santa Barbara
Sarah Hagey	Landmark's Opera Plaza Cinema, San Francisco, CA	The San Francisco Art Institute
Wallis Hendon	Signature's Santa Cruz Cinema Nine, Santa Cruz, CA	UC Santa Cruz
Salina Hernandez	Pacific's Lakewood Center 16, Lakewood, CA	Cal State Fullerton
Erin Iverson	REG Edwards Temecula Stadium 15, Temecula, CA	UC Riverside
Alma Martinez	Galaxy 12 Theatres, Riverbank, CA	Dominican University of California
Devin O'Neill	Krikorian in Monrovia, CA	University of San Diego
Sara Jane Rocha	Premiere Cinemas, Hollister, CA	UCLA
Brock Wells	Signature 8 Theatres, Placerville, CA	UC Davis

Habits Of Movie Audiences Surveyed

This past March, on the weekend of the 12th – 14th, NATO of California/Nevada commissioned Nielsen NRG to conduct a survey dealing with the habits of the movie going public with a special emphasis on their reaction to rolling stock screen advertising. The study was conducted in five areas, the Bay Area in Northern California, Sacramento, Fresno, Orange County and Las Vegas. Audiences were intercepted as they were exiting an auditorium at the conclusion of a film. Two theatres per city were chosen, one theatre where screen advertising was shown and another theatre whose policy is not to show rolling stock advertisements. A cross section of films was being shown including: *The Passion of the Christ*, *Secret Window*, *Starsky and Hutch*, *Hidalgo* and *Agent Cody Banks 2*. The combined box-office for the weekend was a little over \$117 million. The average attendance was 3.9 times in the past three

months. 49% of the people said they see a film very often or often during the 1st week to 10 days after the opening. 74% of those questioned rated their experience at the theatre either “excellent” (39%) or “very good” (35%).

Questions regarding commercials showed that 53% of those attending felt the commercials were appropriate and 63% felt the commercials did not have any affect on their movie going experience. Only a fifth (22%) indicated the commercials had a negative affect. Before attending the theatres, most (65% overall) assumed the theatre would show commercials and 84% of those persons did not chose the theatre based on their policy regarding commercials. The overwhelming majority (81%) also indicated that they would not avoid a theatre that shows commercials and when asked “If this theatre were running commercials would you still attend?” 89% overall said they would.

Audiences have a tendency of arriving early; 35% said they arrived 20-30 minutes prior to show time, 22% 10-20 minutes and 17% up to 10 minutes prior to show time. An overwhelming 97% noted that they would plan to see another movie at the same theatre they attended. The newspaper, down from past years, is still the main source for theatre information; overall 42% went to the paper with internet the second most used information source at 18%. Calling the theatre and Moviefone/Fandango are the next most used source with 8% each. The majority of those surveyed (92%) purchase their tickets at the box-office and 4% on-line and other websites.

Copies of the survey are available to member companies. Please contact the NATO of CA/NV office at 310/652-1093 or office@NATOCalNev.org.

Scholarship Winners Announced (cont.)

Mary Beth Erickson, Fallon Theatres

Thanks for the good news about Josh. He is truly one of the most talented young people we have worked with over the past 26 years. His dream since he was very small has been to become an architect and we may very well see him designing theatres in a few years. His father was the projectionist when we purchased the theatre in 1978 and has been associated with us in a part time managerial capacity over the past 26 years and his mother also worked for us in high school.

It looks like we may have four applications next year. We have another terrific group working with us now.

(Editors note: Fallon Theatres, a two screen theatre located in Northern Nevada, is a great supporter of our scholarship program. Last year we received nine applications from their employees with 2 winners and this year one which was a winner.)

Dear NATO of CA/NV:

As I am now halfway through my third quarter at UCLA, I wanted to write and thank you again for the scholarship you awarded me. Every day as I walk across campus, learn new things and am exposed to new opportunities, I am reminded of how fortunate I am to be able to continue my education here. I am so grateful for the support your scholarship provides, without which I surely would not be here. Thanks again!

Sincerely,

Erin Johnson

Sierra Cinemas

2003 Scholarship recipient

Showmanship Is Alive and Well in Hollywood

By John Sittig

When Pacific's Cinerama Dome Theatre opened in Hollywood, California on November 7, 1963, it was hailed as "the only theatre of its kind in the world." 41 years later, as the cornerstone of ArcLight Cinemas Hollywood, it remains the only concrete geodesic dome in the world, one of three theatres equipped to play 3 strip Cinerama, the first theatre to install the Academy Award® winning JBL 4 way Screen Array speaker system, and one of the widest screens in the country at 86 feet.

The Cinerama Dome's unusual shape has made it a Hollywood landmark and lent itself to some unconventional and unbelievable promotional opportunities. The most recent example of this is DreamWorks ogre-sizing the theatre with 2400 yards of vinyl green nylon and two giant 30 foot inflatable ears for the engagement of "Shrek 2". This Sunset Boulevard traffic stopper was designed by Creative Inflatables utilizing 22 people to design and construct and 15 people to install.

Other unique Dome promotions included two actual World War II Sherman tanks flanking the theatre entrance for the 1965 World Premiere of "Battle of The Bulge," and knights in armor with 'the sword in the stone' for the premiere of "Camelot" in 1967. Inflatables were erected on top of the marquee numerous times including a 30 foot John Belushi for Steven Spielberg's "1941," a pink panther for the 1978 release of "Revenge of the Pink Panther" and Mickey Mouse as the Sorcerers Apprentice for the 50th anniversary release of Disney's "Fantasia."

"Roger Rabbit" stood on the marquee for 19 weeks in 1988. "Small Soldiers" were really not that small while standing in the parking lot next to the theatre in 1998.

Because of the shape of the Dome, Warner Brothers, with the creative help of Larger Than Life Inflatables, created the worlds largest snowman for the release of "Jack Frost." It should be noted that "Jack Frost" did not actually play at the Cinerama Dome but at Grauman's Chinese Theatre which unfortunately looks nothing like a snowman.

When McDonalds launched a world wide roll out of their newest sandwich, The Arch DeLuxe, they transformed the Cinerama Dome into the world's largest hamburger with 2 foot wide sesame seeds on the bun and plenty of lettuce and mustard.

Probably the most spectacular promotion occurred in April 1974 for the world premiere engagement of "MAME." Longtime Warner Brothers promotion head Marty Weiser conceived a fantastic floral bonnet complete with petals as large as 10 feet, a beautiful patterned ribbon that surrounded the entire theatre and topped off with a 40 foot wide bow.

Plan a stop at ArcLight Hollywood and the Cinerama Dome when you next visit the Hollywood area. Who knows, you may run into super-sized Spiderman and Doc Ock!

John Sittig, a 25 year veteran at Pacific Theatres, is the circuit's Director of Sight and Sound. He is a historian of Cinerama and is currently researching the history of the Cinerama Dome, which information will be used in a book based upon this Hollywood landmark theatre.



Shrek 2 - 2004



MAME - 1974



Jack Frost - 2000



Small Soldiers - 1998



Who Framed Roger Rabbit - 1988



Fantasia - 1990
50th Anniversary release

NATO of CA/NV: Year in Review

(cont. from page 1)

each will become effective summer 2005. In addition, \$50,000 in scholarships will be split between the film schools at UCLA and University of Southern California. For the fiscal year 2005 NATO of California/Nevada established a budget totaling \$237,500 in annual scholarship assistance.

The Board also voted to award outstanding showmanship promotions with a total of ten \$2,500 prizes to member theatres for the most outstanding and effective campaigns based upon creativity and origi-



Skip Stefansen and David Corwin of Metropolitan Theatres with Alan Grossberg of UltraStar Cinemas.

inality. The presentations will be made at our 2005 Spring/Summer film product seminar.

The Association, in tribute to Jerry and Carol Forman for their many years of service to the Association, underwrote the cost of a Wonder of Reading library dedicated to the Formans at the Justice Street Elementary School in West Hills, California.

It has been a most rewarding year and as an Association we were happy to be able to give back to our communities and reward the employees of our member companies.



Dean Tanaka and Steve Elkins of MOC Insurance with Scott Lotter of Tegtmeier Associates Inc.

TECHNICAL Corner

Does your projection room have what it needs?

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

I would like to reflect upon an experience of mine several months ago where I had the opportunity to visit a particular theatre in South Korea. This theatre is the Megabox Cineplex located in Seoul and owned by a partnership between Loews Cineplex Entertainment and Mediaplex, Inc. It is South Korea's largest theatre and is one of the highest attended theatres in the world.

Upon touring the projection room, I was immediately struck by the cleanliness, order, and spare parts on hand. There seemed to be contingencies for everything. Having been in so many projection rooms and having heard the sounds of so many different running projectors, I was treated with the sounds of smooth and purring finely tuned projectors. Not a clickity clack or rough misfire was heard, just a low pleasing whirr of gears and belts.

"How can this be?" I asked myself. It became evident that the folks there had pride in what they do. There was genuine concern and demand for a perfectly run operation. Any failure was out of the question. There must be accommodations for every conceived failure. In fact, so much so, that there were spare parts for everything. And I mean everything. I saw multiple spares for what seemed like each and every part for the projectors, lamphouses,

platters, and sound systems. Even spare cinema sound processors!

I thought about the expense of carrying all these parts, many of which may never be used. Then I thought, how would one know what one may or may not need? We can certainly make calculated guesses as to what may be likely to fail based on past experience and statistics, but ultimately we do not know. What is the cost of lost shows? Some costs are immediately apparent, but others are not. The costs of refunded tickets are obvious, but the costs of frustrated customers are unclear. How quickly can a theatre get back on screen? That depends upon parts availability and personnel competence in the repair. How close is your nearest technician? Do they have the parts? The up-front costs may seem a bit high, but I do believe that the resultant benefit does outweigh. Ultimately, this is a policy that is chosen dependant upon each exhibitor's philosophies.

The Megabox Cineplex ought to serve as an example to us all.

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.

Exhibitor Relations Contact Information

Buena Vista

Christina Nedelec
Christina.nedelec@disney.com
Navery Markarian
navery.markarian@disney.com
One sheets & trailers can be ordered from Technicolor

DreamWorks

Eric Tabak
etabak@dreamworks.com or
818/695-7758 for materials
All One-sheets and trailers can be ordered from Technicolor

Focus Features

Eric Carr, 818-777-8840
eric.carr@focusfeatures.com

Fox/Fox Searchlight

Fox Fulfillment
Materials Hotline 800-FOX-0010
Materials Fax line 818-785-3077
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Fox Rewards Enrollment &
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MGM

Tony Cheng – Tcheng@mgm.com
Brett Fellman – Bfellman@mgm.com
One-sheets and trailers can be ordered from Technicolor.

New Line/Fine Line

kristina.warner@newline.com
zach.beebee@newline.com
aubrey.shafner@newline.com

Paramount

Bill Saugez or Chris Chouinard
PARAMOUNTPROGRESS.COM

Sony Pictures

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

Universal

<http://www.exhibitorrelations.com>

Warner Bros

Bill Smith
Bill.smith@warnerbros.com

SRO for 2004 Spring/Sum

Over 600 people attended the recent Spring/Summer Film Product Seminars held at Signature's Jack London Cinemas and Loews Cineplex Universal Studios Cinemas in April.

Our heartfelt appreciation goes to Terry Britt in Oakland and Jeff Zarrillo and Nicole Kollar in Universal City and their staffs. In both locations the employees pitched in with enthusiasm and efficiency from the stuffing of the Goodie Bags the day before, through the set-up and meal breaks on to the end of the seminar when the bags were distributed. Their professionalism ensured the success of the seminars, for all this we offer our appreciation.

Southern California



Eric Carr of Focus Features meets with Rachel Lueras of Regal's Boulder Station 11 in Las Vegas.



Veronica Garcia and Priscilla Ramirez of Galaxy Theatres meet Eric Tabak of DreamWorks.



Special thanks go to our hard-working hosts Jeff Zarrillo, manager; Nicole Kollar, director of group sales and Janessa Herde.



Marvin Martinez, M & M Cinemas; Ariel Soto and Edgar Santos of Metropolitan Theatres and David Northrop of M & M Cinemas.



Alma Sandoval and Emma Barron of Loews Cineplex.



Ashley Szabo, Cameron Garcia, Nida Kowathana and Jay Swerdlow of Pacific Theatres.



Universal Pictures' Steve Ellman, Scott Carson, Cynthia Orellana and John Hall.



Tikva Walker and Graham Warren of Regal Entertainment Group.



Tammi Caprio, Jami Stauffer, Matt Kerekes and Mike Goodwin of UltraStar Cinemas.



John Luis of Landmark Theatres received the door prize, a WB backpack full of promotional items from Bill Smith of Warner Bros.



Milt Moritz, NATO of CA/NV; Bill Saugez, Paramount Pictures; Mark Mazrimas, Classic Cinemas and Chris Chouinard, Paramount Pictures.



Frank Haffar, Maya Cinemas; Milt Moritz, NATO of CA/NV and Jerry van de Rydt of Rydt Entertainment Systems.



Eric Ward, Janet Krone, Mary Nicholson, Michael Tisdale and Lucio Quinones of Krikorian Theatres.



Milt Moritz offered sincere thanks to our hosts, Loews Universal City Cinemas managers, Jeff Zarrillo and Nicole Kollar.



Eric Lee, Peter Lehmann and Janet Krone of Krikorian Premiere Theatres.



Martin Reyes, Dan Cahill, Nicole Montemuro and Kim Zolna of CinemaStar Theatres.



Raquel Borrego, Braddy Reis, Loly Crespo and Dan Hokanson of Signature Theatres.



Bill Smith of Warner Bros. and Mark Bastian of National Amusements.



Mark Behrang, Sharon Miller, John LaCaze, Veronica Moreno, Nubia Morales, Peter Dobson, Matt Eyre and Bill Hertz of Mann Theatres.

Summer Film Product Seminars

On behalf of our members we want to thank the studios for their support and participation. The attendees enjoyed meeting the representatives from Buena Vista Pictures, DreamWorks, Focus Features, 20th Century Fox/Fox Searchlight, Lions Gate Entertainment, MGM, New Line/Fine Line, Paramount, Sony Pictures/Columbia Releasing, Universal Films and Warner Bros.

Follow *Previews* for the dates of the Fall/Winter Film Product Seminars.

Northern California



Carol Combs and Bob Gran, Jr. of Gran Theatres.



Chrissy Masterson, Charles Goodman and Jenny Bates of Galaxy Theatres.



Joshua Caudle of Campbell Plaza Theatres and Chris Rasmussen of Signature Theatres.



Craig Tankersley of Premiere Cinemas was the lucky winner of a Warner Bros. backpack filled with movie memorabilia.



Host manager, Terry Britt visits with Bill Sauguez of Paramount Pictures.



Danny Reber, Ralph Tislaretz, Dan Misko and Phil Sherwood of Culver Theatres.



Nathaniel Rubino and Ky Boyd of Rialto Cinemas Lakeside with Eric Carr of Focus Features.



Kristina Warner of New Line and Scott Carson of Universal Pictures with Milt Moritz.



Tony Cheng, MGM; Scott Carson, Universal Pictures with Melody Graves, Jeanette Lenz and Chris McDonald of Brenden Theatres.



Scott Lotter, Justin Hamaker, Ashley Haubner and Ross Jones of Tegtmeyer Associates.



Coming Attractions Theatres was represented by Amy Chandler, Roger Floyd, Nathan Davies, Lee Fuchsman and Michael Menaghan.



Heather McAllaster and Nicole Dementrak of Pacific Theatres.



Daniel Molina and Joey Nardone of Loews Metreon Theatre.



Jill Polvado, Signature Theatres; Phoua Miyoshi, Regal; Lynette Clark, Signature; and Henry Miyoshi, Abe Espinosa, Tim Funaoka and Brian Lummis of Regal Entertainment Group.



Eric Carr, Focus Features; Demetri Panos & Mike Polydoros, Artisan Entertainment; Eric Tabak, DreamWorks; Kristina Warner, New Line and Scott Carson, Universal Pictures.



Kimiko Bell, Jill Polvado and Lisa Knight from the Regal Entertainment Group.



Greg Beltran and Ernie Bergthold representing new member, Lodi Cinemas, LLC.



Yia Yang, Sally Xiong and Melinda Vinocor of the Regal Entertainment Group.



Peter Chumo of Landmark Theatres visits with Greg Espinosa and Audrey Marr of Renaissance Rialto Theatres.



Milt Moritz and Charlene Sievers of NATO of CA/NV presented a Certificate of Appreciation to Terry Britt, manager of our host theatre, Signature's Jack London Cinemas.



LABOR ISSUES & Updates

Rest/Meal Period Requirements for Non-Exempt Employees

Rest and meal period requirements are set out in the Industrial Welfare Commission (IWC) orders and are applicable to all non-exempt employees.

Rest periods shall be authorized and provided at the rate of 10 minutes net per four hours or major fraction thereof. No rest period is required if the total daily work time is less than 3.5 hours.

Exemption Request

There is no exception from the rest period requirements, but an exemption request can be filed with the State Labor Commissioner's Office. No exemption can be granted without an investigation which establishes that the exemption will not materially affect the health and comfort of the affected employees.

An employer's obligation does not extend to self-policing to ensure rest periods are being taken by employees. The IWC orders provide only that employers shall authorize and permit all employees to take rest periods.

If an employee, after having been authorized and permitted to take the rest period, chooses not to take it, the employer has not violated the wage order.

Meal Periods

There is no exemption from the meal period provisions, but there is an exception when the nature of the work prevents an off-duty meal period of 30 minutes or more, or when a work period of not more than six hours will complete the day's work.

An employee working alone meets the requirements of an on-duty, paid meal period if the employee and employer enter into a signed, written agreement authorizing an on-duty meal period.

If another employee is employed at the site, both would be required to be provided with an off-duty meal period.

Meal periods must be provided within the first five hours of work, no sooner than three hours and no later than five hours after the start of the workday. Off-duty meal periods must be recorded and show the actual clock hours taken off.

An employer that fails to provide the rest or meal period requirements must pay the employee an additional one hour of pay for each day in which the employee was not provided with the meal or rest period as provided in the IWC order.

Source: Alert

Employer May Be Required to Issue Additional Pay to Split-Shift Worker

What labor laws apply when an employee returns to work several hours after getting off earlier in the same day?

The employee has worked a "split shift" as defined in the Industrial Welfare Commission (IWC) orders. A split shift means a work schedule that is interrupted by a non-paid, non-working period established by the employer, other than bona fide rest or meal periods.

The reporting time pay section of the IWC orders states that an employee who is required to report for work a second time in any one workday, and is furnished less than two hours of work on the second reporting, shall be paid for two hours at the employee's regular rate of pay. This does not apply to an employee on paid standby status.

An employee who worked eight hours and returned to work in the same day for one hour would be required to be paid for eight regular hours and one hour at 1.5 times the regular rate, plus one hour regular pay to comply with the two-hour minimum for the second reporting.

Minimum Wage

The minimum wage section of the IWC orders requires that when an employee works a split shift, **one hour's pay at the**

minimum wage shall be paid in addition to the minimum wage for that workday, except when the employee resides at the place of employment.

An employee who worked from 8 a.m. to noon, returned at 6 p.m. and worked until 10 p.m. would require payment for that day of no less than \$60.75. Eight hours multiplied by \$6.75 equals \$54, plus \$6.75 (the split shift premium) for a total of \$60.75.

The payment of the daily overtime premium rate (one-half of the regular rate) would not be applicable to the required minimum wage for a split shift day.

Exceptions

You may use any hourly amount the employee earns above minimum wage to offset the split shift requirements. A regular hourly wage rate of \$7.60 or more would not require any additional payment for a split shift, as \$7.60 times the eight hours worked equals the \$60.75 required.

Source: Alert

UCLA Fellowship Recipients Announced at Awards Breakfast



Timothy Rummel, who won fellowship for narrative production/directing, with Milt Moritz.

Milt Moritz, president and CEO, of NATO of CA/NV was on hand at the recent UCLA School of Theater, Film and Television Awards Breakfast where the National Association of Theatre Owners of California/Nevada Fellowship in Film award recipients were announced.

The first winners of the \$6,000 fellowships included Tim McCarthy, for narrative production/directing; Joshua Morgan, in the field of animation; Roberto Oregel for documentary production/ directing and Timothy Rummel in the producers program. Each of these students demonstrated professional promise and excellent artistic talent, and is working toward an M.F.A. degree in Animation, Directing or the Producers Program.

Tim McCarthy's project film, *The Rick*, which was screened at

the NATO of CA/NV annual membership meeting, was named an official selection at the 2004 Cannes Film Festival. It was one of only four American shorts in this year's lineup competing in the prestigious Cinefondation competition, a category comprised of student films.

Mr. Moritz stated, "We are happy to participate with UCLA, which boasts one of the world's premiere programs, offering a multi-disciplined, comprehensive approach to animation, film, television and new media, in providing funds to help support the young, upcoming filmmakers in achieving their dreams. The success of these filmmakers will ultimately bring great entertainment to our theatres and to our patrons."



Timothy Rummel, won the NATO of CA/NV Fellowship for his work in the Producers Program, shown with Milt Moritz at awards breakfast.

Recent Law Enforcement Activities Stemming From Passage Of California's New Film Piracy Law

By Jill Varon, Kirkpatrick & Lockhart, LLP

Is California's new film piracy law working to combat film piracy in California? Recent law enforcement activities suggest that it is. The implementation of California Penal Code Section 653z is proving to be an effective tool for theater owners in eradicating film piracy in their theaters.

Since the enactment of California Penal Code Section 653z, two men in separate incidents have been arrested for violating the new law. Section 653z, which became effective on January 1, 2004, provides that every person who operates a recording device in a movie theater while a motion picture is being exhibited, for the purpose of recording a movie without the authority of the theater owner, is guilty of a public offense and shall be punished by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,500, or by both such fine and imprisonment.

A projectionist using night-vision goggles caught Ruben Centeno Moreno, a Chatsworth resident, illegally recording "The Alamo" at the Pacific Theatres in Chatsworth on April 12, 2004. Moreno was the first person criminally charged under Section 653z. He pled guilty and was ordered to spend forty-two days in County Jail and placed on probation for thirty-six months. His camcorder was also confiscated and he was ordered to stay away from the Pacific Theatres.

Min Jae Joun was arrested at the Pacific Theatres at the Grove on April 10, 2004, for allegedly recording Mel Gibson's "The Passion

of the Christ" after patrons noticed a red light coming from Joun's camcorder. Min Jae Joun was released on bail and ordered to appear at a hearing in May 2004.

Los Angeles city officials are also focusing their crackdown on the production and distribution of pirated films, as well as on the illegal recordation of films covered under California Penal Code Section 653z. Los Angeles City Attorney, Rocky Delgadillo, is currently filing twelve criminal cases against street vendors accused of selling pirated DVDs in and around the Los Angeles area.

The federal government is also taking an aggressive stance towards film piracy. Recent federal legislation would make recording films in movie theaters a crime and impose up to three years in prison for the first offense and six years for subsequent offenses.

The Motion Picture Association of America (MPAA) announced they will provide rewards up to \$500 to theatre employees who identify patrons illegally recording a movie. For more information call the NATO of California/Nevada office, 310/652-1093.

Ms. Varon is an attorney with the law firm of Kirkpatrick & Lockhart LLP in Century City where she practices entertainment law. She was one of the authors of the NATO of California/Nevada sponsored White Paper dealing with Section 653z of the California Penal Code.

Year-To-Date Box-Office

YEAR-TO-DATE 179 days starting Thursday January 1, through Sunday, June 27, 2004.

Average Ticket price for 2004 is estimated.

Year	Avg. Ticket Price	Ticket Price Change	Total Gross	% Change vs. Previous Yr.	Attendance	% Change vs. Previous Yr.
2004	\$6.25	3.65%	\$4,600,291,236	3.90%	736,046,598	-0.24%
2003	\$6.03	3.97%	\$4,427,719,240	-4.36%	734,281,798	-8.01%
2002	\$5.80	2.65%	\$4,629,551,737	-	798,198,575	-

Source: Exhibitor Relations Co.



STATISTICS

\$50 Million Openers

Harry Potter and the Prisoner of Azkaban became the fortieth film ever released to open with over \$50 million. Thirty of the forty releases have opened during the Summer season with May being the most fruitful month with 14 films grossing at least \$50 million at opening.

The following is a monthly breakdown:			
February	2	August	2
May	14	November	6
June	7	December	2
July	7		

The following are all films with Friday/Saturday/Sunday openings with over \$50 million in box-office history. All grosses are through June 13, 2004.

RANK	TITLE	STUDIO	3-DAY OPENING	SITES	DOMESTIC GROSS		DATE OPENED
1	SHREK 2	DREAMWORKS	\$108,037,878	4163	\$353,333,317	*	Wed, 5/19/04
2	HARRY POTTER AND THE PRISONER OF AZKABAN	WARNERS	\$93,687,367	3855	\$157,975,042	*	Fri, 6/4/04
3	THE PASSION OF THE CHRIST	NEW MARKET	\$83,848,082	3043	\$370,025,697	*	Wed, 2/25/04
4	THE DAY AFTER TOMORROW	FOX	\$68,743,584	3425	\$153,144,814	*	Fri, 5/28/04
5	VAN HELSING	UNIVERSAL	\$51,748,040	3575	\$116,989,795	*	Fri, 5/7/04
1	THE MATRIX RELOADED	WARNERS	\$91,774,413	3603	\$281,519,061		Thu, 5/15/03
2	X2: X-MEN UNITED	FOX	\$85,558,731	3741	\$214,949,694		Fri, 5/2/03
3	LORD OF THE RINGS: THE RETURN OF THE KING	NEW LINE	\$72,629,713	3703	\$377,019,252		Wed, 12/17/03
4	FINDING NEMO	DISNEY/PIXAR	\$70,251,710	3374	\$339,714,978		Fri, 5/30/03
5	BRUCE ALMIGHTY	UNIVERSAL	\$67,953,330	3483	\$242,704,995		Fri, 5/23/03
6	THE HULK	UNIVERSAL	\$62,128,420	3660	\$132,175,874		Fri, 6/20/03
7	2 FAST 2 FURIOUS	UNIVERSAL	\$50,472,480	3408	\$127,145,654		Fri, 6/6/03
1	SPIDER-MAN	SONY	\$114,844,116	3615	\$403,706,375		Fri, 5/3/02
2	HARRY POTTER AND THE CHAMBER OF SECRETS	WARNERS	\$88,357,488	3682	\$261,970,615		Fri, 11/15/02
3	STAR WARS: EPISODE II – ATTACK OF THE CLONES	FOX	\$80,027,814	3161	\$310,675,583		Thu, 5/16/02
4	AUSTIN POWERS IN GOLDMEMBER	NEW LINE	\$73,071,188	3613	\$213,117,789		Fri, 7/26/02
5	LORD OF THE RINGS: THE TWO TOWERS	NEW LINE	\$62,007,528	3622	\$341,748,130		Wed, 12/18/02
6	SIGNS	BV	\$60,117,080	3264	\$227,965,690		Fri, 8/2/02
7	SCOOBY-DOO	WARNERS	\$54,155,312	3447	\$153,294,164		Fri, 6/14/02
8	MEN IN BLACK 2	SONY	\$52,148,751	3557	\$190,418,803		Wed, 7/3/02
9	8 MILE	UNIVERSAL	\$51,240,555	2470	\$116,724,075		Fri, 11/8/02

STATISTICS



\$50 Million Openers (cont.)

RANK	TITLE	STUDIO	3-DAY OPENING	SITES	DOMESTIC GROSS	DATE OPENED
1	HARRY POTTER AND THE SORCERER'S STONE	WB	\$90,294,621	3672	\$317,575,550	Fri, 11/16/01
2	PLANET OF THE APES	FOX	\$68,532,960	3500	\$180,011,740	Fri, 7/27/01
3	THE MUMMY RETURNS	UNIVERSAL	\$68,139,035	3401	\$202,007,640	Fri, 5/4/01
4	RUSH HOUR 2	NEW LINE	\$67,408,222	3118	\$226,164,286	Fri, 8/3/01
5	MONSTERS, INC.	BUENA VISTA	\$62,577,067	3237	\$255,870,172	Fri, 11/2/01
6	PEARL HARBOR	BUENA VISTA	\$59,078,912	3214	\$198,539,855	Fri, 5/25/01
7	HANNIBAL	MGM	\$58,003,121	3230	\$165,092,266	Fri, 2/9/01
8	JURASSIC PARK III	UNIVERSAL	\$50,771,645	3434	\$181,166,115	Wed, 7/18/01
1	MISSION: IMPOSSIBLE 2	PARAMOUNT	\$57,845,297	3653	\$215,409,889	Wed, 5/24/00
2	DR. SEUSS' HOW THE GRINCH STOLE CHRISTMAS	UNIVERSAL	\$55,082,330	3127	\$260,031,035	Fri, 11/17/00
3	X-MEN	FOX	\$54,471,475	3025	\$157,299,717	Fri, 7/14/00
1	STAR WARS: EPISODE ONE - THE PHANTOM MENACE	FOX	\$64,810,970	2970	\$431,088,295	Wed, 5/19/99
2	TOY STORY 2 (1st Wide Release on 11/24/99)	BUENA VISTA	\$57,388,839	3236	\$245,852,179	Fri, 11/19/99
3	AUSTIN POWERS: THE SPY WHO SHAGGED ME	NEW LINE	\$54,917,604	3312	\$205,444,716	Fri, 6/11/99
NONE IN 2000						
1	THE LOST WORLD: JURASSIC PARK	UNIVERSAL	\$72,132,785	3281	\$229,086,679	Fri, 5/23/97
2	MEN IN BLACK	SONY/COLUMBIA	\$51,068,455	3020	\$250,690,539	Wed, 7/2/97
1	INDEPENDENCE DAY	FOX	\$50,228,264	2882	\$306,169,255	Wed, 7/3/96
1	BATMAN FOREVER	WB	\$52,784,433	2842	\$184,031,112	Fri, 6/16/95
NONE IN 1994						
1	JURASSIC PARK	UNIVERSAL	\$50,159,460	2404	\$357,067,947	Fri, 6/11/93
NONE PRIOR TO 1993						

NATO of CA/NV Year in Review

Scholarship Winners Announced

Habits of Movie Audiences Survey

Showmanship is Alive and Well in Hollywood

Technical Corner

Does Your Projection Room Have What It Needs?

2004 Spring/Summer Film Product Seminars

Labor Issues & Updates

Employer May Be Required to Issue Additional Pay to Split Shift Worker

Rest/Meal Requirements for Non-Exempt Employees

UCLA Fellowship Recipients Announced at Breakfast

Recent Law Enforcement Activities Stemming From Passage Of California's New Film Piracy Law

Statistics

Health Tip

Video Release Schedule

PREVIEWS

National Association of Theatre Owners

of California/Nevada

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

ADDRESS SERVICE REQUESTED

Health Tip

If you have hay fever, cut down on alcoholic beverages during pollen season. They cause blood vessels in the nose to swell, increasing nasal congestion.

Source: UC Berkeley Wellness Letter



Films To Video: Projected Release Schedule

<i>The Butterfly Effect</i>	7/6/04	<i>Dirty Dancing: Havana Nights</i>	7/20/04
<i>Monsieur Ibrahim</i>	7/6/04	<i>Hellboy</i>	7/20/04
<i>Against the Ropes</i>	7/13/04	<i>The Human Stain</i>	7/20/04
<i>Agent Cody Banks 2: Destination London</i>	7/13/04	<i>Starsky & Hutch</i>	7/20/04
<i>The Barbarian Invasions</i>	7/13/04	<i>The Whole Ten Yards</i>	7/27/04
<i>Broken Wings</i>	7/13/04	<i>13 Going on 30</i>	8/3/04
<i>The Dreamers</i>	7/13/04	<i>Hidalgo</i>	8/3/04
<i>Never Die Alone</i>	7/13/04		
<i>The Big Bounce</i>	7/20/04		
<i>Confessions of a Teenage Drama Queen</i>	7/20/04		

For additional listings refer to: www.hive4media.com

Source: Video Store Magazine