

THE BLOCKBUSTER*

Confidential Instructions for Rock Rolls' Agent

You are an entertainment lawyer specializing in the representation of major television and motion picture stars. One of your most important clients is Rock Rolls, one of the movie industry's top box office draws for the past five years. Recently, Rock was asked by Millennial Productions, a leading movie studio, to star in a new production entitled "The Lost Holiday," a romantic/action movie in which the star is accidentally stranded on what first appears to be a deserted South Pacific island but turns out to be the home of a lost colony of adventurers. Rock liked the script, and indicated an interest in appearing in the movie if he and the studio could reach a mutually satisfactory agreement over the terms of the contract.

Prior to meeting with Millennial's lawyer, you had a detailed conversation with Rock about the major issues that should be decided before Rock commits to the project, what his preferences are concerning each of these issues, and how important each issue is to him. You also discussed his relative preference for making "The Lost Holiday" rather than any of several other movies he could appear in instead. Here are the highlights of your conversation:

Six issues must be decided: Rock's salary, his percentage take of the movie's box office revenue (if any), the location of the movie's filming, the length of time filming will take place, who will have the right to select the director, and the number of publicity tours Rock will be obligated to participate in to promote the movie.

(1) Salary: The minimum amount of money that the studio would pay a star of Rock's caliber is \$3 million. You don't believe that there is any chance that the studio would insult Rock by offering less than this. Not surprisingly, Rock would prefer a higher salary. \$3.25 million would be nice, \$3.5 million better, \$3.75 million even better, and \$4 million would be extremely satisfactory.

(2) Percentage of Revenues: Often, but not always, major stars of Rock's caliber will negotiate for a percentage of the movie's revenues, thereby having a portion of their compensation dependent on the movie's success. Rock is confident that he will continue to be a major box-office draw, and he is eager to capture a percentage of the revenue. The more the better of course, although Rock realizes that studios never give away more than 5% of the box office receipts to a star performer.

(3) Production Location: The studio is considering four locations for filming: Los Angeles, Hawaii, Australia, and Thailand. Rock lives in Los Angeles, and he would prefer to film the movie there so that he can live at home. Hawaii would be a less preferable but acceptable location, because his family could easily visit him there during part or all of the filming. Australia and Thailand – both very far from home – are equally undesirable.

(4) Filming Schedule: Rock generally prefers a longer filming schedule to a shorter one. The fastest the movie could possibly be filmed is four weeks. This schedule is undesirable because it would mean 7-day weeks and 14-hour days. Rock feels tired just thinking about it. A six-week schedule would be more humane, and an eight-week schedule downright pleasant. A ten-week schedule, the longest possible, would be undesirable because it would cut into time Rock has set aside for another project

(5) Choice of Director: Rock has had some bad experiences with directors in the past, so he is hesitant to give the studio complete authority over selecting the director of the movie. He would feel much more comfortable if both he and the studio had joint authority over selecting a director, with each having to approve the ultimate selection. It would be even better if you could convince the studio to give Rock absolute authority over the decision.

(6) Publicity Tours: Rock understands that these are necessary, but they are draining. Stars of movies are expected to do them, but the fewer the better. More than a handful would be excruciating.

Rock has many opportunities to star in major motion pictures. If he chooses to make “The Lost Holiday,” he will have to forego making another movie. Consequently, he only wants to make the movie on acceptable terms. On the other hand, Rock likes the script of “The Lost Holiday” quite a lot, thinks Millennial is a good studio, and believes the movie will be a hit. Therefore, he has told you that he is willing to agree to make the movie if you can negotiate a contract that provides at least close to half of the package of terms that he desires.

* * *

Based on these conversations, you have constructed the attached chart that lists the possible contract terms related to each issue and assigns a number of points to each possible term that coincides (as best as you can estimate) with Rock’s relative preferences. You should study this “cheat sheet” carefully before negotiating with Millennial’s lawyer. You may refer to the sheet during negotiations, but you may not show it to the opposing lawyer. You should attempt to negotiate a contract that gives Rock as many points as possible – every additional point will make Rock happier with the contract. You should not agree to any deal that gives Rock less than 200 points (in the absence of such a deal, Rock will make a different movie instead).

**Information Sheet For Rock Rolls' Agent:
Issue Options "Points" for Rolls**

Rolls' Salary	Points
\$3 million	0
\$3.25 million	20
\$3.5 million	40
\$ 3.75 million	60
\$4 million	80

Rolls' Box Office Percentage	
0%	0
1%	20
2%	40
3%	60
4%	80
5%	100

Filming Location	
Los Angeles	75
Hawaii	50
Australia	0
Thailand	0

Filming Schedule	
4 weeks	25
6 weeks	50
8 weeks	75
10 weeks	25

Director Control	
Millennial	0
Joint Control	60
Rock	100

Publicity Tours	
1 tour	50
2 tours	40
3 tours	30
4 tours	10
5 tours	0

Maximum Possible: 480