

# Meatballs hits the gravy train

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Canadian comedy could net western investors \$10 million

A small group of western movie investors are laughing all the way to the bank while their counterparts in Toronto and Montreal worry that Canada's movie boom has peaked.

The westerners bankrolled Meatballs and have made the biggest score ever in the country's movie industry. For them and the movie's producers and directors, Meatballs could prove to be a \$20 million bonanza.

The summer camp comedy stars Saturday Night Live's Bill Murray and was produced for \$1,380,000 in northern Ontario in August '77.

Released in June, it has:

- Grossed to date \$35 million in the U.S., the largest box office yet for a Canadian movie south of the border — a figure indicating 9 million American moviegoers have seen the movie.

- Jumped to the top of Canada's top 10 domestic movie money makers, with a take so far of \$4,173,500 — representing 1 million cash paying customers coast to coast.

- Become Paramount's second-best money earner of the year, after Clint Eastwood's Escape From Alcatraz.

- Been the centre of an intense U.S. network TV auction that could further net investors millions.

## Major re-release

And it's already scheduled for a major re-release starting May 16, 1980, a move that Frank Mancuso, Paramount's marketing vice-president predicts will add at least another \$10 million in box office from the U.S. and Canada and bring Meatballs to a \$50 million tally in just 12 months.

"Had our investors not financed Meatballs, it possibly wouldn't have been made last year at any rate," Lawrence Nesis, of the Winnipeg-based Film Co., said in a recent interview.

"If it hits the \$50 million box office mark in North America, considering what we're assured of getting back to date, our investors will receive \$10 million."

"And the other side (executive producers Andre Link and John Dunning of Montreal's Cinepix, producer Dan Goldberg, director Ivan Reitman, and others sharing in profits) will get an equal amount."

"That does not include a U.S. network TV sale."

## Being negotiated

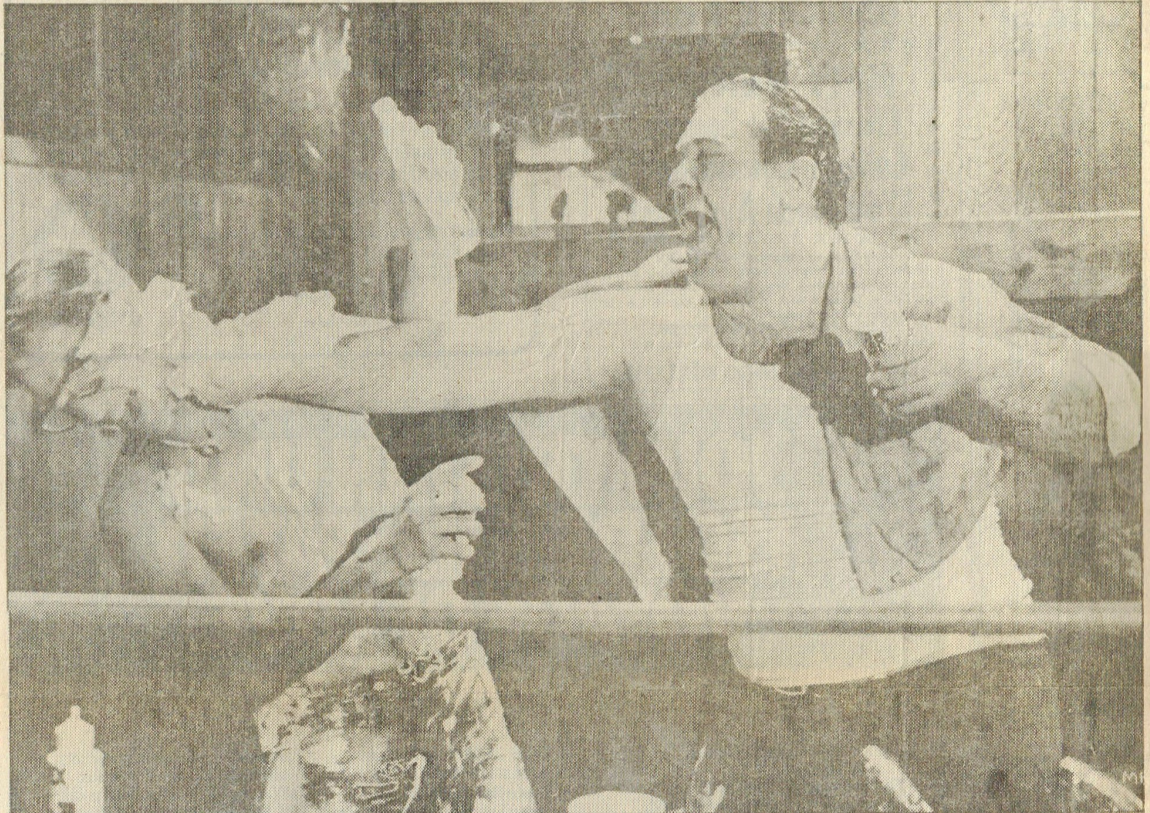
The latter is being negotiated for what is believed to be a \$4-million to \$5-million-plus figure.

Nesis declined to name his investors. "They're sophisticated business people rather than common run-of-the-mill investors. All from western Canada. Easterners were not in because we (Film Co.) in this picture functioned only in the west."

The Canadian Film Development Corp. (CFDC) advanced Meatballs producers \$400,000 in interim financing and received its money back at the start of filming. However, as in all such deals, the CFDC retained 1 1/2 per cent share of profits.

"I'm delighted with Meatballs," said CFDC executive director Michael McCabe. "It's a highly professional piece of entertainment."

He estimated the CFDC's take from



Slapstick: Jack Blum gets the shaving foam treatment from Keith Knight in Meatballs a comedy movie about life in a summer camp. It was produced for

\$1,380,000 in August, 1977, in northern Ontario and stars Saturday Night Live's Bill Murray.



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the movie will be "a couple of hundred thousand dollars."

And he admitted "it could have been far more if we had exercised our rights to stay in the picture and not taken our financing out. But that was our policy and we're damned if we do and damned if we don't."

Paramount bought U.S. distribution rights for \$3.5 million, \$300,000 for Canadian rights, and \$1.2 million for foreign rights.

Additional revenue comes to investors, said Nesis, from a \$700,000 sale to Home Box Office in the U.S. and that could go over \$1 million, depending on sales to individual TV stations. And there's also

the revenue from the RSO record album and tape and from merchandising associated with the picture.

But, as with all big money movies, the gold mine is paying off in bunches, not all at once.

"Our investors have received a handsome payment already and are to receive another substantial payment this year. And based on foreign sales and Pay TV (Home Box Office) and syndicated sales, there'll be a tremendous avalanche next year and the year after that."

"With the first advance from Paramount, we've already got back twice our total investment."

In Toronto and Montreal, producers and stockbrokers are experiencing difficulties.

The projected financing of The Burning Book, a planned \$7.7-million feature, collapsed recently and Murder On Pier 7, a scheduled \$1.2 million movie, went down the drain days before filming was to start.

One stockbroker, who asked not to be named, said:

"Some investors fed up with Canadian

films that don't make a profit are putting their money into oil exploration and some stock offerings for pictures even with big star names are finding it tough to sell out.

"It all sounds terrific on the outside — international stars coming to Canada and a boom in production. But on the inside, there's real nervousness in the financial community. Some investors don't agree with McCabe when he says we have really top-flight producers around these days."

However, Nesis says movies into which his investors have put their money are all either in profit or are assured of going

into the black, considering their advance sales.

"We're in City On Fire, A Nous Deux, Crunch, and Yesterday, The Clean-Up Squad (the latter two also from Link and Dunning), and Death Ship."

Nesis laughs about it now but "no one else really was interested in Meatballs."

"We liked it because Reitman had been co-producer of Animal House. We liked Link and Dunning and we loved the script. But the investors were not attracted by the cast. There were no real names."

"Considering its low budget, we just thought if we could get a good TV sale, we'd go into profit."



Hot-dogging it: Harvey Atkin and Bill Murray judge the efforts of Peter Hume and Keith Knight in the camp's hot-dog eating contest.

## Our top money-making movies

As recently as six years ago, Canadian-made movies fared badly at home and worse outside the country.

The domestic picture has changed and moviegoers appear to be far more interested in the produced-in-Canada label.

Here's the latest tally of national box office figures, authenticated by the Canadian Film Development Corp. which had an investment in all but one on the list of top 11:

- Meatballs, \$4,173,500.

- The Apprenticeship Of Duddy Kravitz, \$2,300,000.
- Black Christmas, \$2,000,000.
- Murder By Decree, \$1,900,000.
- Why Shoot The Teacher, \$1,800,000.
- The Silent Partner (made without the CFDC), \$1,500,000.
- Shadow Of The Hawk, \$1,500,000.
- In Praise Of Older Women, \$1,200,000.
- Who Has Seen The Wind, \$1,200,000.

- Shivers, \$1,000,000.
- Rabid, \$1,000,000.
- Meatballs, Murder By Decree, The Silent Partner, and In Praise Of Older Women were released during the past 12 months.
- Ivan Reitman was responsible for producing Shivers, Rabid, and he directed Meatballs. David Cronenberg directed Shivers and Rabid. No other producer or director was involved in more than one picture on the list.