

A Touch of Class

Paramount Classics offers the venerable studio unique access to the art house film world

By Todd Longwell

Hollywood is obsessed with the home run, out-of-the-park, chart-topping blockbuster. But at Paramount Classics, the specialty film — or art house — division of Paramount Pictures, success is measured conservatively in solid base hits.

"I think, from a management point of view, there's an understanding that, if you get to bat enough times, you're going to occasionally hit a double, a triple or maybe even more than that," says David Dinerstein, co-president of Paramount Classics with Ruth Vitale since the division's inception in February 1998.

During the division's short history, that philosophy already has paid off in the form of several extra-base hit successes, including Kenneth Lonergan's family drama "You Can Count on Me" (2000), which earned Oscar nominations for best original screenplay (Lonergan) and best actress (Laura Linney) as well as two Golden Globe nominations, and István Szabó's historical epic "Sunshine" (1999), which earned three Golden Globe nominations.

Domestic boxoffice returns for those two films — \$9.2 million and \$6 million, respectively — might not be impressive when compared with those of "Spider-Man," but they were large enough to make both solidly profitable, a fact that can be attributed to the economical price Paramount paid for the films and low overhead at the division, which operates lean and mean with a mere 16 full-time employees.

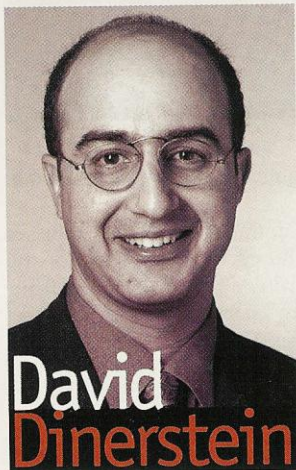
"We're very small, but what Paramount proper does for us is, we use their business and legal affairs, their physical production, their postproduction, their distribution people for collections and back office-type stuff," Vitale says.

Unlike many other art house distributors, Paramount Classics makes a habit of picking up both domestic and select international distribution rights, so its success or failure with a film is not dependent entirely on the tastes of American audiences. But some say the true



Golden Performance

Paramount Classics' 2000 release "You Can Count on Me" earned Laura Linney an Oscar nomination.



David Dinerstein



Ruth Vitale

secret of Vitale's and Dinerstein's success is that they are willing and able to act on passion and instinct.

"They have sophisticated tastes, and they're open to the classic art film, which I think some of the other (specialty film) divisions (at the major studios) are not," says Howard Cohen, head of the independent film department at UTA. "They're still interested in that movie that can gross, let's say, a million dollars. I think that a lot of the others have stopped being interested unless it can gross \$3 million,

\$4 million or \$5 million."

That willingness to gamble on smaller, dark horse films has resulted in some of the division's biggest successes.

"When Ruth and I acquired 'Sunshine,' no one wanted it," Dinerstein says. "But even after everyone else passed, we said, 'No, there's an audience that's going to enjoy this film.'"

It was a similar scenario with "You Can Count on Me."

"It was at the Sundance Film Festival," Vitale says. "Everyone said, 'Gee, nice film. What are we going to do with it?' Now, we didn't know it would do as well as it did, but we loved the movie,

so we said, 'Well, we're going to buy it.'"

Of course, the roots of Paramount Classics reach beyond the unit's launch.

In the wake of the indie film explosion during the early 1990s, several major Hollywood studios decided to form autonomous specialty film divisions to compete against distributors like the then-still independent Miramax Films. Sony Pictures Classics came first in January 1992 and quickly earned an armload of Oscar nominations with initial releases "Howards End," "Belle Epoque" and "Indochine."

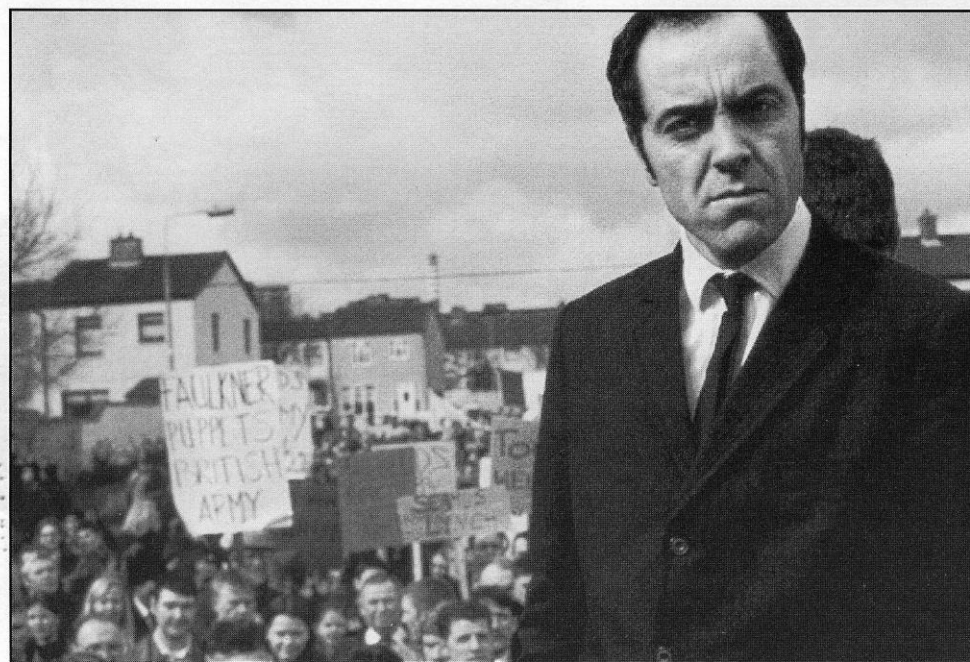
SPC was followed into the marketplace in 1994 by Fox Searchlight.

Viacom Entertainment Group chairman Jonathan Dolgen had witnessed the success of SPC while he was president of Sony Pictures Entertainment's movie division, and he was eager to create a similar unit at Paramount Pictures. His passion was shared by Paramount Motion Picture Group chairman and CEO Sherry Lansing and vice chairman and chief operating officer Rob Friedman.

Vitale was recruited from Fine Line Features (the specialty division of New Line Cinema), where, as vp worldwide acquisitions and later president, she helped shepherd such successes as "Short Cuts" (1993) and "Shine" (1996) and executive produced "Corrina,

"In 1998, we were essentially putting together a solid business plan that would hopefully give us an opportunity to grow the business," Dinerstein says. "We started acquiring films, so some of our films went out into the marketplace in 1999. It wasn't a full year; we released four pictures ('Get Real,' 'Cabaret Balkan,' 'Train of Life' and 'The Adventures of Sebastian Cole')."

In 2000, its first full year, Paramount Classics released a small but diverse slate of films: "You Can Count on Me," "Sunshine," Sofia Coppola's coming-of-age drama "The Virgin Suicides," Alain Berliner's romantic thriller "Passion of Mind," Rod Lurie's political drama "Deterrence" and Patrice Leconte's romantic drama "Girl on the Bridge."



Irish Cries

The upcoming release "Bloody Sunday" recounts a tragic 1972 civil rights demonstration in Ireland.

Corrina" (1994), "Mother Night" (1996) and "Gummo" (1997).

A former advertising executive, Dinerstein joined the marketing department at Miramax Films during the mid-'80s and saw the company through some of its biggest successes, including 1994's "Pulp Fiction." He left in December 1994 to join fledgling Fox Searchlight, where his tenure was bookended by the hits "The Brothers McMullen" (1995) and "The Full Monty" (1997).

Says Friedman: "We thought that they were an excellent combination of skill sets, David being an excellent and successful marketing executive out of Fox Searchlight and Ruth being an acquisitions and production executive and head of Fine Line. I thought that the combination of their experience, talent and personalities, which melded very well, made them a good team."

Like many other startup distributors, though, Paramount Classics did not come roaring out of the gate.

More recent Paramount Classics releases include Barbet Schroeder's "Our Lady of the Assassins"; Neal Slavin's adaptation of the Arthur Miller novel "Focus," starring William H. Macy; Éva Gárdos' "An American Rhapsody"; Edward Burns' "Sidewalks of New York"; Henry Jaglom's "Festival in Cannes"; Clare Peploe's "Triumph of Love," starring Mira Sorvino and Ben Kingsley; and Alan Taylor's "The Emperor's New Clothes," starring Ian Holm.

According to Dinerstein, the unit's criteria for potential acquisitions are both broad and simple: "We're looking for something we love and something we believe other people will love."

"I always say to David, 'If we love it and we're not Martians, then other human beings are probably going to like it,'" Vitale says.

Adds Dinerstein, "Then, if you can acquire it for the right amount of money, it should make sense."

Paramount Classics' primary source for film product is the festival circuit. The company generally covers the Sundance, Venice, Cannes,

Toronto, Telluride (Colo.) and New York film festivals, and a Paris-based consultant handles the Berlin event. This year at Cannes alone, Vitale and the rest of the Paramount Classics contingent (which also included director of acquisitions Tracey Bing and vp co-productions and acquisitions Michael Nash) took in a total of 105 films, with Vitale viewing 20 personally.

Although Paramount Classics did not make any acquisitions at Cannes this year, the division screened two of its recent acquisitions: Claude Lelouch's "And Now ... Ladies and Gentlemen" and Lee Jeong-Hyang's "The Way Home," the latter of which has done blockbuster business in its native South Korea.

Paramount Classics also has dabbled in production with Sam Raimi's "The Gift," starring Cate Blanchett, which expanded to 800 screens in January 2001 and went on to gross \$12 million domestically.

"We've done one co-production a year," Vitale says. "Right now, we're doing Mike Hodges' follow-up to 'Croupier' — 'I'll Sleep When I'm Dead,' starring Clive Owen."

Unlike most other production companies, small or large, Paramount Classics has no in-house development department.

"We have a consultant, Michael Barlow, who used to work at Orion," Vitale says. "He's amazing. When we do get involved with scripts, he helps us with the development process."

Vitale and Dinerstein plan to keep Paramount Classics' release slate as lean and mean as the company itself, issuing no more than six to eight films a year.

"Some companies are in what I refer to as the 'portfolio business,' acquiring many films and seeing what ultimately sticks," Dinerstein says.

Adds Vitale, "The model that David and I have built is to take the time and care to launch each movie and give it the appropriate care they need."

Vitale and Dinerstein laud executives at Paramount for their support, both emotional and philosophical, and Friedman returns the compliment: "I think it's very hard to start a business and in a short term become successful at it. I think that Ruth and David have done that; they've enjoyed some early success, and their focus is to continue it."

Paramount Classics' slate of upcoming releases is as diverse as ever, including such films as Paul Greengrass' "Bloody Sunday," a fact-based drama about the day in January 1972 when 27 unarmed Irish civil rights marchers were shot by the British Army; Fisher Stevens' "Just a Kiss," a romantic comedy set in present-day Manhattan; and Sandra Nettelbeck's "Mostly Martha," a German film about an emotionally reserved chef whose life is turned upside down when she becomes guardian of her 8-year-old niece.

"At the end of the day, there's no formula for this business," Vitale says. "So if David and I love a movie and I can go make a deal that we won't get hurt on, then everybody wins. If the movie does well, we all win, and if it doesn't do as much as we expected, then nobody gets hurt." ■

