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ENTERTAINMENT COMMUNITY OPPOSES PROPOSED MOVIE-FUTURES EXCHANGES

Expanding coalition of creators, talent, craftspeople, independent production and distribution companies, industry workers and theater owners raise concerns about wagering services

Washington, DC – A growing coalition of entertainment industry workers, creators, independent producers and distributors, business organizations and theater owners today announced opposition to two proposals to establish online wagering services based on speculation over box office receipts for motion pictures.

In a letter to the Commodity Futures Trading Commission (CFTC), the Directors Guild of America (DGA), the Independent Film and Television Alliance (IFTA), the International Alliance of Theatrical Stage Employees (IATSE), the Motion Picture Association of America (MPAA) and its member companies, and the National Association of Theater Owners (NATO) also jointly asked the Commission to postpone action now scheduled for April 2 on an application by Media Derivatives, Inc. (MDEX) to create a designated contract market for film futures.

The groups said that the proposal by MDEX and a separate plan by Cantor Futures Exchange, L.P. “are based on faulty understanding of the film industry and create a risk of rampant speculation and financial irresponsibility at a time when the nation is still seeking to recover from an economic meltdown of the financial markets.”

“With Congress and the President working on reforming the financial markets to help curb the abusive practices that triggered our nation’s economic crisis, now is not the time to open up new and highly speculative marketplaces that could end up costing jobs and harming legitimate businesses,” the groups said.

In the letter to the CFTC, the groups said: “We respectfully ask that the deadline be extended to April 16, 2010 in order to allow the DGA, IFTA, IATSE and MPAA time to submit a written comment addressing the merits of this application. Several of these parties had no notice or knowledge of the applications until late last week. This will allow the time needed to gather factual information and provide detailed and focused arguments that we believe will be helpful to the Commission’s consideration of the application.

“Among other things, we will address whether any exchange infrastructure is capable of surveying the box office marketplace to detect and address potential market manipulation. We have just received today the MDEX’s current proposed rulebook that supports its application. This version of its proposed rulebook has not previously been available to the public. We also note that it was only yesterday afternoon that we

received the MDEX's March 26, 2010 response to the MPAA's March 23, 2010 letter to the Commission. It includes facts that we previously have not been aware of including, among others, that MDEX's rules will require 'the studio/distributor to provide evidence to support its public box office number when it falls outside the standard deviation level.' We were unaware of any proposed requirement that studios disclose information to MDEX, and, accordingly, our comment also will address whether any authority exists to require disclosure of any information from studios."

The letter to the CFTC notes that an extension of the deadline will not prejudice MDEX because the deadline for the contract it seeks approval to trade is not until April 23.

Cantor Futures Exchange, L.P.'s request for approval to register as a designated contract market is scheduled for April 20 and its request for approval to contract film futures and options is pending in May. The groups signing the letter today intend to file written comments about concerns about this proposal as well.

To read the letter in full, please click [here](#).

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About the Signers of this Letter:

About DGA

The Directors Guild of America was founded in 1936 to protect the economic and creative rights of directors. Over the years its membership has expanded to include the directorial team - Unit Production Managers, Assistant Directors, Associate Directors, Stage Managers and Production Associates. Today, through the collective voice of more than 14,000 members, the Guild seeks to protect the rights of directorial teams, to contend for their creative freedom and strengthen their ability to develop meaningful and lifelong careers in film, tape and digital media.

About IFTA

The Independent Film & Television Alliance (IFTA) is the global trade association of the independent motion picture and television industry. Headquartered in Los Angeles, IFTA represents and provides significant entertainment industry services to more than 150 member companies from 22 countries, consisting of independent production and distribution companies, sales agents, television companies, studio-affiliated companies, and financial institutions engaged in content finance.

About IATSE

The International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, Its Territories and Canada, AFL-CIO, CLC (IATSE) is one of the largest entertainment labor unions in the world and represents over 110,000 technicians, artisans and craftspeople employed in stagecraft, motion picture and television production, the trade show industry, and affiliated crafts throughout the United States, Its Territories and Canada. For background information on the International Alliance of Theatrical Stage Employees: www.iatse-intl.org.

About MPAA

The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and

Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLLP; and Warner Bros. Entertainment Inc.

About NATO

The National Association of Theatre Owners is the largest exhibition trade organization in the world, representing more than 30,000 movie screens in all 50 states, and additional cinemas in 50 countries worldwide. Our membership includes the largest cinema chains in the world and hundreds of independent theatre owners. NATO is headquartered in Washington, D.C., with a second office in North Hollywood, California.

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