

POINTS COUNT

Stars Caught Up in Micro Madness

The possibility of a lucrative backend from an ultra-low-budget breakout lures many established thespians to power the lean machine

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MICROBUDGETED movies are shifting from *Paranormal* to normal, thanks to producers and actors lured by their profit potential.

Movies made for less than \$1 million have lost their bargain-basement stigma and have become an important part of the Hollywood equation.

"Name actors see that you're successful and become more willing to participate because they can make a lot of money in backend deals," said Jason Blum, producer of the \$14,000-budgeted 2009 release *Paranormal Activity*, which grossed \$193 million worldwide.

The pic spurred Paramount to create microbudget division Insurge, but many in the biz were skeptical. Blum, who has since made three additional *Paranormal* films and graduated to the \$3 million budget range for wide releases like *Sinister*, says microbudget pictures have gained traction due to the growth of VOD and international.

Earlier microbudgeted movies cast unknowns. Now, while they're not exactly drawing A-listers, the pics are getting some Hollywood cred from thespians who are familiar to audiences.

L.A.-based New Artists Alliance casts name actors in ultra-low budget genre fare that has found homes among the new breed of multiplatform buyers. The company sold three projects at SXSW in March — Cinedigm nabbed 3D thriller *Static*, starring Milo Ventimiglia (NBC's *Heroes*); Drafthouse bought *Cheap Thrills*, starring Pat Healy (*Rescue Dawn*, *Compliance*); and Magnolia picked up horror-comedy *Milo*, starring Ken Marino (*Veronica Mars*).

John Suits, a producer at New Artists, says the key to the microbudget model is



Paranormal Activity



Stuck



Celeste and Jesse Forever

Milestones in Microbudgets

Key perfs from pics budgeted at less than \$2 million.
(Budget/Domestic Gross)

Paranormal Activity
2009, Paramount

\$14k

\$108m

\$41m

The Last Exorcism
2010, Lionsgate

\$1.8m

Insidious
2011, FilmDistrict

\$1.8m

\$54m

\$53.2m

The Devil Inside
2012, Paramount

\$1m

to get actors to work for scale.

"If you go to the agent, they'll say you need to make a \$100,000 offer for the actor to read the script," Suits said; However, he added, "if you want Sam Rockwell and Marisa Tomei, you offer them backend." The two are starring in *Why Now*, which is in pre-production for New Artists and Parts & Labor.

At Sundance and SXSW this year, buyers found more commercial potential among the many microbudget titles, while Lionsgate tapped John Sacchi in January to run its lower-budget film division. The unit has two movies planned for release over the next year, sex drama *Addiction* and thriller *Ghosts*, the latter of which Blum is producing.

"There's a much bigger volume of movies because the cameras are so good," explained Sony Pictures Classics co-topper Michael Barker. "And with the new platforms, there are more distribution opportunities."

As an example, Barker pointed out that *Celeste and Jesse Forever*, starring Rashida Jones and Andy Samberg, grossed more than \$3 million last summer for Sony Classics after being made for \$840,000.

Aram Tertzakian of sales-financing company XYZ Films asserted that audiences don't care about budgets: "The cast is the key thing — that's what gives you a target audience."

Joel Michael, one of the actors in *Celeste*, recently teamed with Stuart Acher to produce romantic comedy *Stuck* for less than \$1 million, with Madeline Zima (*Californication*) and Joel David Moore (*Avatar*) starring. It's the fourth film that Michael's produced in a year's time, including *Space Station 76*, *Adult World* and *Mantervention*, in which he again teamed with Acher.

"Because I've been in a lot of movies, I'm able to get other actors to come onboard for backend," Michael noted. "People I met on *Rules of Attraction* and *Can't Hardly Wait* were in *Stuck*."

Braxton Pope recently produced Paul Schrader's Hollywood drama *The Canyons*, starring Lindsay Lohan and porn star James Deen for \$325,000, raising coin via new-media strategies that included crowdfunding and online casting. IFC recently picked up U.S. rights, and plans an early summer theatrical launch with a day-and-date VOD release.

"It is always an enormous challenge to shoot so lean — but many filmmaking tools, from shooting digitally through the editing process, have elevated production values while sharply decreasing costs," Pope told *Variety*. "I would definitely do it again."

TAKEAWAY

Hit microbudget pics promise healthy backend for name actors willing to take a chance.