

## VIP Treatment

### Mr. Costner, Would You Like a Film Deal With That Martini?

Owner of Hip L.A. Nightclubs Mines Celebrity Patrons, Launching Movie Career Hype at the Dry Cleaners

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LOS ANGELES—As Elie Samaha navigates through his packed Hollywood club, the Sunset Room, he takes careful note of the amenities he offers a celebrity clientele: private entrances, VIP rooms, enclosed cabanas on the patio. And then there are the extras: throngs of gorgeous women in tight pants and tummy-baring tank tops, who tonight make up about two-thirds of a group of 1,100 that also includes stars such as Kevin Costner.

"There's some candy here tonight, baby," Mr. Samaha says with a satisfied smile. After two decades in the club business, Mr. Samaha knows that perks and a hip crowd are just elaborate gimmicks to appeal to a stellar guest list. "But," he adds, "I give them what they want."

These days, Mr. Samaha (pronounced SAH-ma-ha) is applying some of his nightclub gimmicks to the movie business—and making an unlikely run for glory by exploiting a big shift in Hollywood. Battered by the high risks of film production, the major studios have lost much of their appetite for financing the movies that are their lifeblood. As studios increasingly evolve into distribution and marketing machines, Hollywood's door is more open than ever for outsiders, flush with foreign financing, to rush in and take their shot as producers.

Few are making more of this opportunity than Mr. Samaha. A 43-year-old Lebanese immigrant, he is a former Studio 54 bouncer who went on to own a small empire of nightclubs, dry cleaners and commercial real estate in L.A.

He is now, five years into a drive to recast himself as a movie mogul, but until recently Mr. Samaha was still better known for his marriage to "Wayne's World" actress Tia Carrère than for the low-budget films he produced. In one of his own movies, "20 Dates," he allowed his profane tirades at the director to be recorded and used in the film, resulting in a satirical portrait that matched how Hollywood actually saw him—as a loud, small-time hack.



Elie Samaha

That image is in transition. His marriage has ended in divorce, but Mr. Samaha's Franchise Pictures will soon release films starring Sylvester Stallone, Wesley Snipes, Mr. Costner and others—many of whom have patronized his popular nightspots. Franchise Pictures, in which Mr. Samaha is majority partner with Andrew Stevens and Gerard Guez, is also behind the recent Bruce Willis comedy "The Whole Nine Yards," a surprise hit that recently topped the box office.

As in his clubs, Mr. Samaha gives the stars what they want. He sometimes buys scripts that actors have been unable to get the studios to make, then puts them into production as is, bypassing expensive, never-ending rewrites.

Explains Cuba Gooding Jr., the Academy Award-winning actor, "Elie goes to people—entertainers like Bruce Willis, Sylvester Stallone and smaller entertainers like myself—and says, 'What's your pet project?' Then he says, 'OK, let's do it.'" Mr. Samaha produced Mr. Gooding's 1999 film, "A Murder of Crows," which ran on cable TV before video distribution.

The trade-off: Big stars usually have to cut their fees by half or more, accepting instead profit-participation that in some cases reaches an enormous 40%, after costs have been recouped. And they usually have to shoot the films in Montreal or Vancouver, where Mr. Samaha works almost exclusively to slash budgets and collect Canadian tax breaks.

Mr. Samaha's strategy is just weeks away from its biggest test yet, the May 12 release of a science-fiction epic called "Battlefield Earth." The film is the pet project of John Travolta, whose superstar clout failed to get it made for a dozen years. Script problems and a projected \$100 million budget were often blamed, but many movie executives thought another big factor was the film's source material—a 1982 novel by L. Ron Hubbard, late founder of the controversial Church of Scientology, which counts Mr. Travolta as a longtime member.

"Battlefield" is the first screen adaptation of any Hubbard science-fiction work, an achievement Mr. Travolta says is "like putting Tennessee Williams's first works on the screen. It's a big deal." Mr. Samaha, he adds, was "smart to trust the artist."

Many thought otherwise. "Everyone thought I was crazy or mentally retarded" for tackling the project, Mr. Samaha says. Though the film has nothing to do with Scientology, some feared the Hubbard connection could provoke a backlash and make the film difficult to sell in places such as Germany and France, where Scientology has come under government attack. Even Mr. Travolta, Mr. Samaha recalls, warned that "lots of people are going to come to

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# VIP Treatment: Mr. Samaha's Shot at Hollywood Glory

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you and try and persuade you and be negative about it."

Franchise got it made by using a formula usually reserved for tiny independent films. Imperial Bank in Los Angeles provided loans to pay the production costs, which were slashed to a planned \$50 million, but about 80% of that was to be covered by the presale of foreign distribution rights. For "Battlefield Earth," that has created a notable irony: The biggest single financier, besides Franchise itself, is a German public company called Intertainment AG.

Franchise also has a so-called rent-a-system deal that allows it to distribute films, for a fee, through a major studio—in this case, Time Warner Inc.'s Warner Bros. Reflecting the mood of major studios today, Warner Bros. President Alan Horn says the studio's risk on "Battlefield Earth" is "essentially zero," and adds: "My feeling is that if he puts up the money for the movies, we'll distribute them."

Some in Hollywood believe Mr. Samaha's cheap-and-dirty approach to production can result only in mediocre films—and unlike a deep-pocketed studio, Franchise can scarcely afford many money-losing bombs. Its upside is also somewhat limited, given the high percentage of the films' take that is doled out to

stars and distributors. Yet since most of the money for Mr. Samaha's films is generally raised from overseas sources, his plan can work as long as the production budgets don't go wildly off-course.

## The Gamble

But the \$50 million budget for "Battlefield Earth" has crept past \$70 million, and if the film doesn't play overseas, foreign financiers could balk at future work with Franchise. His gamble could cost him in other ways, too: If his run of star-vehicle movies this year doesn't produce hits, or results in big losses for his backers, the industry will return to ignoring him.

Mr. Samaha is open, if a bit rueful, about his days as a Hollywood nobody. "The happiest day of my life," he says, came last summer, when Warner Bros. Chairmen and Co-Chief Executives Bob Daly and Terry Semel left the studio. "They didn't know who the f— I was!" he says. "They were on another planet."

Elie Samaha's path to the verge of Hollywood success began when he moved to New York in his late teens. A competitive kick boxer in his youth—who today bears a passing resemblance to his friend Mr. Stallone—Mr. Samaha worked in security at several clubs. "If you're working the rope to the VIP area, you call the shots about who gets in," he says. That taste for controlling the scene led him to begin promoting his own clubs.

He migrated to L.A. in 1982, and after reading an article listing "the five most successful businesses to be in," he opened his first dry-cleaning store in West Hollywood. Showing his skill for hype, he dubbed the place 'Celebrity Cleaners' and rounded up autographed photos from actor friends whether they had used the business or not. He still holds a 50% interest in six dry-cleaning stores.

The late 1980s drew him back into clubs, and with a few old partners from New York, Mr. Samaha opened the Roxbury on Sunset Strip. The place exploded into a playground for L.A.'s party crowd. "Beverly Hills 90210" star Shannen Doherty got into a ballyhooed fight there one night. She wasn't the only one: Mr. Samaha says that, in the mid-1990s, the club paid more than \$200,000 to settle a dispute after he was accused of assaulting a club patron. Mr. Samaha says he and other employees were simply trying to "restrain" the man.

Roxbury, and several other clubs that followed it, gave Mr. Samaha what he most needed to take a stab at the film industry: access to people in the business, from minor celebrities to megastars. Indeed, the stars seem comfortable hanging out with Mr. Samaha. On a recent Friday night at the Sunset Room, Mr. Gooding—nodding to a dazzling array of young women nearby—joked that he was just telling a reporter "about the prostitution ring you use to finance your films."

## VIP Passes

Rather than recall, Mr. Samaha ruffed for a while on how much an evening with some of the women might cost. He later explained that the women at his parties are actually rounded up from modeling and casting agencies, where the club hands out VIP passes.

In 1995, Mr. Samaha began to convert his star relationships into small movie projects—\$2 million to \$5 million films that he made in partnership with other production companies. A number of the films starred Ms. Carrere, whom Mr. Samaha married in 1992. Despite their friendships with him, however, many in Hollywood were suspicious of Mr. Samaha's nightclub roots and financing formulas. When Mr. Samaha first tried to persuade Bruce Willis to sign on for "The Whole Nine Yards," Mr. Samaha says that the actor told him: "Listen man, I'm doing your movie. But people don't think you've got the money to finance it."

Mr. Samaha got a break when he hooked up with Cassian Elwes, an agent at William Morris who specializes in packaging independent film projects. After some modest successes, Mr. Elwes wanted to apply indie financing formulas to bigger projects. "What I needed was to make some films happen that no one else in town wanted to make," Mr. Elwes says.

His first meeting with Mr. Samaha, he remembers, "literally almost came to blows" as Mr. Samaha shouted his demands. But Mr. Elwes admired Mr. Samaha's moxie in "trying to make things happen when maybe there was nothing behind him."

Near the end of 1998, Mr. Elwes offered Mr. Samaha a crack at financing one of William Morris's biggest and most troublesome orphan projects, Mr. Travolta's beloved "Battlefield Earth." Mr. Travolta had been keen to make the project since the mid-1980s, when he first lent his name to screenplay adaptations of the 1,050-page L. Ron Hubbard novel.

Mr. Travolta says the film has nothing to do with Scientology and figures those early efforts faltered because the scripts weren't that good. The project lost momentum for a time, as did Mr. Travolta's career, but both seemed to get back on track

in the mid-1990s after the MGM studio bought the film rights to "Battlefield Earth" from Author Services Inc., a Los Angeles firm that licenses all of Mr. Hubbard's written works. A couple of years later, the project was dropped by MGM, but picked up by News Corp.'s 20th Century Fox unit—only to be dropped again in 1998.

## The Hubbard Connection

Mr. Elwes and others say that the Hubbard tie is the main reason "Battlefield" has never been made. Asked if he believes that the Hubbard connection placed extra hurdles in the film's way, Mr. Travolta says: "I'll never know." He adds that, "if it were an issue secretly to someone, it would not be politically correct to voice it."

By the time "Battlefield Earth" came to Mr. Samaha, it had taken so long that Mr. Travolta had to shift from playing the film's strapping young hero, Jonnie Goodboy Tyler, to its alien villain Teri Messers. Travolta and his manager, Jonathan Krane, had never heard of Elie Samaha, who during the first phone conversation promised to greenlight the project, with plans to slash costs to \$50 million.

Then Mr. Samaha set to work persuading foreign financiers to pay for most of the production costs. The Scientology question was raised numerous times and batted down by Mr. Samaha, who says he would bark: "This is what the movie is about: It's 'Planet of the Apes' starring John Travolta. You're either in or you're the f— out."

One financier that came to the table was Intertainment, which buys the right to distribute films in European countries. Intertainment President Barry Baeres says that, given the controversy over Scientology in Germany, "at first sight, you would say no to it." But he succumbed to Mr. Samaha's insistence that "Battlefield Earth" was Scientology-free.

There is still much risk in using independent financing formulas for films as large as "Battlefield Earth," especially since the final financing often doesn't arrive until the last minute. Mr. Travolta says that, even as Mr. Samaha got his money together, he implored Mr. Krane to have a backup plan: "I said, 'Jonathan, I really don't want to miss this opportunity in time. Please, I don't want to start over again.'"

With the production costs creeping upward, the stakes are higher for everyone. Mr. Travolta has contributed some of his own money—more than \$5 million, according to Mr. Samaha. Yet Mr. Samaha himself seems unfazed; he claims that his risk is so low that he will come out all right even if the film performs only modestly in the U.S. "Battlefield Earth" is "going to make people in Hollywood take notice of Elie Samaha," he says. "I'm not going to be the laughingstock anymore."

As Mr. Samaha waits to see how the market reacts, he has also been ramping up his efforts to link his movie and nightclub businesses. When he and his partners opened the Sunset Room last year, they allowed about 50 top agents, film executives and Hollywood lawyers to buy a piece of the action. Mr. Samaha has taken a smaller stake in the new club to focus on the film business. And before "The Whole Nine Yards" opened, he put posters promoting the film in the bathroom at the Sunset Room. He also arranged for an L.A. radio-station giveaway, with prizes that included free dry cleaning.

And then there's Heaven, an upscale spa he plans one day to open on Sunset Strip property he owns. Mr. Samaha is already bragging that it will outdo every spa in Hollywood and help him further secure connections with the right people: "I'm pretty sure they will all be there."