

Frequently Asked Questions

1. What is the Independent Cinema Alliance?

The ICA is a non-profit alliance of independent cinema owners dedicated to advocacy and education on behalf of independents. It was organized by a group of independents in early 2018. A Board of Directors elected by the membership governs the ICA. The ICA also wholly owns a buying organization called the Cinema Buying Alliance, which will soon take over the functions and benefits currently associated with NATO's Cinema Buying Group program (and do even more!).

2. Who Can Be a Member of the Independent Cinema Alliance?

Any "independent exhibitor," for profit or non-profit, may join the ICA. An "independent exhibitor" is basically what you would expect, as more specifically defined for legal reasons as follows: (1) a company engaged in the ticket-selling operation of at least one cinema or drive-in for the exhibition of motion pictures for public entertainment; (2) **not** owned by a studio, a film distributor or other major content supplier; (3) operating no more than 500 screens; (4) not owned in whole or in part by a national or regional cinema circuit having a theatrical revenue share of more than 2%. In most cases, but certainly not all, the independent exhibitor is the only cinema operator in a given market and an individual actively involved in the day-to-day operation of the business. "Independents" for purposes of ICA membership are essentially *not* circuits and not the top eight exhibitors who gain automatic membership on NATO's executive board of directors.

3. What is the Mission of the ICA?

The Independent Cinema Alliance promotes the preservation and prosperity of independent cinemas as an essential part of a healthy motion picture industry.

Toward that end, the ICA commits to: (1) advocating with studios and other content providers specifically on behalf of independents; (2) developing educational and best-practices programs that help independents navigate a challenging industry; and (3) building a robust buying program that helps independents compete on a more level playing field.

4. Why Should I Join the ICA? Don't NATO and My Regional Association Do the Same Thing for Me?

NATO and Regional Associations represent the entire exhibition business. They advocate and serve all cinema owners well, but only the ICA can advocate for and serve independent exhibitors on those issues unique to them. While the ICA's goals, the Regional Association's goals and NATO's goals complement one another, only the ICA exclusively focuses on independent cinema owners.

Moreover, the Cinema Buying Group will no longer be a NATO program. The Cinema Buying Alliance (CBA) is the new buying program by the ICA. Headed up by Rob Del Moro, the CBA is a way to participate in a buying program that reduces your costs on concessions, equipment, janitorial supplies, xenon bulbs, and potentially a host of other



products and services. Join the ICA for automatic participation in the CBA. It's an ICA member benefit. Participation in the CBA will allow you to receive rebates on products you have purchased.

And finally, it's not a choice among joining the ICA, Regional Associations or NATO. All three will serve you well, in their respective ways. But joining the ICA specifically gains you the most immediate benefit as an independent exhibitor. Go to www.CinemaAlliance.org.

5. Why Can't NATO Advocate for Independents with the Studios While the ICA Can?

NATO's mission is to promote the interests of cinema owners and operators of all sizes. Because it represents the entire industry it cannot focus on the unique concerns of each member class. Moreover, because it represents almost the entire domestic exhibition industry, it is difficult from an antitrust perspective for NATO to advocate on behalf of one segment of the industry.

The ICA, as the gathering place for independents, will never represent more than independents, and will never constitute more than a minor percentage of total box office revenue. Its advocacy on behalf of independents will therefore not raise the antitrust red flags that NATO's advocacy might.

6. What Are Some of the Studio Issues That the ICA Will Address?

The ICA has already had meetings with each major studio with more scheduled in the coming weeks. The main issues on the table are shrinking windows, mandatory minimum runs, unaffordable aggregate terms, limited availabilities and PVOD. Although entrenched studio sales policies are difficult to change, early ICA studio meetings have been encouraging. All studios recognize and support our specific advocacy on behalf of independents, and express interest in working with us.

7. Why Should I Join the CA?

- (1) You will be part of an organization that, for the first time in our industry's history, capably advocates *exclusively* on behalf of independents.
- (2) You receive automatic participation in the Cinema Buying Alliance, the newly-constituted and robust independent buying program that will negotiate to deliver significant cost-savings for you on many of your products and services.
- (3) You are entitled to CBA Participant rebates.
- (4) You will be on our mailing list and receive newsletters that inform you of developments and opportunities relevant to independents, including surveys to get your input on matters vital to independents.
- (5) You will receive privileged access to educational programming designed specifically for independents.

(6) You will receive privileged access to a credit card processing program negotiated by the ICA.

(7) You will receive any and all discounts on programs and services applicable to independents, as the ICA negotiates such programs.

(8) You will participate in choosing the governance (or running yourself) of the ICA (and by extension the CBA), as you will have exactly the same vote as every other ICA member, regardless of size.

(9) You will be part of something larger than yourself that gives all of us a fighting chance, a way to be the smaller player proudly.

Go to the ICA website at <http://www.CinemaAlliance.org/> and follow the prompts to join.

8. If I Join the ICA Should I Drop My NATO or Regional Association Membership?

Absolutely not! The ICA, NATO and its Regional Associations share many goals, and each independent exhibitor has much to gain from membership in all three.

9. How Much Does ICA Membership Cost?

The ICA will be considering dues at the historic first Board of Directors meeting in Dallas on February 20-21. There must be dues (in part because the ICA's IRS 501(c)(6) status requires that it be dues-driven), but also because that will be an essential revenue stream for achieving all of the ICA/CBA missions described above.

ICA dues will necessarily be more than the token CBG dues of \$150 per member, but we are also busy designing programs that give you bottom-line better deals and rebates, such that your dues will be more than worth it.

Go to the ICA website at <http://www.CinemaAlliance.org/> and follow the prompts to join.

10. Is the ICA Going to Take Over My Film Buying and Booking?

No. The ICA has no plans to engage in film buying and booking for its members. That's the purview of the individual owners and their film buying services. The ICA will communicate issues to the studios that concern exhibitors and their film buyers and will advocate for mutual resolutions of these issues, but it will not represent individual exhibitors as their film buyer or booker.

11. If I'm a CBG Member Now, Am I Automatically a Member of the ICA or the CBA?

No. You must register separately to become an ICA member. Becoming an ICA member will automatically make you a participant in the Cinema Buying Alliance (CBA). Participating in the CBA will entitle you to rebates on specialty programs designed for independents. Note that the current CBG will soon cease to exist as a NATO program, and thus all CBG programs and rebates will cease. You will need to join us if you wish to continue



accessing these programs and rebates, as well as additional programs and rebates we'll be rolling out soon.

See our website and learn how to join. It's easy and valuable! <http://www.CinemaAlliance.org>

12. I signed a CBG Participant Agreement. Do I need to sign a new agreement?

Yes, to become a participant in the CBA, you will need to sign a new CBA Participant Agreement. The new CBA Participant Agreements have not yet been rolled out, but yes, the buying program required a mutual agreement then and it does now as well.

13. Do I Have to Join the ICA to Participate in the CBA?

No. While joining the ICA makes you an *automatic* participant in the CBA (for free), you can, if you wish, join only the CBA and not the ICA. There will be a separate CBA Participant Fee, and it will be likely higher than the ICA membership fee, but if you wish to be part of *only* the CBA, you can. Simply inquire with us for the separate fee arrangement.

14. If I Have Questions About the ICA, Who Do I Contact?

You can send an email inquiry to the ICA general mailbox at taskforce@CinemaAlliance.org, or you can contact any ICA Board of Directors member as follows: Byron Berkley, Bill Campbell, Brian DeCiancio, Gina DiSanto, Donald Fox, Randy Hester, and Mark O'Meara.

15. How Do I Become an ICA Member?

Becoming a member is a very simple process. Go to the ICA website at www.CinemaAlliance.org and follow the prompts to join. The application form is easily completed and, once done, your membership will be confirmed quickly. Welcome!