

Quarterly Newsletter of the Entertainment Merchants Association (EMA)

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Annual Report Now Available

EMA's 2015 *D2 Report: Discs & Digital – The Business of Home Entertainment Retailing* is now available.

According to the report, consumers today have a multitude of options for enjoying home entertainment—including discs and digital delivery, purchase and rental, televisions and mobile devices, established titles and original content, movies and television and video games—and are embracing them all.

The 2015 D2 Report: Discs & Digital – The Business of Home Entertainment Retailing finds that spending on digital video is rapidly approaching disc revenue, spending on electronic sell-through and streaming services is growing at double-digit rates, the laptop was ranked ahead of the television for viewers 18-34, the amount of original content developed for Internet-based retailers continues to expand, and 51% of U.S. households own a dedicated game console.

The D2 Report aggregates data from leading industry analysts on the home video and video game markets, both physical and digital, with a particular emphasis on the retail sector. The report goes beyond the numbers and headlines and puts the trends in context.

Each EMA Member company received one complimentary print copy of the 2015 *D2 Report*. Additional copies may be ordered at www.entmerch.org.



EMA's Mission

To protect the rights of, foster the health and vitality of, and provide a forum for those engaged in the sale, rental, and/or commercial delivery of video or video game content to consumers through physical media or over-the-top Internet-based delivery.

Dylan Lee Receives 2015 EMA Scholarship

Dylan Lee of Amarillo, Texas has been selected as the recipient of the 2015 scholarship from the EMA Scholarship Foundation. He will receive \$4,000 per year for up to four years to attend college. He is the son of Bryan Lee, who is an employee of EMA member company Hastings Entertainment.

"Dylan has distinguished himself both academically and in his extracurricular activities and shows great potential to continue to excel," noted Mark Fisher, President & CEO of EMA. "It's a privilege for us to support his education, and we're sure he will be a credit to the scholarship program."

"This scholarship provides an incredible opportunity for me to focus on the pursuit of my dreams," Dylan Lee said. "I am very thankful to the EMA Scholarship Foundation for investing in my future. Because of their generosity, my goals will be more easily realized."

Lee graduated in May from Randall High School in Amarillo, where he was raised. He will be attending the University of Texas-Austin in the fall, where he has been accepted into the Engineering Honors Program.

Lee intends to major in mechanical engineering, and his specific passion is aerospace engineering. He was part of the NASA Aerospace Scholars program during his junior year and was selected by NASA to attend aerospace camp at the Johnson Space Center in Houston. Lee was also a drum major and the head of the leadership team for the Randall High School band.

The Scholarship Program is one of the most enduring benefits offered to EMA regular and associate members. It affords member companies the opportunity to provide the potential of educational assistance for employees and their spouses and children.

Since the EMA Scholarship Foundation was established in 1987, EMA has helped more than 240 students achieve higher education through scholarship grants totaling more than one million dollars.



Former EMA Board Member and Hastings Entertainment Chairman John Marmaduke (right) makes the scholarship presentation to Dylan Lee.

To be eligible, students must be high school seniors or current, full-time college undergraduate students during the academic year in which they apply, and they must be employees or principals of EMA member companies in good standing, or their spouse or child. Scholarships are awarded based on academic and personal achievement, financial need, and academic potential.

Digital EMA Updates

Prioritization of Digital Supply Chain Initiatives: A group of digital retailers met in early June, and identified the following priorities for digital supply chain standardization: (1) Content Availability Metadata (Avails); (2) EIDR Registration; (3) Media Manifest; (4) Metadata; (5) Ratings; (6) Closed Captions; (7) Image Files; and (8) Mezzanine Files. EMA is coordinating efforts on each of these initiatives.

Fundamentals of Copyright Licensing: EMA has published a whitepaper providing a broad overview of the licensing practices and issues involved in consummating licenses in the media and entertainment industry generally. It begins by providing context on the underlying intellectual property that creates a licensing opportunity, moves through material terms, and finishes with comments on important boilerplate items such as dispute resolution.

The whitepaper was authored by Jason Peterson, CEO of ContentBridge Systems, and a member of the EMA Digital Steering Committee.

The whitepaper is available at www.digitalema.org.

Closed Captions Best Practices: The EMA Closed Captions Workgroup has developed a document outlining the appropriate best practices for compliance with the legal requirements imposed by federal law and regulation for closed captioning of Internet Protocol-delivered video programming and other best practices for the conversion of television closed caption files for transmission over the Internet. The document addresses the identification of when closed captions are not legally required (and why), closed caption file formats, and frame rates.

Best Practices for Closed Captioning of Internet Protocol-Delivered Video Programming is available at www.digitalema.org.

Independent Video Titles Receive Home Entertainment Awards

EMA announced the winners of its 2015 Independent Home Entertainment Awards at its 2015 Independent Product Market in April.

The winners were:

- **Sell-Through Title of the Year from an Independent Studio:** *Downton Abbey Season 4* (PBS Distribution)
- **Rental Title of the Year from an Independent Studio:** *Ida* (Music Box Films)
- **Direct-to-Video/Limited Release Title of the Year from an Independent Studio:** *Frank* (Magnolia Home Entertainment)
- **Documentary/Special Interest Title of the Year from an Independent Studio:** [Tie] *Food Chains* (Screen Media Films); *James Cameron's Deepsea Challenge* (Alchemy)
- **Hall of Fame Inductee (recognizing a title that continues to perform well year-after-year):** *IP Man* (Well Go USA)

Mark Fisher, President and CEO of EMA, stated, "It is a real pleasure to give these titles the recognition they deserve. They are excellent examples of the diversity of product from independent studios and the kind of quality entertainment that can be found beyond the multiplex."

EMA's Home Entertainment Awards winners were selected from a list of nominations by a vote of EMA retail and distributor members. The nominations reflect the rental and sell-through success of the title in both physical and digital formats.



Independent Home Entertainment Award recipients and presenters. (L-R: Mike Saksa, Redbox Automated Retail (presenter); Laura Giampino, Screen Media Films; Mike Wagner, Well Go USA Entertainment; Randy Wells, Magnolia Pictures; Lisa Holmes, Music Box Films; Kathleen Gilbert, PBS Distribution; Marie O'Reilly, Alchemy Films; Glen Merison, Vobile (presenter); Mark Fisher, EMA.)

Redbox's Mark Horak Honored by EMA Scholarship Foundation

The EMA Scholarship Foundation presented its inaugural Honors Award to Mark Horak, President of Redbox, recognizing his leadership in the home entertainment industry and outstanding service to society on behalf of the Cystic Fibrosis Foundation. The award was presented on May 19 at a luncheon in Universal City, CA.

"Mark is particularly deserving of this award, as he has a record of successful leadership on both the studio and the retailer sides of the business, almost single-handedly drove the creation of the Los Angeles Entertainment Summit, and has dedicated himself to helping those who suffer from cystic fibrosis have a better future," noted Mark Fisher, President & CEO of EMA.

Mark Horak became President of Redbox in March 2014. He came to Redbox with 19 years of experience in the video and video game industries at Warner Bros. Home Entertainment. He served as president the Americas, executive vice president and general manager of Worldwide Operations and New Packaged Media, and executive vice president and general manager for Canada, Latin America, Australia and Asia. As president the Americas, Horak maintained Warner Bros. number one market share in physical media, grew its market share in the catalogue, family, and television segments of home video, expanded digital transactional revenues, and doubled catalogue video game profits.

While at Warner Bros., Horak co-founded the Los Angeles Entertainment Summit, which brings together more than 1,000 home entertainment industry leaders annually for business-to-business meetings, networking, technology demonstrations, and knowledge exchanges. In addition to providing the leading forum for the industry, under Horak's leadership the Los Angeles Entertainment Summit has donated \$1.4 million for the Cystic Fibrosis Foundation in the past three years.

The fight against cystic fibrosis is a cause close to Horak's heart, as two of his daughters have the disease and he is dedicated to finding a cure. Horak currently serves as President of the Board of Directors of the Los Angeles Branch of the Southern California Chapter of the Cystic Fibrosis Foundation.



Mark Horak

EMA Welcomes New Members Akamai/Screenplay, Broad Green Pictures, Fire Sale Tech, M-GO, and Vobile

EMA recently welcomed the following to membership in the Association (through May 31). [Descriptions provided by the companies.]



Akamai (www.akamai.com) is the world's leading provider of cloud services for helping enterprises provide secure, high-performing user experiences on any device. **ScreenPlay** (www.screenplayinc.com) is the world's largest B2B supplier of promotional movie, TV, video game, and music video content. Combined, the industry now has an end-to-end solution that provides online sites and retail stores with access to the highest quality promotional video content—while at the same time affording content owners the flexibility to control when, where, and how their content is displayed worldwide.



Broad Green Pictures (BGP) (www.broadgreen.com) is a feature film production and distribution company founded by Gabriel and Daniel Hammond in 2014. The new studio provides filmmakers with unparalleled development support, production infrastructure, and marketing resources to execute their vision from script to screen. Through collaborative partnerships with both rising talent and established filmmakers, BGP shares incredible stories with the widest possible audiences, pushing boundaries and taking creative risks. BGP's upcoming slate includes the critically acclaimed *Walk In The Woods*, *99 Homes*, and *Learning To Drive*, as well as Terrence Malick's *Knight Of Cups*, *Voyage Of Time*, and his untitled project starring Ryan Gosling and Michael Fassbender.



Fire Sale Tech is an e-commerce retailer dedicated to the supply of quality goods at reasonable prices. It strives to source its products at the lowest possible prices in order to pass that savings to the end consumer. Fire Sale Tech's dedication to detail and service sets it apart as it strives for the highest standards.



M-GO (www.mgo.com) is the premium digital video on demand (VOD) service created as a joint venture between DreamWorks Animation and Technicolor. With stunning picture and audio quality, smarter browsing, and the convenience of viewing across any device, M-GO seamlessly delivers high-quality movie and TV entertainment. M-GO is available on major platforms and functions across a full spectrum of operating systems ranging from Android and iOS to Windows. M-GO is pre-loaded on Roku streaming players, Samsung 4K and HD TVs, LG, VIZIO Smart TVs, Blu-ray players, Wi-Fi tablets and digital media players.



Vobile (www.vobileinc.com) is the worldwide leader in video and audio content protection, measurement and monetization services. Its patented core VDNA technologies enable fully automated identification, tracking and management of any video and audio content with high accuracy and scalability. Vobile operates the VDNA Database (VDDB), which is the most comprehensive database of authorized video fingerprints, metadata and business rules from major movie studios, television networks and record labels. Founded in 2005, the company is headquartered in Santa Clara, California, with additional offices in the United States, China, Japan and Singapore.



Entertainment Merchants
Association (EMA)

16530 Ventura Blvd, Suite 400
Encino, CA 91436
Phone: 818.385.1500

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WWW.ENTMERCH.ORG

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Mark Your Calendar: EMA 2015 Events



Los Angeles Entertainment Summit

July 6-8
Hyatt Regency Century Plaza, Century City, CA



Digital EMA Forum

July 7, 2:00-5:30 p.m.
Hyatt Regency Century Plaza, Century City, CA
RSVP to sbersell@entmerch.org



Digital Media Pipeline

October 14
Skirball Cultural Center, Los Angeles

For event sponsorship information, contact Carrie Dieterich: cdieterich@entmerch.org; 818-385-1500