



LAW ADVOCATE GROUP, LLP

9701 Wilshire Blvd. Suite 1000 Beverly Hills, CA 90212

Phone: 310-651-3065 Fax: 310-601-7110

www.LawAdvocateGroup.com

Doron F. Eghbali Entertainment Law

[What Are Some Basics of Film Producer's Compensation?](#)

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Producers' compensation, similar to [directors'](#), may encompass disparate elements ranging from development fee to guaranteed fee to pay-or-play. Let us explore these salient components in *some* detail.

1. DEVELOPMENT FEE

Development Fee is extremely important since it might be the only money producer ACTUALLY is paid. This is often because so many projects are produced, but FEW are developed.

SOME BASICS OF DEVELOPMENT FEE

- **AMOUNT OF PAYMENT:** If there is any payment, then most studios customarily pay \$25,000. This is important to note such amount could range from \$10,000 to \$60,000.
- **MANNER OF PAYMENT:** Development Fee is payable, typically, half upon commencement of services and half upon the earlier of (1) abandonment of the project or (2) the studio proceeding to production.

2. GUARANTEED FEE OR PRODUCING FEE

This is extremely important to ascertain there is NO union-prescribed minimum producing fee. Hence, studios are free to pay as low a fee as parties are willing to negotiate.



Accordingly, such negotiating prowess depends - subject to Federal Minimum-Wage Statute - on variety of factors, including *but not* limited to:

- The Box Office Success of Any Films the Producer Has Been Associated with.
- The Critical Success of Any Films the Producer Has Been Associated with.
- The Nature and Scope of Services the Producer Will Provide.

SOME BASICS OF GUARANTEED FEE

MANNER OF PAYMENT

The Producer's Producing Fee LESS Development Fee is paid based on the following schedule for more VETERAN Producers:

- 20 percent of the Guaranteed Fee payable during 8 weeks immediately preceding principal photography, typically in weekly installments
- 60 percent of the Guaranteed Fee during the period of principal photography
- 10 percent upon completion of the director's last cut
- 10 percent upon delivery to the studio of the answer print

Such fee schedule is referred to as 20/60/10/10.

3. PAY OR PLAY

A Producer needs to identify the point in time at which producing fee becomes GUARANTEED, subject ONLY to default, disability, death and force majeure.

SOME SALIENT POINTS ON PAY OR PLAY

- **TERMINATION AND CREDITS:** Studios often contend even if they terminate producer without cause, then they have no obligation to accord credit to such producer. On the other hand, Producers feel even if they are terminated early, they are entitled to credit. Such tension might escalate especially when the Producer brought the project to the studio. Such point is usually governed by the Producer's contract and NOT union arbitration. Thus, it is incumbent upon Producers to seek competent knowledgeable legal counsel.

[DORON EGHBALI](#) is a Partner at the Beverly Hills Offices of **[Law Advocate Group, LLP](#)**. **[Doron](#)** Primarily Practices **[Business](#)**, **[Real Estate](#)** and **[Entertainment Law](#)**. **[Doron](#)** Can Be Contacted at: 310-651-3065. For More Information, Please, Visit: **[HERE](#)**.