

## FEATURE

MR MUDD

# Film-making confidential

The prolific Los Angeles-based Mr Mudd is proving itself a model for a new breed of financially savvy, artistically driven independent production companies comfortable working on both sides of the Atlantic. MIKE GOODRIDGE reports

If you want to know some of the harder challenges of being an independent producer, you might ask the three partners at Los Angeles-based company Mr Mudd — Lianne Halfon, John Malkovich and Russell Smith.

This year, two new, not inexpensive Mr Mudd pictures will open in the US — the \$22m period romp *The Libertine* and the \$12.5m comedy *Art School Confidential*. While both have secured domestic distribution, the former through Miramax Films, the latter by United Artists (UA), the Mr Mudd partners are unsure who will ultimately release them because of the precarious nature of both those companies.

Then there is the extraordinary production history of *The Libertine*, which was one of the most high-profile casualties of 'Black Tuesday' last February, when the UK government vetoed all films being financed by tax schemes such as Grosvenor Park's First Choice. Nine days before the movie, which stars Johnny Depp, was scheduled to go before the cameras, Halfon, Malkovich and Smith were suddenly faced with a 30% gap in the finance. They filled it.

## Real producing

"It's not good enough to be a good independent producer these days, you've got to find a way to make your movies now," explains Smith from the Mr Mudd offices in Los Angeles. "You can't assume that a script and a couple of actors can do the trick for you."

"There are producers that get the finance together but couldn't talk to an actor other than to get their picture taken with them," he elaborates. "Then there's the other producer that works on a script and knows how to make a film, who are just waiting for someone to say to them, 'I'll make your movie for you.' You really have to combine these two."

And now that its three-year overhead deal at UA is coming to an end (as indeed is UA in its current incarnation), the partners are working hard to come up with an ongoing financing structure for their films. In the UK, Mr Mudd is working with London-based Aurelius Capital Ltd on an EIS (Enterprise Investment Scheme) fund as well as

a structure to approach a German fund. Outside Aurelius, they are working on access to equity funding on both sides of the Atlantic.

## Forming Mr Mudd

Mr Mudd was formed in 1998, four years after the three had a positive experience together producing Don DeLillo's novel *Libra* on stage at the Steppenwolf Theatre Company Of Chicago in 1994. Malkovich directed (and adapted the book with DeLillo).

Armed with a three-year overhead deal with the UK's now defunct Granada Film, the partners first delivered Terry Zwigoff's fictional feature debut *Ghost World* (released in 2001). It was the only fruit of the collaboration. "I don't think Granada particularly like the way we do business [in the US]," says Halfon.

Next came acclaimed documentary *How To Draw A Bunny* (2002) directed by John Walter and Andrew Moore; Malkovich's first movie as a director, *The Dancer Upstairs* (2003); a documentary on the first amendment produced for The Sundance Channel called *Some Assembly Required*, also directed by Walter; and now the two 2005 films.

## Good material

From the start the company defied any preconceptions that it was a vanity vehicle for Malkovich, who gets closely involved at all stages of the productions, especially in script development and casting.

"John's idea was that there was no good material so the way to find good material was to develop it ourselves," recalls Halfon, "and foster relationships and go out and find the actors and take advantage of what we consider our good taste. The final result of that concept was that you have to be able to add financing in place, otherwise you have to go out and explain the project for two or three years until the market catches up with what you are trying to do."

Halfon adds that she and Smith had just had a meeting with an international sales agent which reinforced their determination to bring on their own financing. "If we went to one of these companies which act

like a broker, it would throw out half our slate," she laughs. "You can't have a black lead, you can't be regional, you can't do period, comedy has to have a wedding in it. We have to go to the source, therefore, because if we rely on somebody to go out and sell it for us, they will never believe in it quite like we do."

## Libertine crisis

A lot of the company's new financial ambition come from the punishing experience on *The Libertine*. Malkovich happened to be shooting on the Isle Of Man when the crisis happened and he made an immediate approach to [Isle Of Man tax fund chief] Steve Christian. "We had to ask Steve to break all his rules, because we couldn't meet the strictures he required, like shooting half the film there," says Smith. Under the circumstances, he agreed.

But that was only 25%. A private investor came through with the remaining 5%. "We were looking in savoury and unsavoury places," smiles Halfon. "Our company was on the line. We had mortgaged everybody's future and had put our own money in to float it while this was all going on. If that film had not gone, the company would have ceased to exist."

Meanwhile, Mr Mudd had to unravel the agreements with tax financier Grosvenor Park "in one day". "We needed to unravel and rebuild, while keeping the money that they had already committed which we were allowed to keep because they were only frozen at a particular point," explains Smith.

"That made up 4% and we were able to keep it as an investment in the film. Then we had to reconstitute the deal with the Isle Of Man. We closed three companies and opened two. We had nine days to do legal work which normally took three months."

Nor was the exchange rate favourable. "When we sent an electronic wire, we could lose 3% by the time it hit the account in the UK," says Smith, shaking his head. "This is \$8m we were shifting. We budgeted the movie when the exchange rate was \$1.60 and when we were into the



From top: Lianne Halfon, John Malkovich and Russell Smith, partners in Mr Mudd



make my best efforts to find the money. It's good that we had that experience with Granada, because we were more adept at understanding the glossary of terms."

## Clean slate

But the next Mr Mudd project to go before the cameras is far from Europe. Set in Fresno, California, *Historya* is a drama set among Latin street gangs, directed by commercials director Rodrigo Garcia Sais and starring, among others, *Raising Victor Vargas* actor Victor Rasuk. Then there's *Lawyerland*, an adaptation of the book about that profession by Lawrence Joseph which will mark Walter's fictional directorial debut. UK commercials director Malcolm Venville will make his feature debut on *Texas Lullaby* which Smith describes as "Hamlet in a small Texas sheriff's office" which is being scheduled to start in September with Malkovich taking a role.

The company has also acquired film rights to the novel *Triple Crossing* by Sebastian Rotella which is a contemporary crime thriller set at the Mexico-US border, and is executive producing *Which Way Home*, a documentary by Rebecca Cammisa which will follow three unaccompanied children as they try to cross the US border. ■



Mr Mudd's \$12.5m comedy *Art School Confidential* is directed by Terry Zwigoff and stars Max Minghella