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Coppola Hocks His Property

By Aljean Harmetz
New York Times

FRANCIS COPPOLA, the Academy Award-winning director of "The Godfather," narrowly averted bankruptcy last week by pledging \$1 million in personal property and by preparing to pledge another \$7 million.

Coppola, who mortgaged everything he owned, including his house in the Napa Valley and his automobile, to make the \$31.5 million "Apocalypse Now" in 1979 and then bought a 10-acre studio in the heart of Hollywood for \$6.7 million last March, is starting production on his \$22 million "One from the Heart" this week.

But the cameras will roll only because he has put up \$1 million of San Francisco real estate holdings as collateral for a loan of the same amount from the Security Pacific Bank. The loan, which will carry a minimum of 21 per-

cent interest, became necessary when \$8 million of foreign investors' money was withdrawn from "One from the Heart" at the last moment.

"To get through each week of shooting, I will have to put up one million week by week from the real estate package that represents all my personal assets, until I've put up the eight million," Coppola said. These include several apartment buildings and other holdings.

How Coppola got to the point of either declaring bankruptcy or pledging \$8 million of his own began more than a year ago when "One from the Heart" was being developed by Metro-Goldwyn-Mayer. Written by Armyan Bernstein, the comedy-romance of lovers in Chicago, at one time was to star Jill Clayburgh and Michael Douglas and to be produced for MGM by Bernstein and Ed Feldman.

"We went after Coppola to direct," said Al Newman, MGM vice president for publicity. "He wanted to — but not as an employee. He attempted to buy

the picture. We resisted."

Eventually MGM let Coppola have "One from the Heart" in return for the United States and Canadian distribution rights and 20 percent of the equity. MGM also guaranteed completion money.

Coppola's "One from the Heart," which he describes as "a fantasy about romantic love, jealousy and sex — all the kinds of love between men and women," is set in a surreal Las Vegas and stars Frederic Forrest, Raul Julia, Terry Garr, and Nastassia Kinski, the 20-year-old star of Roman Polanski's "Tess."

HIS ORIGINAL BUDGET for the movie was \$15 million. Chase Manhattan Bank, which had agreed to supply about half the financing for Zoetrope movies up to an aggregate of \$20 million, was to put up \$8 million for "One from the Heart." The remaining \$7 million was raised by preselling the movie to foreign distributors, just as Coppola had presold "Apocalypse Now." When the budget climbed another \$8 million several months ago because of the decision to make it a fantasy that would require \$4.5 million worth of sets, foreign tax shelter money was found to fill the gap.

The trouble began several weeks ago when the foreign tax-shelter investors pulled out. According to Coppola, the withdrawal came partly because the investors, organized by Howard Schuster, were "burnt out from 'Superman II' and partly because MGM refused to make a minor monetary accommodation."

The actual cost of the movie, including its \$500,000 miniature of Las Vegas and its almost entirely animated \$4.5 million background is under \$15 million, Coppola says. The rest of the money is in various fees, including \$2 million for overhead for Zoetrope, a \$2.5 million contingency fee for MGM, and a \$3 million fee for Coppola, which he has already ploughed back into his studio.

His greatest risk — his surreal Vietnam War film, "Apocalypse Now" — has paid off. Once in debt to United Artists, which guaranteed his bank loans, for \$30 million, he now owes less than \$5 million. "Apocalypse Now" has grossed over \$200 million and brought United Artists film rentals of \$85 million. When he has paid United Artists its last \$5 million, the negatives of "Apocalypse Now" will belong to Coppola, who has already sold the film to Home Box Office for \$2.5 million and expects to sell it to a television network for at least \$10 million.



Special to The Bee

Francis Ford Coppola at work