Interview with Tom Pollock
Carsey-Wolf Center at UC Santa Barbara

15-18 minutes

In October 2010, Tom Pollock, Founder of the Montecito Picture Company, sat down with MIP for an interview. In the excerpts below, Pollock describes his entry into the entertainment industry, the impact of the contract he negotiated for George Lucas' *Star Wars*, and his talent-driven strategy for managing Universal Pictures.

Tom Pollock was the head of Universal/MCA from 1986 to 1995. He founded Montecito Picture Company with filmmaker Ivan Reitman in 1998 and continues to run the company today. Pollock has worked in the entertainment industry since the 1970s beginning as an entertainment lawyer for such talent as George Lucas. He used his relationships with talented filmmakers including Steven Spielberg and Martin Scorsese to revitalize Universal and make it the most acclaimed studio of the early 1990s.

**Negotiating Pre-Sale Financing and the Star Wars Contract**

Tuesday, August 9, 2011
MIP: How did you become involved with Tolo TV?

TOM FRESTON: In 2005, when I was still with Viacom, an American Iranian woman named Sarah Takesh, who had been in Afghanistan, tracked me down in New York. She asked me out to brunch. She started a clothing business in Afghanistan and somehow found out I had done something similar in the '70s. I agreed to meet her. I had been following things in Afghanistan ever since leaving but had never returned for a visit. I was enthralled with all the stories she told me of what it was like in Afghanistan now. There was a sense of optimism about the future. I told her about my experiences in the old days. It was a great conversation.

In the end, I said, “You’ve really piqued my interest. I’ve got to come over there.” She said, “Yes! Come over. And I’ll introduce you to my boyfriend [Saad Mohseni].” He’s like the Rupert Murdoch of Afghanistan. I say, “I’d love to meet him. Send me an email.” Saad has now become one of my closest friends.

At first, I tried to help him out in the early days of [the reality show] Afghan Star. I pointed him to some people and introduced him to others. He kept saying, “Come to Kabul.” Once I got fired, I had the time.

I returned for the first time in 2007. It was great! I went into Tolo TV and I just couldn't believe it. It was fascinating. Here you have a country that didn’t even have television and somehow they had managed to get a bunch of 20-year-old boys and girls working together in a modern company. It was unheard of in Afghanistan. They didn’t know anything, and they were teaching
themselves – just like we did at MTV in the ’80s.

When Saad visited the States, I would bring him around and introduce him to media people here, like Jon Stewart. We are going to try to do a Daily Show in Afghanistan. I helped him with this, that, and the other thing. Then, I joined the board of the company. I’m engaged as a spirited observer. I introduced him to Murdoch and they did the Farsi1 TV deal. Now, I’m very involved in Afghan media. Who knew? It’s serendipity to have come full circle back to Afghanistan.

**What do you do as a board member?**

I’ll go over there for a few weeks and help them out with production stuff as a consultant. I get such a kick out of it. It’s an amazing opportunity to see the impact television can have on society. Both television and the cellphone are huge, undiscovered success stories in Afghanistan. These basic technologies have made a major difference there, and it’s just so exciting to see.

They don’t have any independent production companies in Afghanistan so there is nobody making shows for them. So, just like we did at MTV, they started making their own products. Now they are doing scripted shows and bringing in Americans and Australians to help teach them how to write scripts, light sets, everything!

They have a show called *Eagle Four* that is similar to [the American series] 24. The characters are dressed up like super cops. They go after suicide bombers and terrorists, the bad guys. It is hugely popular. They’ve done such a good job of it.
There is no acting tradition there to draw from anymore so one of the leads is a guy who runs a hotel in Jalalabad. The actors are so popular and the people are so starving for entertainment that when they appear on the streets to go shopping they are mobbed. So, now they wear their uniforms from the show when they go out in the market. They are like rock stars. It's amazing.

**Where does the hardware originate? Do they have factories?**

The TVs come from China. They just bring them over the border in truckloads and often they hook them up to car batteries. You can get black-and-white or color TV for seventy-five bucks. People have them in their homes and they'll use generators or car batteries to run them, or they will have them in teahouses and restaurants. People are transfixed by television. It's one of the only things in this broken-down, corrupt society that they have to enjoy.

One of the big successes has been soap operas. They've got this Indian soap opera and it was hugely popular and dubbed into Farsi. But it was controversial for the Islamists. They didn’t even refer to the characters as Hindus but rather idol worshipers! So, they demanded the show be taken off the air. But people wouldn’t stand for it going away. They ended up blurring pictures of Hindu deities or some woman’s exposed arm, but they left the soap on the air. It had such a strong connection with audiences. And seeing stories from other parts of the world and connecting to other cultures through these universal narratives – it’s a wonderful, powerful thing.
What role has the government agency USAID played in developing the region’s media infrastructure? Do they have a strategy?

Yes, very much so, and it's the smartest strategy that U.S. has implemented in Afghanistan and some other countries. It's all about hearts and minds. You are not going kill your way out of this. It's about how you acclimatize these people to the rest of the world.

Saad got $400,000 from USAID and they started a radio and TV station. It’s probably the best $400,000 ever spent by the U.S. government. It helped start Tolo TV. It helped launch a few other private networks. And now their constitution has a provision for free and independent media.

Afghanistan has this little robust media industry developing there. They could use more advertisers but funds from the U.S. really help right now. Those funds underwrote part of *Eagle Four*. It was a good idea. Saad has a pretty good relationship with U.S. General Petraeus, for example. At one point, Saad said to him, “You know, people in Afghanistan hold the armed forces and the police in such low esteem. Wouldn't it be a good idea to make a series about them and their exploits and the U.S. could make available its helicopters and the military hardware?” They have so little money to invest in each episode. This is a great example of collaboration.

So, they now have a series about Afghan recruits fighting the bad guys, and winning, and the Afghan people are going see this and feel better about their country and security.
Remember, this is a broken society, recovering from more than 30+ years of war. There’s an 80 percent illiteracy rate. There is high unemployment. There is little happening. One of the reasons Afghanistan has suffered so much is because it’s been closed off from the outside world. They don’t really know what’s going on in other parts of their own country, never mind India or Iran, because there has been no media. All of a sudden now they've got a window to the world through some imported shows. They see things. They learn things. It’s so powerful.

Of course, folks can say the U.S. involvement produces some kind of propaganda machine. We are giving money so they can make certain programs. But at this stage, I would much rather see the U.S. spend a million dollars a year underwriting some entertainment program that has a good message to a rather naive and unsophisticated public than paying for one marine – which also costs a million dollars a year – to kick down people’s doors and alienate them.

**But the U.S. gives, and the U.S. takes away. Is there a risk the support will disappear? Are there potentially some adverse effects?**

I guess there are dangers. The U.S. has funded programs about hygiene, drug abuse, all those kind of things. They put money in some of these television shows. They are funding *Sesame Street*. We know we have a certain proportion of money every year coming from the U.S. government or some European government. If these guys split, it’ll create a big hole in the business. But they don’t have creative control over the final product. They might say, “I don’t like it. I’m not giving you any
more money.” So there’s certainly a risk, but they don’t make content decisions.

Pepsi is about to enter the market so now Coke has some competition. It’ll make them both spend more as they battle for consumers. Hopefully, as the consumer economy begins to develop, the money will be missed less when it goes away. And it will go away.

Running Universal, a Talent-Driven Approach

Friday, October 22, 2010

**MIP:** Your time at Universal has been described as talent-driven. You have been quoted in *Variety* as saying, “There are two approaches to running a studio, you can generate ideas or you can build relationships.” You tend to rely somewhat more on relationships. Can you discuss how that philosophy functioned when you were running Universal?

**POLLOCK:** What I tried to do there was to gather the five or six most talented filmmakers in specific areas and get them working on projects we thought we could sell. Then I wanted to let them go make the movies. In other words, we did not want to get involved in every detail of the film so long as we felt it could be commercial. We had Steven Spielberg, who was clearly one of our best directors, but he was not productive for the studio at that time. He was also being courted by Warner Bros. and Steve Ross, so he ended up working more there. We had to work hard to bring him back. Once we did, he made his next six films for us, including *Jurassic Park* and *Schindler’s List.*
In order to get Marty Scorsese, I had to make *The Last Temptation of Christ*, which was a wonderful experience. It was also a very traumatic, since we were picketed very heavily by the right-wing Christian community who felt they could make a lot of money Jew-bashing, even though the movie was made by Marty, as devoted a lapsed Catholic as there is, and Paul Schrader, who wrote it and is as devoted a lapsed Dutch Reformed Calvinist as there is.

**How did you get Spielberg back from Warner Bros.?**

I used Sidney Sheinberg. Sheinberg and Lew Wasserman were my bosses, and Sheinberg had brought Steven in originally. I told Sheinberg he had to guilt Spielberg back, and I would work on convincing Kathy Kennedy and Frank Marshall, who were running his company at the time and just happened to have been clients of mine. Steven was not a client of mine because although Steven and George were friends, they were very competitive and couldn’t have the same lawyer.

I worked with Kathy and Frank to get the projects into development that I knew Steven wanted to do. I had Sid guilt Steven into working with us by reminding him he had this huge complex on the Universal lot. Universal had built it for him after *E.T.*, he deserved it, but he hadn’t made any movies for Universal since *E.T*. Here it was six years later and it was time.

With Marty it was about making *Last Temptation*. In return I got *Cape Fear*, *Casino*, and other more commercially successful movies, even though Marty is not a commercial filmmaker at heart.
We created little functioning units. I brought over Imagine, the company I had formed to do certain kinds of movies. They are still there. I brought over Ivan Reitman, who was a client, to do a certain kind of comedy. He made *Twins* and *Kindergarten Cop* and both were successful movies. We brought in Larry Gordon to produce action movies for us when Steven wasn’t doing action movies. We built everyone nice offices and let them make their movies, though we would still approve everything. We filled in the blanks in the schedule with other movies we developed, ones driven by our own internal ideas.

*United Artists Logo of the 50s and 60s*

I told Wasserman and Sheinberg I would let them know everything I was making but they had to let me make what I wanted. I signed up for three years with the proviso that if I didn’t do a good job they could let me go, but if I did do a good job they had to really reward me because I took a large pay cut to go and run the studio. But it was the job I wanted to do.

I told them they had to give me fair accounting, because accounting practices inside the studio were very complex. For instance, the labor negotiations Lew Wasserman performed gave Universal Pictures a 20 percent royalty on videocassette sales; our record company that distributed those videocassettes to stores kept the other 80 percent. Obviously, that doesn’t accurately reflect profitability. It is one thing if that is all you want to pay the guilds, but in order to ascertain whether or not our movies were actually making money, whether or not I was doing a good job, I had to account for 100 percent or the royalties.
Those were the type of internal battles to be fought.

We were last place in 1986 when I came over. It takes at least a year to get stuff up and rolling, so 1987 was a nothing year. By 1988 we were number three and in 1989 we were number one, so I was given a new contract. The next year Lew sold the whole company to the Japanese, Matsushita Electrical Industries, and I had my contract bought out.

When you were running Universal, you tried to balance large-budget productions with smaller-budget ones. How successful was that strategy?

It was extremely successful from 1986-1989, and we stayed relatively successful for the next five or six years. Then in 1995, when Edgar, Bronfmon and Seagrams took over from the Japanese, I moved up a slot, and a year later I left the company, after the Japanese sold us to the Canadians [Seagram]—the liquor people. Wasserman had gone through three heads of the picture company in the two years prior to my arrival, five in the five years before I came on board. He was like a baseball manager: You delivered or you were out. There wasn’t any holding on just because you were a nice guy. I was able to stay because the results were good.

The business was different then, primarily because failures could be tolerated relatively easily. In fact, it was even quite common to make some movies for the sake of art. I would do one for commerce and one for art, what I called the “Scorsese tradeoff.” I did Last Temptation but Scorsese had to do Cape Fear. It cost maybe $10 million to market a movie in
1986; by the time I left in 1996, marketing a movie cost up to 30 or 40 million dollars. Now it is at $60 million. You can’t afford to fail on a movie at all.

That has ended the hands-off approach. Now all the studios are extremely hands-on, in every detail, because they simply can’t afford the failures. That has also led to almost every movie being aimed at either six- to nine-year-olds or thirteen- to seventeen-year-olds. If it is aimed at adults, it has to cost nothing. In fact, the studios managed to lose so much money producing for adults that by and large they have shut down their specialty divisions. Universal still has Focus but they release three movies a year. Paramount and Disney have gotten rid of theirs. They don’t even want to be in that business today.