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STAR PARTNERS II BANKS ON MGM/UA

Limited Partnership Sets Goal Of Raising \$75 Mil To Help Finance Prod'ns

By BILL DANIELS

MGM/UA may be getting some cash assistance from a nine-figure financial sequel — Star Partners II Ltd. The limited partnership was registered yesterday in Washington with the stated goal of raising as much as \$100,000,000 to help finance MGM/UA film product.

In a Securities & Exchange Commission filing, SPII declared its intent to sell up to 75,000 units to investors at \$1,000 each for a total of \$75,000,000. Should the units prove to have a special appeal, partnership may sell up to 25,000 more (for a total of \$100,000,000), the document said.

Goal is notably more ambitious than the original Star Partners offering, which sought to raise up to a maximum of \$75,000,000, and brought in \$23,000,000.

Benefit Factor

At the time of the first Star Partners offering, Wall Street analysts noted that limited film partnerships had lost much of their sparkle among investors, with some critics claiming that the mechanisms generally benefited distributors more than the unlimited partners (*Daily Variety*, Oct. 28, 1987).

MGM executives were not available for comment yesterday, being

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SPII requires most investors to purchase at least five units (\$5000 worth) and needs to raise a minimum of \$1,250,000 to close. That floor is significantly lower than the \$20,000,000 minimum set for the first Star Partners offering.

As with the first partnership, SPII will acquire interest in films produced by MGM Pictures and UA Pictures, though the original offering specified that capital contributions would be generally split 50-50, and SPII makes no mention of any such ratio.

Partnership plans call for acquiring interests in no fewer than seven pictures should SPII raise the \$75,000,000 maximum. Should it bottom out at \$1,250,000, it will contribute to at least one film.

Named in the government filing as candidates for funds from SPII are seven upcoming releases (all release dates are estimated):

- "January Man," from MGM, starring Kevin Kline, Susan Sarandon and Rod Steiger. Estimated re-

SPII Banks On MGM/UA, Aims At Raising \$75 Mil

lease, January '89.

- "Finding Maubee," MGM, Denzel Washington, Spring '89.
- "Roadhouse," UA, Patrick Swayze, early '89.
- "A Dry White Season," MGM, Marlon Brando, Donald Sutherland, early '89.
- "Rainman," UA, Dustin Hoffman, Tom Cruise, December '88.
- "License Revoked," UA, Timothy Dalton, Summer '89.
- "Stanley & Iris," Summer '89.

Under terms of the partnership, SPII money will go toward financing the acquisition cost of each film along with MGM/UA, while the latter would also contribute money for domestic theatrical marketing and distribution.

Key figure in assembling SPII is Allen J. Schwab, who, in addition to his role as a general partner in the original Star Partners, has been instrumental in raising cash for such films as "Superman III," "Superman IV," "The Color Purple," "Sudden Impact" and "Little Shop Of Horrors."

SPII is incorporated in Florida.