

If Hollywood studios are doing Big Tobacco's dirty work for free, shareholders should sue them for stupidity.

Movies that promote smoking are a great way to cheat the TV ban on cigarette ads. These movies are worth millions to Big Tobacco, yet Big Tobacco says it pays studios nothing to make them. Are studios betraying their shareholders... *and* our kids?

Hollywood and Big Tobacco used to enjoy a simple arrangement. According to once secret files, tobacco companies paid the movie studios cash to put their cigarettes in the movies — \$350,000 to place Larks in a James Bond film, for example.

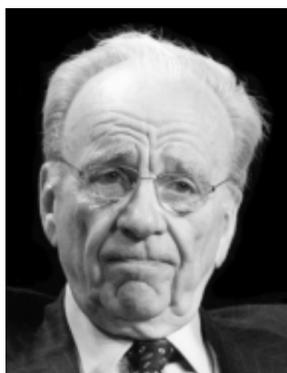
Congressional scrutiny supposedly halted this payola. Big Tobacco claims it stopped making the payoffs in 1989.

Yet promotion of smoking in Hollywood movies has actually increased. More stars have been lighting up on screen. And is it merely coincidence that America's most heavily advertised cigarettes get the most screen time?

Think how much big-screen exposure is worth to global tobacco firms. They're barred from advertising on TV in more and more countries, and increasingly restricted in their efforts to addict new, young smokers in the U.S. Big Tobacco needs movies to repeatedly, indelibly impress young viewers in the theaters, on home video, over cable and satellite.

Outside the U.S. spotlight, Big Tobacco uses actors shamelessly. Charlie Sheen has advertised Philip Morris's Parliament cigarettes in Japan. Antonio Banderas has done the same in Argentina. So imagine how much top-tier stars like Julia Roberts, Gwyneth Paltrow, Brad Pitt and Leonardo DiCaprio are worth to Big Tobacco when they light up on the big screen, as if they personally endorse smoking.

EXAMPLE: In *Titanic* (rated PG-13, from Viacom's Paramount Pictures), stars



Movie studios controlled by (clockwise from top left) AOL TimeWarner's Steve Case, Viacom's Sumner Redstone, Disney's Michael Eisner and News Corp's Rupert Murdoch all promoted smoking in blockbuster movies over the last ten years. Shareholders have every reason to ask...why?

DiCaprio and Kate Winslet both smoked, equating cigarettes with romance and rebellion for 75 million ticket buyers in the U.S and tens of millions more overseas. Based on comparable TV ad rates alone, *Titanic* was worth at least \$5 million to the tobacco industry,

Multiply *Titanic's* example by all of the top-grossing Hollywood movies which have promoted smoking in the last decade.

Either the studios and their corporate parents benefit from doing Big Tobacco's dirty work, in which case they're corrupt.

Or else they're doing it for nothing, in which case they're stupid. And, arguably, in breach of their fiduciary duty to maximize return for their investors.

It needn't be a straight cash deal, of course. For instance, Philip Morris's tobacco and non-tobacco brands (Kraft, Nabisco, Miller) make it a top U.S. advertiser. This gives it business clout with ad-hungry newspapers, magazines and broadcast properties owned by the same conglomerates that control these studios: Warner Bros. (AOL TimeWarner),

Paramount (Viacom), Universal (Vivendi Universal), 20th Century Fox (News Corp), Columbia (Sony), Touchstone, Hollywood Pictures and Miramax (all Disney). Philip Morris CEOs, past and present, even sit on AOL TimeWarner's and News Corp's boards.

Big Tobacco could stop unauthorized use of their trademarks with a phone call. Until they do so, the onus clearly falls on the studios and their corporate parents to stop doing Big Tobacco's dirty work.

After all, smoking doesn't sell movie tickets. But studies prove that movies sell cigarettes. And Hollywood and Big Tobacco both target the teenage years, when 90% of tobacco addiction begins.

Big Tobacco has a documented history of Hollywood payoffs. Sanctions against Big Tobacco's efforts to addict the young are growing.

So is the sensitivity to this issue among institutional investors in the media giants that control the studios.

All this suggests that top management should start taking sensible precautions:

1] ROLL AN ON-SCREEN CREDIT certifying that nobody on the production has accepted *anything* of value from any tobacco company, its agents or fronts.

2] RUN STRONG ANTI-TOBACCO ADS IN FRONT OF SMOKING MOVIES. Put them on tapes and DVDs, too. Strong spots are proven to immunize audiences.

3] QUIT IDENTIFYING TOBACCO BRANDS— in the background *or* in action. Brand names are unnecessary.

4] RATE ANY SMOKING MOVIE "R." While this may identify smoking with maturity, it should give studios pause.



**SMOKE
FREE
MOVIES**

Smoke Free Movies aims to sharply reduce the film industry's usefulness to Big Tobacco's domestic and global marketing—a leading cause of disability and premature death. This initiative by Stanton Glantz, PhD (coauthor of *The Cigarette Papers* and *Tobacco War*), of the UCSF School of Medicine is supported by the Robert Wood Johnson Foundation and the Richard and Rhoda Goldman Fund. To learn how you can help, visit our website or write to us: Smoke Free Movies, UCSF School of Medicine, Box 0150, San Francisco, CA 94145-0150.

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