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AMC Networks Inc.: *The Walking Dead* Problem[[1]](#footnote-1)

[Ram Subramanian](https://iveypubs.my.salesforce.com/003A000001CqZ3g) wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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On August 14, 2017, Joshua W. Sapan received the full copy of a lawsuit filed against his company. Sapan was the president and chief executive officer of the New York City–based cable television provider AMC Networks Inc. (AMCN). The lawsuit was filed by the comic book author Robert Kirkman, along with a group of other parties, over profit-sharing from the network’s hit show *The Walking Dead* (*TWD*).[[2]](#footnote-2) The group sought damages, contending that AMCN’s vertical integration business plan enabled it to undersell the show to itself, thereby denying significant profits to the creative talent that produced the show. The lawsuit came immediately after Kirkman and the creative talent behind *TWD* signed an exclusive long-term contract with Amazon Prime to create future shows.[[3]](#footnote-3)

However, the lawsuit had implications beyond the courtroom. In a vastly changing television landscape, the war for original content was increasing. Netflix Inc. (Netflix), the dominant streaming content provider, had announced that it was planning to double its budget for original content to US$8 billion.[[4]](#footnote-4) Apple Inc., a new entrant to the field, planned to spend $1 billion for original content. These announcements were made in addition to similar comments by Facebook Inc., Hulu, and Amazon.com Inc. (Amazon).[[5]](#footnote-5) The choices available to creative and technical talent in the entertainment industry were increasing considerably in this changed landscape. Given that Hollywood worked primarily on relationship and reputation, Sapan and his top management team at AMCN had to respond to the Kirkman lawsuit—both in court and in public.

Industry Background

In 1970, to break up the monopoly of broadcast television by the big three networks—the American Broadcasting Company (ABC), the National Broadcasting Company (NBC), and the Columbia Broadcasting System (CBS)—the Federal Communications Commission introduced the Financial Interest and Syndication Rules, widely known as the “fin-syn rules.” The rules forbade a television network from owning any program it aired. As a result, content creation was separated from content delivery, and networks had to buy programming via arm’s-length negotiations. With the advent of a fourth network—Fox Broadcasting Company—and the influx of cable-enabled content providers, the fin-syn rules were abolished in 1993. The immediate aftermath of the abolition was an increase in vertical integration in the industry. For example, during the 1987–88 television season, none of the 66 shows broadcast during prime time were owned by the broadcaster, whereas in the 2000–01 season, nearly 20 per cent of the prime-time shows were owned by the broadcaster.[[6]](#footnote-6)

The central feature of the financial model of content creation was deficit financing. Content distributors paid a licence fee for each episode of programming that they bought. The licence fee did not cover the entire cost of creating the episode. The content creator bore the deficit in the hope of making it up by participating in the profits when the program was renewed for multiple seasons and was later sold for syndication. For example, Sony Pictures Television Inc. (Sony Television) created and deficit financed the television program *Seinfeld* during its first four seasons, just covered its costs from season 5 onward, and made profits only when the show was sold in syndication for $2 billion. During the fin-syn years, independent content creators bore the risk of deficit financing. When vertical integration followed the repeal of the fin-syn rules (see Exhibit 1), large media conglomerates used transfer-pricing to account for the cost of content creation and content distribution.[[7]](#footnote-7)

Brief Profile of AMC Networks Inc.

In June 2011, Cablevision Systems Corporation, a major cable service provider, spun off its cable programming channels—first under the name of Rainbow Media Holdings and then as AMCN via an initial public offering. AMCN originally owned other cable channels, including AMC, We TV, IFC, and Sundance TV, and focused on reruns of popular programs. However, the company gradually shifted to original scripted content to increase revenues from affiliate fees, which were provided by cable providers. Affiliate fees were part of the monthly subscription fees that cable providers billed their subscribers. This shift toward original content transformed the company’s flagship AMC channel from a minor cable channel to one that was sought after by viewers.[[8]](#footnote-8)

The cable network model generated revenues from two sources: affiliate fees and advertising revenues. With a reach of 90.5 million US households in 2017 for its AMC channel, 86 million for We TV, and 74 million for IFC, AMCN obtained 63 per cent of its revenues from affiliate fees and 37 per cent from advertising. The key to increasing affiliate revenues was to maintain its bargaining power with cable service providers by providing programming that was highly desired by viewers.[[9]](#footnote-9)

AMCN was a vertically integrated company, and its AMC Studios division created some of the programming for the company’s channels. In fiscal 2017, AMCN’s revenue was $2.806 billion, up from $2.756 billion in 2016. Its net income in 2017 was $471 million, up from $271 million in 2016. However, the company had seen a steep drop in net income for 2016 ($271 million, compared to $371 million in 2015). The sudden drop in income was due to a prolonged dispute that had started in late 2015 with several cable service providers over affiliate fees and was not resolved until almost a year later.[[10]](#footnote-10)

AMCN’s business strategy was based on two main pillars. The first pillar involved a major emphasis on original programming to increase brand value and attract a larger audience. The second pillar was a focus on controlling original content via ownership. Therefore, AMC Studios was identified as vital to the company’s second pillar. AMC Studios came into existence as a wholly owned subsidiary of AMCN in 2010. *TWD* was the first show it produced, followed by several shows for AMC Channel, including *Halt and Catch Fire* and *Turn: Washington Spies*. AMC Studios also produced *Dirk Gently* for BBC America and various shows for Sundance TV, including *Rectify*, *Hap and Leonard*, and *Cold Blooded: The Clutter Family Murders*.[[11]](#footnote-11)

The Lawsuit

Kirkman, the comic book writer and author of the book version of *TWD*, sold the rights to AMCN. He was then named an executive producer of the show with profit participation. The agreement was struck when the network decided that the show would be a part of its new drive toward original content, on the heels of well-received shows such as *Mad Men* and *Breaking Bad*. *TWD* premiered on October 31, 2010, and was an immediate success, particularly in the much coveted 18–49 age group, which was important for selling advertising time at a high rate. In its third season, the show had the highest total viewership of any series on cable television, challenging *NBC Sunday Night Football* for the top prime time program (both on broadcast and cable television) in the 18–49 age demographic. The success of the show enabled AMCN to strengthen its original programming lineup via derivative shows such as *Fear the Walking Dead* and *Talking Dead,* as well as offer several Web-based series revolving around the show. In its 2013 annual report, AMCN attributed higher advertising revenues for the year (compared to the previous year), largely headed by the success of *TWD.[[12]](#footnote-12)*

Kirkman and four other parties (who acted as producers and executive producers of the show) entered into a profit-sharing agreement with AMC Studios. The profit share ranged from 1.5 per cent to 7.5 per cent of modified adjusted gross receipts, which was the standard per episode licence fee paid by the network to its producing arm. The Kirkman lawsuit alleged that AMC Studios agreed to a licence fee that was equivalent to only 68 per cent reimbursement for the cost of producing the show. That percentage was lower than comparable agreements of 77 per cent for *Breaking Bad* (produced by Sony Pictures Television), 85 per cent for *Mad Men* (produced by Lions Gate Entertainment Corp.), and 83 per cent for *Better Call Saul* (produced by Lions Gate Entertainment Corp.). All three of these shows had multiple season runs on AMCN. In addition, the lawsuit alleged that the 68 per cent reimbursement was fixed for the entire duration of *TWD*, whereas shows produced by outside studios were given 100 per cent reimbursement starting with season 5, and greater than 100 per cent starting in season 6. The suit contended that because AMCN was vertically integrated, it gave up profits at the studio level (which lowered the profit participation amounts paid to the creative talent) so that it could report abnormal profits at the network level. To reiterate its main thesis, the lawsuit quoted Sapan’s own words:[[13]](#footnote-13)

The standard rule in TV is if the show is successful, the network will pay more. If you are the studio, then you’re paying yourself in many cases. So, it’s why we have such a strong bias toward owning content. So, if you own, your costs will go up, but you’re not going to negotiate with yourself.[[14]](#footnote-14)

The Changing content-viewing Landscape

In 2017, both television broadcasters and cable network operators faced a new competitive landscape.[[15]](#footnote-15) Broadcast television first saw a changing environment in the 1980s with audience erosion caused by a proliferation of cable networks. Previously, television viewers had a choice of viewing programs from the big three networks (ABC, CBS, and NBC) or from the Public Broadcasting Service (commonly known as PBS). By 2017, cable subscription viewers had an average of 150 channels to choose from, depending on their particular subscription. A Morgan Stanley report noted that broadcast television ratings had declined by 50 per cent from 2002 to 2013.[[16]](#footnote-16) Cable networks were adversely affected by an increasing preference for cord cutting, wherein subscribers who were reluctant to pay for a bundle of cable channels from their service provider chose instead to subscribe directly to individual channels via an online streaming service. Another report captured the shift in audience preference as follows:

Traditional pay-TV providers—cable, satellite, and phone companies—lost 1.7 million subscribers in 2016, and the pace is accelerating with 2.6 million in the first nine months of 2017. This was really the year that cord-cutting went mainstream. It was mostly based on the availability of compelling streaming services. The genie is out of the bottle and it is not going to be put back in. The media companies are now dependent on the over-the-top (streaming) providers to sustain their distribution, so they have no choice but to stream forward and make their content available.[[17]](#footnote-17)

Viewership determined advertising rates for broadcast television and both advertising rates and subscriber fee for cable networks. However, despite a high cable subscription rate of 94 million in 2017, average viewership for shows had declined. For example, the 1996–97 season of *ER*, one of NBC’s top shows,had an audience of 30.79 million.[[18]](#footnote-18) In contrast, the 2016–17 season of *NCIS*, one of NBC’s top 10 shows, had an audience of only 14.6 million.[[19]](#footnote-19)

Several key players entered the content distribution arena via online streaming, which meant delivering content over the Internet. Chief among them were Netflix, with 118 million subscribers globally,[[20]](#footnote-20) Amazon Prime, with more than 100 million global subscribers,[[21]](#footnote-21) and Hulu, with 20 million US subscribers.[[22]](#footnote-22) These three streaming services had started out small in 2010 as distribution platforms for third party content. However, like their cable television counterparts, they increasingly turned to original scripted content as a way to distinguish themselves from the competition (see Exhibit 2).

The competitive market for original scripted content opened significant opportunities for the creative community. Netflix’s success in signing a long-term contract with Shonda Rhimes was an example of that shift.[[23]](#footnote-23) Rhimes had developed her first show for ABC in 2005—*Grey’s Anatomy*. The success of the show led to her developing other shows for that network, including *Private Practice*, *Scandal*, and *How to Get Away with Murder*, all of which had successful multiple-season runs. At the time, ABC reportedly paid Rhimes $10 million per year for exclusive access to her shows.[[24]](#footnote-24) A *New York Times* article described her importance to the network:

Rhimes is one of the most powerful showrunners in the business, full stop. She is among the few remaining bona fide network hitmakers. Channing Dungey, who oversees ABC’s drama development, describes Rhimes as “incredibly important” to the network. “If she came in tomorrow and said ‘I’ve a great idea,’ I would jump at it.” Since 2009, ABC has given over its Thursday-night lineup to a solid two-hour Shonda Rhimes programming block.[[25]](#footnote-25)

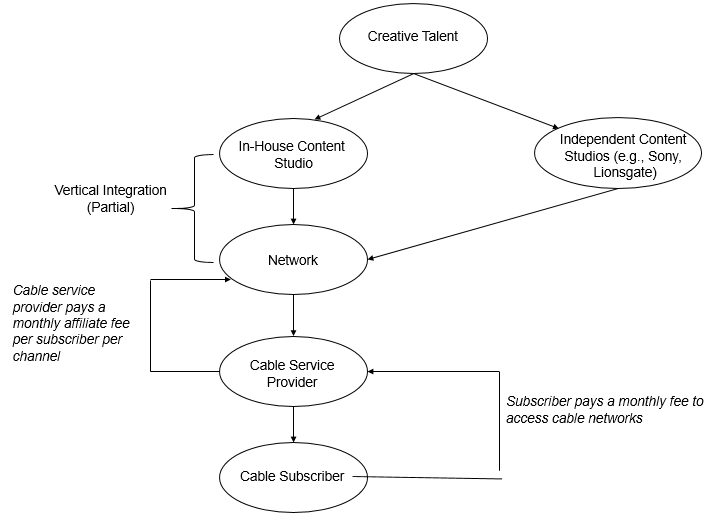
In August 2017, when Netflix announced that it had signed an exclusive long-term deal with Rhimes, *Variety* magazine described Netflix’s coup in luring away the hit showrunner as an important victory in the arms race for original content.[[26]](#footnote-26)

The Decision

For AMCN, this was not the first lawsuit associated with *TWD*. In 2013, Frank Darabont, the director and showrunner for the first two seasons of *TWD,* filed a $280 million lawsuit with the same contention that AMCN’s vertical integration had denied him the promised profits; the lawsuit remained unresolved.[[27]](#footnote-27) Similar lawsuits filed against studios in the past (see Exhibit 3) had either been settled out of court or adjudicated against the studio. The market for talent had become increasingly competitive, driven by the advent of streaming players and television networks eager to gain competitive advantage via premium original content. The economics of content creation were becoming complicated (see Exhibit 4).

Given its presence in both the distribution and creation of content, AMCN had to address its licence fee methods and its protocol for determining licence fees for internally produced shows (see Exhibit 5). The network also had to look at its tendency to have a transfer-pricing system that emphasized profit maximization at the network level. Could the company strike a balance between the advantages of vertical integration and the potential for conflict of interest?

Exhibit 1: Vertical Integration Model in Television



Note: Sony = Sony Pictures Television Inc.; Lionsgate = Lions Gate Entertainment Corp.; vertical integration (partial) = networks sourcing content from independent studios as well as their own studios; independent content studios = studios that serve multiple networks; creative talent = freelancers who can work for any studio.

Source: Prepared by the author based on “Robert Kirkman and Other Plaintiffs v. AMC Networks,” case no. BC 672124, Superior Court of the State of California, County of Los Angeles, Central District, August 14, 2017, accessed March 14, 2018, www.birdmarella.com/wp-content/uploads/2017/08/Complaint.pdf.

EXHIBIT 2: Scripted Original Content Landscape for US Television Channels

|  |  |
| --- | --- |
| **Year** | **Total Number of Scripted Original Shows** |
| 2002 | 182 |
| 2010 | 216\* |
| 2011 | 266 |
| 2012 | 288 |
| 2013 | 349 |
| 2014 | 389 |
| 2015 | 422 |
| 2016 | 455 |
| 2017 | 487 |

Note: \*Online (streaming) providers had four shows in 2010. These providers in 2010 first reported number for streaming.

**2017 Breakdown by Provider**

|  |  |  |
| --- | --- | --- |
| **Provider Type** | **Number** | **Growth since 2012 (%)** |
| Broadcast | 153 | 29 |
| Basic Cable | 175 | 40 |
| Pay Cable | 42 | 45 |
| Online Services (Streaming) | 117 | 680 |

Note: broadcast = ABC, NBC, CBS, etc.; basic cable = AMCN, TBS, TNT, etc.; pay cable = HBO, Showtime, etc.; online services (streaming) = Netflix, Amazon, Hulu, etc.

**Spending on Original Scripted Content (Selected)**

|  |  |  |
| --- | --- | --- |
| **Provider** | **Spending (in US$ Billion)** | **Number of Shows** |
| Netflix | $6.0 | 88 |
| Amazon | $4.5 | 28 |
| HBO | $2.7 | 21 |
| Hulu | $2.5 | 17 |

Source: Adapted from: Joe Flint, “HBO to Talent: We Love You More,” *The Wall Street Journal*, January 16, 2018, accessed November 14, 2018, www.wsj.com/articles/hbo-to-talent-you-wont-get-this-much-love-at-netflix-1516031557; and Joe Otterson, “487 Scripted Series Aired in 2017, FX Chief John Landgraf Says,” *Variety*, January 5, 2018, accessed January 20, 2018, http://variety.com/2018/tv/news/2017-scripted-tv-series-fx-john-landgraf-1202653856.

EXHIBIT 3: Examples of Prior Profit-Sharing Disputes in Television

|  |  |  |
| --- | --- | --- |
| **Year** | **People (Show Involved)** | **Details** |
| 1999 | David Duchovny (*The X-Files)* | Between the end of the show’s season 6 and the start of season 7, the star of the hit show sued 20th Century Fox, alleging that the company sold rerun rights for the show to its own subsidiaries or affiliated companies at below-market prices, thereby depriving him of sizeable profits. He sought damages in excess of $25 million and settled out of court for a sum reportedly of $25–30 million. |
| 1999 | Steven Bochco (*NYPD Blue)* | The show creator sued Twentieth Century Fox Film Corporation (20th Century Fox) for selling the rerun rights to the show to sister channel FX without inviting bids from other bidders. He sought damages worth $15 million. In the first agreement of its kind, the studio avoided a prolonged court battle by agreeing to put the rights up for sale again by inviting several bidders, including FX. |
| 2013 | Matt Williams, Carmen Finestra, and David McFadzean (*Home Improvement)* | The plaintiffs alleged that Disney undersold the rerun rights for the show to its ABC subsidiary and consequently deprived the show creators of their fair share of the profits. The lawsuit was initially dismissed in 2016 due to the state’s statute of limitations. In 2017, a California appeals court reversed the lower court’s ruling. As of the writing of this case in mid-2018, the case was not yet adjudicated. |
| 2015 | David Boreanaz, Emily Deschanel, and Kathy Reichs (*Bones)* | The author of the source material (Reichs) and the stars of the show filed a lawsuit against 20th Century Fox, alleging that because of “accounting tricks” and vertical integration, the show generated no profits for the profit participants, despite running for 12 seasons. The case was settled out of court in arbitration for undisclosed terms. |

Note: All currency amounts are in US$.

Sources: Janet Shprintz, “Duchovny Sues Fox over TV Rights Sales,” *Variety*, August 13, 1999, accessed March 31, 2018, http://variety.com/1999/biz/news/duchovny-sues-fox-over-tv-rights-sales-1117750376/; Sallie Hofmeister, “Bochco Sues 20th Century Fox over ‘NYPD Blue,’” *Los Angeles Times*, September 14, 1999, accessed March 31, 2018, http://articles.latimes.com/1999/sep/14/business/fi-10045; Sallie Hofmeister, “News Corp. Settles ‘NYPD Blue’ Suit Filed by Bochco,” *Los Angeles Times*, April 9, 2001, accessed March 31, 2018, http://articles.latimes.com/2001/apr/09/business/fi-48772; Dominic Patten, “Disney Nailed as ‘Home Improvement’ Profit-Sharing Suit Revived by Court,” *Deadline*, March 22, 2017, accessed March 31, 2018, http://deadline.com/2017/03/disney-home-improvement-lawsuit-revived-profit-participation-1202048945/; and, Austin Siegemund-Broka and Matthew Belloni, “‘Bones’ Stars File New Lawsuit for “Tens of Millions of Dollars” in Fox Profits (Exclusive),” *The Hollywood Reporter*, November 30, 2015, accessed March 31, 2018, www.hollywoodreporter.com/thr-esq/bones-stars-file-new-lawsuit-844237.

Exhibit 4: The Economics of Content Ownership

According to *IBISWorld*, the average return on investment in the cable network industry (that focused on content distribution) was 6.3 per cent per year in the five years until 2017. In contrast, the average return was 10.4 per cent for production companies (i.e., the content creators) for the same period. Most content creators were units of larger companies and did not break down results at the unit level. However, Lions Gate Entertainment Corp. reported a 15.5 per cent gross margin in television production for fiscal 2016, and Sony Pictures Television Inc. indicated a 10.7 per cent margin for fiscal 2017.

Starting in 2010, three trends had important implications for the content creating industry. The first was the escalation in the price paid for rerun rights. Conventional practice in the television industry was that a show had to have a minimum of 100 filmed episodes before it could be sold in the syndication (rerun) market. The rationale was that the syndicator had to spend money marketing the show in the rerun market, but without a critical mass of episodes, spending money on marketing would not make economic sense. The proliferation of cable networks hungry for content to fill a 24-hour programming cycle and the influx of streaming providers into the market changed this. For example, the Columbia Broadcasting System sold the rerun rights to *The Good Wife* at the conclusion of its first three seasons (66 episodes). As a consequence of shows being offered in the syndication market early in the cycle, content distributors began to aggressively bid for rights (in an attempt to pre-empt the competition), thereby increasing the price paid per episode of a show. Rerun rights were typically sold for specific windows of three to five years, so a successful show could be sold several times in syndication. In a 2014 syndication cycle, an episode of *The Cosby Show* sold for $4 million (201 episodes in all), an episode of *Seinfeld* sold for $3 million (the show had received $17 million for each of its 180 episodes over several syndication windows), and an episode of *The Mentalist* sold for $2.2 million (151 episodes in total). For content producers, using deficit financing for a portfolio of shows was a key factor—the rerun rights of hit shows in the portfolio would fund the shows that were still early in development.

The second trend was the escalating budget for television production. The average budget for an episode of an hourly drama was between $3 and $4 million. The advent of streaming players such as Netflix Inc. (Netflix) and Amazon.com Inc. (Amazon), as well as the push of Home Box Office (HBO) to regain its premium perception, significantly increased the average cost. Netflix budgeted $8 million per episode for *Stranger Things* and $10 million per episode for *The Crown.* HBO spent $15 million per episode for *Game of Thrones*. At an industry gathering in 2017, David Wells, Netflix’s chief executive officer, stated, “Is $20-million an hour television possible? Certainly. If you have the number of people watching it, we certainly can support that level of quality in terms of TV.”

Escalating production budgets increased the amount of deficit financing the producer had to carry. They also increased the risk of significant losses for a show that did not become a hit, and so was not renewed. However, a third trend was a new way to finance production, introduced by the leading streaming players. Because Netflix and Amazon did not syndicate their shows after their initial run on the streaming platform (unlike their broadcast and cable rivals), they allowed the producing studio to add a profit margin to the cost of each produced episode. This meant that because the producer did not have to deficit finance a show for these platforms, a profit was made from the very first episode. Because the profit margin was a percentage of the episode budget, producers had a strong incentive to create high-budget shows for streaming platforms.

Sources: IBISWorld, *Television Broadcasting in the US*, August 2017, industry market research report; IBISWorld, *Cable Network Industry in the US*, October 2017, industry market research report; United States Securities and Exchange Commission, *Form 10-K, Lions Gate Entertainment Corp.*, March 21, 2016, accessed April 5, 2018, http://investors.lionsgate.com/~/media/Files/L/LionsGate-IR/annual-reports/2016-annual-report.pdf; Sony Corporation, *Sony IR Day 2018,* May 22, 2018, presentation to investors, accessed April 5, 2018, www.sony.net/SonyInfo/IR/library/presen/irday/2018/presen\_E.pdf; Nellie Andreeva, “’The Good Wife’ Off-Network Rights Sell to Amazon, Hulu, Hallmark Channel, Broadcast Syndication for Nearly $2 Million an Episode,” *Deadline*, March 13, 2013, accessed April 5, 2018, http://deadline.com/2013/03/the-good-wife-off-network-rights-sell-to-amazon-hulu-hallmark-channel-broadcast-syndication-452608/; Louis Bedigian, “Biggest TV Syndication Deals besides ‘The Simpsons,’” April 14, 2014, accessed April 5, 2018, www.benzinga.com/news/14/04/4466477/biggest-tv-syndication-deals-besides-the-simpsons; and Maureen Ryan and Cynthia Littleton, “TV Series Budgets Hit the Breaking Point as Costs Skyrocket in Peak TV Era,” *Variety*, September 26, 2017, accessed April 5, 2018, http://variety.com/2017/tv/news/tv-series-budgets-costs-rising-peak-tv-1202570158/.

Exhibit 5: Licence Fee Negotiation Options in Vertical Integration Situations

**Direct Internal Negotiation**

*Less common method:* Producing company (e.g., AMC Studios) directly negotiates with their affiliate networks (e.g., AMCN) and enters into a licence fee agreement at fair market value. Onus of proof of fair market value lies with the producing company. In 1995, NBC Studios used this type of negotiation for the show, *Will and Grace*.

**Direct Talent—Network Negotiation**

*Rarely used method:* Representatives from profit participants (e.g., showrunners, lead stars)—instead of the producing company—negotiate directly with the network for the licence fee for the entire duration of the show.

**“Imputed” Licence Fee**

*Most common method, used by vertically integrated entities* (e.g., *The Walking Dead*): No real money changes hands here, hence the use of the term “imputed.” In the contract between the producing company and the network, an “imputed” licence fee is included, which becomes the basis for any profit participation agreement. The “imputed” fee is expected to reflect deficit financing for the initial seasons of the show, with a gradual increase in licence fees in later years. The profit participants are not part of the negotiation that takes place between the production company and the network.

**Express Contractual Limitation**

*Less common method:* This is the same as the “imputed” licence fee method, except for specific provisions to protect (a) profit participants and/or (b) the affiliated network.

Note: AMCN = AMC Networks Inc.; \*Frank Darabont, the showrunner for the first two seasons, did not want the show to be produced by AMC Studios but by an independent production company. He later agreed to AMC Studios producing the show under an “imputed” licence fee negotiated deal.

Source: Adapted from “Robert Kirkman and Other Plaintiffs v. AMC Networks,” Case No. BC 672124 filed in the Superior Court of the State of California, County of Los Angeles, Central District, August 14, 2017, accessed March 14, 2018, www.birdmarella.com/wp-content/uploads/2017/08/Complaint.pdf; Amanda Bacoyanis, “Brain, Blood, Sweat, and Tears: Derivative Works and The Walking Dead Controversy,” September 20, 2015, accessed April 1, 2018, www.ipwatchdog.com/2015/09/20/brains-blood-sweat-and-tears-derivative-works-and-the-walking-dead-licensing-controversy/id=61760.

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of AMC Networks Inc. or any of its employees. [↑](#footnote-ref-1)
2. “Robert Kirkman and Other Plaintiffs v. AMC Networks,” case no. BC 672124, Superior Court of the State of California, County of Los Angeles, Central District, August 14, 2017, accessed March 14, 2018, www.birdmarella.com/wp-content/uploads/2017/08/Complaint.pdf. [↑](#footnote-ref-2)
3. Bryan Bishop, “Walking Dead Creator Robert Kirkman Is Leaving AMC for Amazon,” *The Verge*, August 11, 2017, accessed March 14, 2018, www.theverge.com/2017/8/11/16131466/the-walking-dead-robert-kirkman-amazon-prime-deal. [↑](#footnote-ref-3)
4. All currency amounts are in USD unless otherwise specified. [↑](#footnote-ref-4)
5. Joe Flint, “HBO to Talent: We Love You More,” *The Wall Street Journal*, January 16, 2018, accessed November 14, 2018, www.wsj.com/articles/hbo-to-talent-you-wont-get-this-much-love-at-netflix-1516031557. [↑](#footnote-ref-5)
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7. Ibid. [↑](#footnote-ref-7)
8. United States Securities and Exchange Commission, *Form 10-K, AMC Networks, Inc.,* December 31, 2017, accessed April 1, 2018, http://files.shareholder.com/downloads/ABEA-66DSMZ/6166683545x0xS1514991-18-4/1514991/filing.pdf. [↑](#footnote-ref-8)
9. Ibid. [↑](#footnote-ref-9)
10. Ibid. [↑](#footnote-ref-10)
11. Ibid. [↑](#footnote-ref-11)
12. “Robert Kirkman and Other Plaintiffs v. AMC Networks,” op. cit. [↑](#footnote-ref-12)
13. Ibid. [↑](#footnote-ref-13)
14. Ibid. [↑](#footnote-ref-14)
15. IBISWorld, *Television Broadcasting in the US*, industry market research report, August 2017; and IBISWorld, *Cable Network Industry in the US*, industry market research report, October 2017. [↑](#footnote-ref-15)
16. Jim Edwards, “BRUTAL: 50% Decline in TV Viewership Shows Why Your Cable Bill Is So High,” *Business Insider*, January 31, 2013, accessed April 1, 2018, www.businessinsider.com/brutal-50-decline-in-tv-viewership-shows-why-your-cable-bill-is-so-high-2013-1. [↑](#footnote-ref-16)
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