

Up Front



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PHOTO BY DAVID SPRAGUE

Fresh Baked: Abby Franke with bread just out of oven at his Abby's Millstone Baking Co.

SOUR DOUGH?

Former partners open competing bakeries after dispute

By **ELLIOT GOLAN** Staff Reporter

On opposite sides of the Ventura Freeway in Agoura Hills are two bakeries that take the idea of competition personally.

To the south, there's **Abby's Millstone Baking Co.**, a European-style bakery that specializes in fresh baked bread and pastries. On the north is **Wildflour Bakery & Café**, equal parts bakery and café, serving a full breakfast and lunch menu that includes salads, sandwiches and pizza.

But the competition runs a lot hotter than who makes the crustier bread or tastier pastries.

Abby Franke and **Gregory Yulish** ran another bakery together for almost two years, but the

partnership fell apart after disagreements escalated to legal action, including allegations of verbal abuse and fraud. Lawsuits quickly led to the bankruptcy of their Stone Ground Bakery.

Today, Franke operates Abby's, which he opened in November at the same 5005 Kanan Road location where Stone Ground was founded. These days, he puts the disagreement with his former partner in the past and focuses on "old-school" baking, from milling the grain on site to using a sourdough starter that dates back more than 100 years.

"It was scary how fast everything could change," he said. "But this is beautiful. It's a second chance."

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Agents Go Top Secret with Listings

REAL ESTATE: Scarcity of homes has pros resorting to unorthodox tactics.

By **KELLY GOFF** Staff Reporter

When **Brad Wiseman** wanted to buy a new home for his family, the veteran real estate agent made an offer early for a place in Calabasas.

But his offer, at \$50,000 over asking price, didn't fly. "The (selling) broker literally laughed in my face," he recalled. "He told me I wasn't even in the ball game."

So Wiseman, director of **Pinnacle Estate Properties Inc.**'s Platinum Estates division in Calabasas, applied a little inside knowledge.

He did what agents across the San Fernando Valley have often been forced to do for clients in an odd, bliss-



PHOTO BY DAVID SPRAGUE

Cold Caller: Pinnacle Estate's Brad Wiseman.

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Big Tract Plan For Small Lots

DEVELOPMENT: 131-home project slated for 5.7 acres in Van Nuys.

By **KELLY GOFF** Staff Reporter

With much of its developable land already blanketed with housing, the San Fernando Valley might not seem like an ideal place for new subdivisions.

But L.A. developer **PC Sherman Way Associates LLC** is planning to build 131 homes in Van Nuys. The only thing is, they won't be your traditional suburban boxes.

The project at Sherman Way and Hazeltine Avenue would be the city's largest so-called "small-lot subdivision" project on just 5.7 acres.

The developments are a hybrid of the traditional suburban housing and a condominium complex. They often forego yard space, but the units are

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Credit Card Data Firm Charged Up

MARKETING: Tranzlogic culls personal info from simple swipe.

By **ELLIOT GOLAN** Staff Reporter

Charles Hogan knows what you like.

Walk into a sandwich shop on your lunch break to pick up your daily turkey and provolone on wheat, and the moment your Visa card is swiped, he knows you're not one for pastrami on rye.

Hogan is chief executive of **Tranzlogic**, a Westlake Village data analytics firm that can harvest more than 150 identifiable attributes about you at the point of sale from credit card data. That includes everything from your culinary preferences to your age, marital status, annual income and discretionary spending habits.

That's all information that a business can use

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SPECIAL REPORT ENTERTAINMENT



BYTE-SIZED REVOLUTION

The digital age has hit post production, upending how houses big, small – and in between – do business. **BEGINNING ON PAGE 7**



Casual Day: Freelance video editor David Dobson works on his laptop at his Burbank home office.

PHOTO BY DAVID SPRAGUE

Byte-Sized Revolution

Portable gear and cheap software have upended post production for the industry's big and small players alike.

By **MARK R. MADLER**
Staff Reporter

David Dobson works out of the garage of his Burbank home but he is not a mechanic.

Instead, Dobson spends his time in the cinderblock-walled room with a black and white cat – and in front of four widescreen monitors.

That's where Dobson creates title graphics as a freelance video editor, and has worked on such shows as "Dick Clark's New Year's Rockin' Eve," the "American Music Awards" and the "Golden Globes."

Welcome to the new world of post production.

But he's far from the only post pro holed up at home. A producer Dobson knows in Studio City carved out three edit bays in a garage. What's more, he generally collaborates with others in the process via file transfers online.

"We do not have to meet or exchange anything physical," he said. "You just need a high-speed connection."

Dobson, 50, can work like this because of a revolution in the post production side of the entertainment industry – as digital files are used to create and manipulate television shows, feature films,

commercial, videos and short form content made exclusively for the Internet.

In short, just about anything produced these days.

Indeed, the digital revolution has leveled the playing field for freelancers such as Dobson, as well as smaller post-production houses. They have updated to portable, less expensive equipment run by sophisticated software that costs just a few thousand dollars. Editing, color correction, sound design and mixing are no longer the domain of major Hollywood studios and large production companies.

In the San Fernando Valley, much of the post-production work is done in and around Burbank, Studio City and North Hollywood. These areas are in close proximity to the major studios such as **Warner Bros. Studios** and **Walt Disney Co.**, which also have been swept up in the digital post-production revolution.

That's not to say all of the advancements that digital files and workflow promised have arrived.

The portability of digital post-production equipment means that it is entering the creative process earlier. Cloud computing and ultra-high definition

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cameras, monitors and television sets will bring additional changes to the industry. All this takes place in a competitive environment where post houses are squeezed to deliver services more cheaply while also investing in the required up-to-date equipment. "They have to be on top of their company and on top of management to make sure they have a good balance of new equipment and just being ahead of the market," said **Marty Shindler**, principal of Encino entertainment industry consultancy **Shindler Perspective**.

Cutting film

The traditional method of post-production was a time-consuming and arduous process. It involved cutting and splicing film on a Moviola, a device that dates back to the 1920s; color correction to give the film a unified tone or look; and adding of visual and special effects, sometimes shot on a green screen. Music, sound effects, additional dialogue recorded on tape loops and background or ambient noises – also called Foley effects after its creator Jack Donovan Foley – are mixed on audio equipment and synchronized with the picture. Digital video editing equipment made its first appearance in the early 1970s but did not gain wider acceptance until the 1990s with the release of the groundbreaking Media Composer software from Burlington, Mass. company **Avid Technology Inc.** and its main competitor, Final Cut Pro, from **Apple Inc.** Today, the digital revolution has made the film splicer and Moviola antiques, replacing them with computers using software for so-called "non-linear" editing – a process in which the source material is never physically altered and instead copies are made of digital or audio files during editing.



In Control: Patrick Woodard adds color to scene at L.A.'s DigitalFilm Tree.

Most films today are shot on digital cameras, but even for those directors who continue to shoot in 35 mm film – **Steven Spielberg** among the most prominent – the film is converted into a digital file for edits and improvements. The final version can be converted back to film, but most final products stay digital since major theater chain have converted to digital projection. **Andromeda Studios**, a small independent production company, has invested about \$12,000 in post equipment and software over the past few years. At its space in a Van Nuys industrial park, the company uses a variety of software to handle projects ranging from short film "Another Round," a commercial for the Motoguzzi V7 racer to a special with

stand-up comedian Mike Marino. The company's arsenal includes Apple Macs with Final Cut Studio 3 by Apple, Avid software, Smoke from **Autodesk Inc.** and the **Adobe Systems Inc.** editing suite software, said **Derek Nickell**, the executive producer at Andromeda. This software efficiently combines images shot directly on digital files and sound. Final Cut Studio 3, for example, contains programs for editing video; audio editing and sound design; color grading; and encoding the digital files into different formats. Digital post-production is a more collaborative process as files can be easily shared. "With some systems you are ready to edit footage when it comes out of the camera," Nickell said. "You plug into the software and

can go from production to post-production in 15 minutes."

Studio upgrades

Mike Cavanagh, of **KeyCode Media**, a Burbank post equipment supplier, said the digital revolution has completely upended his side of the business too. Components the company used to sell in the millions of dollars have all but disappeared. There was a time when receiving a \$1 million-plus order for Sony videotape playback machines was not unusual at KeyCode. "That is now a complete rarity," he said. Now, KeyCode deals with the two biggest names in video editing hardware and software, Avid and Adobe. The company also distributes Sony, Panasonic, Autodesk and other brands. And like other forms of software, each new generation not only makes for more powerful creative tools but the cost has gone down as well. Apple kept dropping the price of Final Cut to the point that KeyCode stopped selling it, given how it could be bought off the shelf at many stores.

Consider this: 10 years ago, an Avid Media Composer system could cost upward of \$90,000. That price is now down to \$7,000, said Cavanagh, who also reports decreasing data storage costs. The Sony XDCAM disc, for example, costs about \$40 and proved popular with storing content for unscripted reality shows just a few years back. Now, linear tape-open, a magnetic data storage tape format used for backup, comes with the same \$40 price tag – but it can store the equivalent of 30 XDCAM discs. "The challenge is that now there is acquisition of more amounts of media and so storage requirements are different," Cavanagh said. "Those are the growth opportunities in terms of services and products." Indeed, it's the falling prices of digital equipment, whether for cameras or the com-

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puters and software for editing, audio and visual effects that have made it easier for a small production company or a freelancer to provide post services.

When Dobson started in the industry in the early 1990s, he had to rent an edit bay at one of the large post houses. He now skips that expense by working at his home, or even from a coffeehouse with a Wi-fi connection.

Nickell traveled the world with motivational speaker **Tony Robbins**, shooting footage with a DSLR camera and then editing, putting in effects and color correcting on a laptop. "It is something that I can travel with in a shoulder bag," he said.

But it's not only the independents and small production houses that have benefited.

For 20 years, Warner Bros. Studios has used digital audio workstation Pro Tools, made by Avid, for re-recording, dialogue replacement and other tasks in post-production sound.

The studio upgrades the main software every two years and adds plug-ins, a component that adds a specific feature, nearly every week, said **Kim Waugh**, senior vice president of post-production services.

"It is a technology chase but the changes are worth the investment," he said.

Waugh said both studio employees and outside professionals use the studio's post facilities and digital technology improves the collaborative creative environment – both for young professionals and veterans.

"This creates an innovative generation of individuals in sound work and legacy individuals who have embraced the new technology," Waugh said.

Editing on set

The flipside to all this high-tech but low-cost portable equipment is it creates a lot of competition. Nickell and Dobson have found themselves underbid by rivals who they feel don't necessarily deliver the same quality.

Prior to the recession, Dobson had worked on DVD extras for the home entertainment division of Sony Pictures. When that worked dried up, he had to find replacement jobs but it was hard as a freelancer because of the cheaper competition.

"Things cost less and less to do and they started paying us less and less to do it," he said.

And staying current with the constant change brought on by digitization is not easy but it's necessary to stay competitive.

"It's a lot of research and keeping up with the latest and greatest from the major manufacturers," Nickell said.

At meetings of industry professionals, such as the Los Angeles Post Production Group, there are presentations from the software and hardware developers and discussions about best practices, said **Woody Woodhall**, the founder of the group and owner of an audio post-production facility in Santa Monica.

"We are always looking at workflow," Woodhall said. "When (content) is on a chip it is how do we (copy) the chip, back it up, store it, get it from the camera to editing to color mastering."

There seems to be agreement among industry professionals on the direction post-production is heading. For one, the work is being done earlier in the creative process, a reflection of the availability of portable, inexpensive equipment that can be brought on location or to a studio set.

Fading are the days of shooting on film and finishing up the post work in an edit bay, said **Michael Kadenacy**, chief executive of **My Eye Media**, a Burbank technical services and post-production firm.

"Now we've got technicians doing rough edits on set and reviewing dailies on an iPad," Kadenacy said. "By the time we get it into a facility, it has already been pushed pretty far down the process."

Getting involved earlier makes for a smooth and collaborative production that is

vital in an industry with compressed time lines for feature films and TV shows, said Shindler, the Encino consultant.

"If people from post production are not involved from day one in the planning process it will potentially cause hiccups when the going gets tough," he said.

However, with the arrival of cloud computing, which allows storing of content on huge servers that can be accessed anywhere in the world, the local post-production industry fears cheaper worldwide competition.

The door has opened, said Cavanagh, to having post production now done domestically to shift to countries with lower pay structures. This dynamic has already devastated domestic special effects houses, sending groundbreaking Rhythm & Hues Studios into bankruptcy this year.

"In three to five years I could see it happening," he warned of outsourcing.



Sound of Music: Orchestra on Warner Bros. scoring stage in Burbank.

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SPECIAL REPORT ENTERTAINMENT

Runaway Post Production the Next Challenge?

By **MARK R. MADLER** Staff Reporter

As if California isn't being hurt already by runaway feature film and television productions – other states are now going after post-production with specialized tax incentives.

New York and New Mexico are among the first states to offer stand-alone tax credits for editing, sound mixing, visual effects and other post functions regardless of whether the productions were made in those states. Legislation is pending in Oregon to allow post houses to apply for that state's incentive program.

While California's film tax incentive program does include the cost of post-production work, there is no separate program as those other states have.

"There has been talk about modifications, but there are no specifics because it is all in flux," said California Film Commission Director **Amy Lemisch**.

Post-production can account for 10 percent of a film's budget, with that figure jumping to 40 percent for visual effects-heavy films, said **Joe Chianese**, executive vice president with Entertainment Partners Financial Solutions, a division of Burbank-based **Entertainment Partners** that coordinates film tax incentive programs for its clients.

If California is going to stay competitive with what other states and even other countries offer, lawmakers need to decide if they value the industry enough to make sure the post work stays, Chianese said. "If not, they can continue to do nothing and watch it go away," he added.

Many digital- and visual-effects companies headquartered in the Los Angeles area or with major operations here have also opened in places, such as Vancouver, British



Hollywood East: Digital Cinema's Manhattan studio, a partner of Warner Bros.

Columbia, which offers incentives for post-production services.

Scanline in Los Angeles, **Sony Pictures Imageworks** headquartered in Culver City, **Digital Domain** in Los Angeles, and the bankrupt Rhythm & Hues Studios Inc. in El Segundo, all opened in Vancouver in recent years. So has Disney's Pixar animation studio, which has its main office in Emeryville.

Big Apple

Warner Bros. Studios, based in Burbank, looked east and found an existing post facility that became its New York location for audio post-production. The studio installed a custom console and digital projector and eight new design and picture-editing suites, said **Kim Waugh**, senior vice president of post-production services.

The midtown Manhattan facility, which opened early this year, is a joint venture with Digital Cinema LLC, a division of **Sync Sound Inc.**, an audio post company in New York.

Warner Bros. made the investment not just for the monetary savings through the tax-credit program but for the post talent already operating in New York, which is the largest hub for film and television production, Waugh said.

"We wanted to be in a position so our creative talent can continue their relationships with filmmakers," Waugh said.

The New York post incentive program became law last July. Within six months, 34 productions applied for the credits, including projects that filmed in other states. The program offers a 30 percent credit on post work done in the New York metro region, and a 35 percent

credit for work done in upstate New York to encourage construction of new facilities.

The number of applicants is evidence the state is making a smart investment to attract businesses and create jobs, said New York Gov. **Andrew M. Cuomo** in a statement earlier this year touting the program's success.

"Let this progress be an invitation for other productions to come to the Empire State, the future television and film capital of the world," Cuomo said.

The New Mexico program is a 25 percent refundable tax credit for productions shot and edited in the state or shot elsewhere but using in-state post facilities.

Chianese said that as long as there are states offering incentives for post-production work shot in another state there is no reason to bring that work back to California.

"I'd hate for us to wake up 'x' years down the road and look like Detroit with the (diminished) auto industry," Chianese said.

Marty Shindler, an entertainment industry consultant in Encino, said the key to how well other states draw post work is in the quality of the editors, color correctors, mixers, and special and visual effects artists. The post-production infrastructure doesn't establish itself overnight once a state begins hosting productions.

Los Angeles still has an advantage because of the depth of talent, despite other states chipping away at it, he said. However, if big studios and post houses starting setting up in other states, that is another matter.

"If Warner Bros. opens a facility, they can attract the people," Shindler said. "They have significant crew depth and have in-house producers to bring the TV and feature film work to that facility."

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Early Adopter

Ramy Katrib could see post production was going digital in 1999 when he founded DigitalFilm Tree. Now, his company is a leader in the growing field.

By MARK R. MADLER Staff Reporter

Over the past decade there has been a shift in post-production and Ramy Katrib has been at the center of that change. Katrib, 44, detected early on the direction post-production was going: toward content being stored and edited on digital files, now common place at Hollywood studios, production houses and post-production firms. "Everyone and their grandma are in the arena because there is opportunity," said Katrib, who spoke to the Business Journal from his office in the Caluenga Pass. Founded in 1999, DigitalFilm Tree offers much more than just post-production services for television series and feature films. The company developed a video- and photo-sharing software that has been used by the creative teams of "Modern Family," "NCIS: Los Angeles" and "Cougar Town." It also consults with clients in and out of the entertainment industry on creating technology infrastructure. A native of Lebanon, Katrib came to the United States at age 5 and grew up in Loma Linda in a family filled with medical professionals. While his family may not fully understand what he does, they like his work. "My mom doesn't still try to convince me to be a dentist," Katrib added. "With this going on as long as it has, she's cool with it."



PHOTO BY THOMAS WASPER

Plugged In: Ramy Katrib with rack of computer equipment at the Los Angeles offices of DigitalFilm Tree.

Question: So how did the transition to digital post work go for you?

Answer: We actually are one of the few companies that didn't have to deal with the digital transition. We are mostly known for having co-started it. DigitalFilm Tree started 14 years ago and the reason we started was because of the transition from the physical world – celluloid, tape – to files or what they call data-based, data-centric workflows.

How did that change take place?

What we did is take the desktop computer, an Apple G3 with the first-ever implementation of FireWire (a high-speed connection for real-time data transfer). We transferred film to (digital video) tape and we digitized the tape through FireWire and a Mac. We edited it ... and we cut the negative, and low and behold it worked. That was in 1998. We realized this was going to be a big deal and that is why I started the company.

What role has DigitalFilm Tree played since then?

The best way to describe our experience is we played a role in co-mingling IT discipline with traditional post-production discipline. Even four or five years ago IT hadn't taken over the industry. Today, IT literally has taken over the industry and no one opposes it anymore. No one says, "It's just a fad or a one-off occurrence."

Was there resistance?

Big time resistance. When we started in 2001, 2002, our biggest success was on the show "Scrubs." So we started telling people we can use this \$3,000 computer and do professional things. We thought everyone would dig it. Not only were there not a lot of takers, there were people that were actually angry that we were even proposing this type of workflow.

Why was that?

It was kind of radical to propose something where you can do professional-type operations with a desktop computer and with IT equipment. In full candor, using computers and servers to do professional things mostly failed in the early years.

Where was the resistance coming from?

It came from the studios, it was coming from production companies, it was coming from editors and it was coming from line producers, co-producers. We were fortunate because we formed relationships with people in all those roles that were hip to something that was different. In our industry there has been a faction that wants to be on the edge. They have thick skin; they don't mind being a guinea pig trying something new.

What contributed to this transition taking place?

The thing that really spurred on the digital transition was the (2011) tsunami in Japan. When the tsunami happened it destroyed two manufacturing plants for Sony that made HDcam SR tape. So overnight there was a worldwide shortage of this tape. That is the de facto container for television and even features films. Everyone had to find alternatives for storing their negatives. The tsunami accelerated the digital transition.

What do you see taking place in the industry these days?

The biggest notable things that are happening right now in our industry is the rate of change. It really is something to behold. When we start a project we create a workflow, or process for how we do it, and we are changing that process now on a weekly basis. Training and education is a way of life. Not just for our own staff but for our clients.

Do you have an example of how that is happening?

We have a couple of clients where we provide them something that doesn't even have a term yet. I call it self-post. Essentially, we take what we are here and build a microcosm of it. Then we plop it down where they want it. We build a color room in their environment, we build a visual effects component, an online room and a dailies room – and it is all integrated. We take what we are and build it wherever it is needed.

How else is technology changing post-production?

The other big thing is cloud computing. For our post industry, the cloud is going to have a big impact. We've done a lot of research and devel-

Ramy Katrib

TITLE: Chief Executive

COMPANY: DigitalFilm Tree

BORN: Lebanon, 1969

EDUCATION: B.A., film, Columbia College Hollywood

CAREER TURNING POINT: Making discoveries about the transition from physical-based media to file-based processes in 1998.

MOST INFLUENTIAL PEOPLE: Theologian Graham Maxwell

PERSONAL: Married to Jaspreet Dhillon

HOBBIES: Photography

opment in the area of cloud computing and post-production because we think, just like self-post, it will be a big part of the future. If you think about it, it's the evolution of this digital, file-based momentum that's been happening the last 14 years. Instead of holding onto your files, I'm going to shoot it to a server – the cloud – and then other people can access it. You can connect people all over the place to one location.

Is it a challenge to keep up and how do you deal with that?

It's not a challenge; it's a way of life. We grew up that way. We don't know any better.

What do you think it is about your background that makes you interested in getting ahead of the curve?

Like many people in this industry when I was making those discoveries in 1997, 1998 it was because I was making a film. When you make a film more often than not you don't have any money. You have to be scrappy and figure out how to shoot it, edit it and finish it. It was my motivation to make my film that led to the discoveries in terms of technology.

What was the movie about?

There were two of them. Believe it or not, one of them we are now just releasing after 14

years. It is called "Mardik: Baghdad to Hollywood." It's on (Mardik Martin) the dude who wrote "Mean Streets," "Raging Bull" and "New York, New York." He did the rock-and-roll documentary "The Last Waltz." He was Marty Scorsese's friend back at NYU and they became famous by doing those New York indie films. I did a biography that went on and on and on. We just got a distribution deal and we are going through the process of insuring it.

What has this meant for you personally? Has it changed your work schedule any?

If anything I work fewer hours than I did in the early years. We were pretty much all alone; we didn't have colleagues. There was no community. When we were trying to pitch and provide data-centric, file-based services and workflows there was no one around. Those were long days ... easily 16 to 18 hours days, many overnights. In the early days we'd sleep at the shop.

And today?

I would definitely say we do less hours today and as a result I have more of a life. I got married in the last two years. When you are around as long as we have there are more relationships now, there are more colleagues, more friends. It's more fun as a result.

Is your wife in the entertainment industry?

Yes. Sometimes she works more hours than I do. She is the animation producer for "The Simpsons."

You come from a family in the medical profession. Are there similarities between that and what you do?

You have crises; you have to triage a situation. Oftentimes you have to perform surgery. Then you have to stitch things up. You have to connect things. If you sever a muscle or an artery, you have to connect them. We are constantly connecting things. In many ways it is very similar to the medical community. The only difference is the medical community is to me more important because they are saving lives. We are just entertaining people.

This interview has been edited and condensed for clarity and space reasons.