



Tom Cruise, producing partner cut a deal with United Artists

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By Stuart Ramson, Ap
Cruise, who's prepping for his Nov. 18 wedding to Katie Holmes, has another big job on his hands: running United Artists.

By Laura Petrecca and David Lieberman, USA TODAY

NEW YORK — Metro-Goldwyn-Mayer said Thursday that it has struck a deal with actor Tom Cruise and his business partner, Paula Wagner, to run its moribund United Artists — a studio founded 85 years ago by legends Douglas Fairbanks, Mary Pickford, Charlie Chaplin and D.W. Griffith.

Cruise and Wagner will own a minority stake and have creative control over a slate of about four films a year with relatively modest budgets, the company says. Wagner will be CEO. Cruise, who last worked with UA in 1988 on *Rain Man*, will appear in UA films but has the right to work in other studios' productions.

MGM says the goal is to develop a business model and eventually invite other stars to become equity partners. "The studio system is broken," MGM spokesman Jeff Pryor says. "This is a new studio. It's a new model."

He declined to say whether Cruise and Wagner paid for their UA stake and how much they own. MGM's owners — a consortium of private investors, Sony and Comcast — "all approved the deal."

UA has struggled with underperforming B-movies. Its last major release was 2005's *Capote*, which earned about \$29 million at the North American box office.

The announcement follows Cruise's public split from Paramount Pictures. Viacom Chairman Sumner Redstone let his studio's production deal with Cruise lapse after saying in August that the actor had alienated moviegoers.

Mission: Impossible III has earned \$113 million in domestic ticket sales since its May release, says Nielsen EDI, vs. \$215 million for 2000's *Mission: Impossible II*.

"I wish Tom and his associates the greatest good fortune on their new venture," Redstone said in a statement.

Other reactions to the deal were mixed.

"I'm sure he (Cruise) felt pressure to show Hollywood that he's still in the game," says Vogel Capital Management's Hal Vogel. "This is a way of making sure that it's recognized that he's still a power in Hollywood and will have a role to play. It's really a one-off

situation. They're not running Warner Bros. all of a sudden."

Peter Sealey, who ran marketing for Columbia Pictures and teaches at the University of California's business school, says, "Cruise has damaged himself. He isn't going to have the kind of leverage that he had before."

Others like what they heard. "United Artists was founded by stars," says David Brown, who produced *A Few Good Men* (which starred Cruise). "Tom and Paula have demonstrated their ability as producers."

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