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Abstract:
This article considers the cultural and economic impact of Donald Rugoff, founder of Cinema V and one of the seminal figures in the 1960s art cinema world. Rugoff initiated key aspects of marketing, distribution, and strategy that would influence other regimes of independent cinema through the decades. The eventual demise of Cinema V follows the pattern for the continual assimilation of independent film by mainstream forces. In this way, Cinema V shows us that art cinema and independent cinema are always tentative categories, best defined by case studies, rather than trends, and never far from the reach of mainstream Hollywood.

Keywords: Advertising, Exhibition, Film, Marketing

The “fathers” of the art cinema from the 1960s have been largely relegated to a brief citation in motion picture exhibition texts and specialized film histories. Nevertheless, these figures established much of what became common practice within independent film marketing and distribution, carving a space for independent fare separate from studio production. One of the seminal figures in the independent film world from this era was Donald Rugoff, founder of Cinema V. Rugoff illustrates the key aspects of marketing, distribution, and strategy that would influence other regimes of independent cinema through the decades. Rugoff was widely known for his strong visual advertising, his showmanship, and his ability to use his exhibition houses to support the efforts of his independent distribution company, Cinema V. Even with these marketing and structural differences in place, Cinema V ultimately perished at the hands of larger forces, in this case the incorporation of independent exhibitors by larger theater chains in the 1980s. The demise of Cinema V sets the pattern for the continual assimilation of independent film by mainstream forces. While displaying the strength of innovative marketing strategies, the Cinema V example also demonstrates just how vulnerable and tentative art cinema has always been as a segment of the marketplace.

The Origins of Cinema V
The art cinema developed in urban centers of post–World War II America with a renewed national interest in foreign nations, and, for some, a desire to view film as akin to the high
arts of literature, music, and drama. Viewed as one potential way to combat the diminished theatrical attendance postwar, the art film benefited from the decreased production among the majors. In this landscape, Cinema V was born. The company grew from the Rugoff & Becker theaters, a chain started in 1921 by Don Rugoff’s father, Edward, along with Herman Becker. Strategically, by the late 1940s, Rugoff & Becker were combatting the arrival of television by shifting the focus of their exhibition chain. Rather than concentrate on their current third-run houses in Brooklyn, Queens, and Nassau, the owners instead made an aggressive move to bring more first-run houses to Manhattan, especially on the Upper East Side and Greenwich Village. Don, the Harvard-educated son, entered the family business and aided considerably the company’s goal of gaining traction in Manhattan. In 1952, for instance, Don Rugoff opened the Beekman theater, then cited as the most comfortable exhibition house in Manhattan.

As time progressed, Don Rugoff played an even larger role in the Rugoff & Becker Theater chain. Increasingly, Rugoff sought to control the operation without the influence of the original founders. To that end, family friend Mrs. David Rockefeller provided funds to allow Don to buy out the company’s other heirs. Rugoff & Becker Theaters became simply Rugoff Theaters. With little interference, Rugoff intensified his expansion in the burgeoning world of art house exhibition: building one of the first twin theaters, Cinema I and II, in 1962, and controlling such prestigious theaters as the Paris, Baronet, Plaza, and Sutton, all on Manhattan’s Upper East Side. Added to the other Cinema V houses—the Murray Hill, Gramercy, Art, and Paramount theaters—Rugoff established himself as the premier exhibitor of art house product.

At that time, Rugoff claimed that the expansion simply responded to the greater visibility and awareness of art house product in the United States:

Now I meet people who don’t know I’m in the business and they start talking about movies as an art form. Much more so than plays or books or anything else. I think the movies have created more excitement in recent years than any other form of art . . . I don’t know if there’s going to be enough product to go around. But I think new theaters are going to stimulate the growth of movie making.

Rugoff’s statement was perhaps overly optimistic or just marketing hyperbole. Indeed, it could be viewed as a justification for Rugoff’s next step in the art cinema business, starting a distribution company, Cinema V. In this way, Rugoff followed in the path set by Walter Reade Jr., who formed Continental Film Distributors in 1954 to supply some of his New York exhibition houses with foreign films. After Reade Jr., other independent distributor/exhibitor pairings cropped up, including Dan Talbot’s New Yorker Films/New Yorker Theater and Bryant Haliday and Cy Harvey Jr.’s Janus Films/55th Street Playhouse. Rugoff represented a more powerful intervention into the independent film sector due to the number of his theaters, their location, and his aggressive efforts with distribution as well.

With the backing of a consortium led by composer Richard Rogers, Cinema V branched into distribution with the British comedy *Heavens Above!* (1963). Cinema V was initially responsible for distributing such influential and socially relevant independent projects as *The Cool World* (1963), *Nothing but a Man* (1964), *One Potato, Two Potato* (1964), and *The Soft Skin* (1964). Structurally, the ties between distribution and exhibition were crucial to the establishment and success of Cinema V.
The Difference of Cinema V: Image Management

Rugoff created a distinct identity for Cinema V through two strategic means: attention to the brand image of Cinema V releases and a flair for showmanship, leading to much publicity and “free marketing” for both the Cinema V releases and the Cinema V theaters. The vast majority of art house cinema to that time had depended on minimal graphics and, of course, critical quotes and acclaim as the key marketing techniques. As Barbara Wilinsky describes, art cinema to that date lacked the same financial resources as the studios. Consequently, art cinema ads were very simple: “These ads were frequently quite small (often, as noted, for economic reasons), and they rarely used graphics, except perhaps when opening a film.”

Cinema V evolved art cinema marketing strategies to rely increasingly on visual images to brand each film individually, creating an immediate visual identity for it in the cluttered urban atmosphere of the art cinema.

Rugoff attempted to develop a unique visual identity for each new release, fostering the image of Cinema V as a bold iconoclast devoted to “the art of the film.” Although much initial art cinema relied on simple text announcements, fliers, or neighborhood announcements, Cinema V moved toward a focus on bold ad images that established the tone and set expectations for the film. Cinema V followed methods that mimicked designer Saul Bass’s (e.g., *The Man with the Golden Arm* [1955]) graphics and title sequences: striking, graphically simple, clever, and often provocative. Each “product” was given its own identity; in the absence of conventional film genres or marketing assets (e.g., stars), this visual stamp was even more significant for the life of an art film. Even for those films from other distributors playing at Cinema V theaters, Rugoff reserved the right to reject the original ad campaign, and reportedly he discarded 90 percent of them in favor of other designs. He worked with the advertising agency Diener, Hauser, Greenthal Co. in designing the Cinema V images. The collaboration between Rugoff and Diener, Hauser, Greenthal Co. was so close that Rugoff even paid for an industry ad lauding the ad agency. Rugoff titled the ad “They Make Images to Sell Dreams,” populating it with icons from Cinema V releases and teasing with “wait until you see what they have done for a movie called Z.”

Initially, the Cinema V images tended to be line drawings: two surfers with boards gazing onto the horizon (*Endless Summer* [1966]), a lover whispering into the ear of his beloved (*Elvira Madigan* [1967]), and a weathered letter Z (1969), repeated multiple times, for the film of the same title. As industry analyst Stuart Byron commented on the latter film’s strategy, “Five Z posters in a row looked like the comic strip word for snoring—ZZZZZ—and were remarkably successful (in piquing curiosity).”

By the late 1960s, Rugoff shifted the types of visual graphics used, placing a greater emphasis on photo images, albeit often those with a provocative or suggestive meaning. The salient example of this strategy was Rugoff’s release of the Robert Downey satire, *Putney Swope* (1969). A hard-hitting and provocative comedy, *Putney Swope* presented an all African-American team taking over an ad agency and changing the rhetoric and design of the ads to match the prevailing “Blaxploitation” media prevalent at the time. As such, *Putney Swope*, with multiple fictional ads that were increasingly outrageous and startling, pushed boundaries on a number of social issues, including race relations, corporate responsibility, and the value of the welfare state. The filmmaking was also rough and unfinished, probably due to limited funds. Nevertheless, it matched the social critique and added an urgency to the
message. Interestingly, throughout its advertising and promotion, Cinema V avoided mirroring the fake ads in the film itself. Cinema V sold the film instead through the image of a hand with a scantily clad African American female model replacing the upheld middle finger. The tagline was simply “Up Madison Ave.” Cinema V offered a visual equivalent of the film’s theme, essentially a bold challenge to potential moviegoers. The image reflected the rejection of American institutions so characteristic of the late 1960s. Although the film is a satire of the advertising industry, the marketing image worked on multiple levels to tap into the social upheaval of the times. The transgressiveness of the image summed up how many felt about institutions such as advertising that had seemed so glamorous just ten years earlier. Cinema V “wild-posted” the ad across major cities, paying to have the image splattered multiple
times across building sites and any blank urban spaces, in addition to relying on more traditional posters and outdoor advertising. Through these methods, a visual reminder of the film appeared in both ordinary and extraordinary settings. Not coincidentally, a year later, Robert Altman’s *M*A*S*H* (1970) adopted an advertising image of an upturned hand, with the fingers as a woman’s legs. Cinema V’s bold image was assimilated by the mainstream, in this case, Twentieth-Century Fox, into a more palatable, only slightly racy, visual.

*Putney Swope* set one example for future Cinema V releases, relying on a visual icon that captured the film’s theme and was provocative by itself. Over the remainder of Cinema V’s existence, Rugoff favored two types of visual advertising: a simple photo, often bold in imagery and meaning, or, echoing his original line drawing approach, a graphic/illustration suggesting the theme of the film quickly and without elaboration. *The Sorrow and the Pity* (1969), *Trash* (1970), *The Garden of the Finzi-Continis* (1971), and *W.R.: Mysteries of the Organism* (1971) all evidenced Rugoff and his agency’s talent for effective visual branding. Cinema V’s subsequent release of Andy Warhol’s *Trash* (1970), for example, relied solely on the one word title with the naked torso of star Joe Dallesandro placed on top. Rather than constructing any kind of advertising message around the film, Cinema V allowed the “visual pleasure” of the hunk Dallesandro to speak for itself—becoming an art house beefcake sell with ample appeal to gay men. Cinema V was selling a nearly naked buff male many years before Calvin Klein would use a similar pose and strategy in their groundbreaking men’s underwear ads in 1982. In another simple image campaign, Cinema V established the melancholic tone for *The Garden of the Finzi-Continis* with one image: a falling leaf, with the young lovers reflected on it. The image telegraphed a time past, transition, and also young love—exactly the most emotional components in the DeSica film. Like the most salient

![Putney Swope ad image.](image)
Cinema V ad images, this one worked on different levels: most literally, by invoking the falling leaves at the Finzi-Continis estate, but also figuratively by stressing the loss, change, and negative transformation played out within the narrative.

In 1971, the Cinema V image campaign structure was tested by the decision to release Dusan Makavejev’s *W.R.: Mysteries of the Organism*. Structurally and narratively as dense as *Putney Swope* was simple, *W.R.* juxtaposed two different stories: the story of seduction between a Yugoslav woman and a Soviet skater, and a free-flowing exploration of the theories of hotly debated psychoanalyst Wilhelm Reich. Reich’s controversial theories linked sexual liberation with a wide variety of structures freeing repression in the human body. As such, the film was equal parts pop psychology, satire, and provocation. Neither documentary nor fiction, *W.R.: Mysteries of the Organism* was sui generis—and came with an X rating.¹³

Rugoff’s marketing positioning for the film reflected this. Using the image of a woman eating a banana, the print ad was playful and indirectly sexual, but certainly not prurient or obscene. For the New York newspaper ads, Cinema V ran ads with text centered on the reasons why three Boston newspapers refused to advertise the movie. Although one reason was procedural (the paper had a policy of not advertising X-rated films), the others were whimsical: concern that the word “organism” would be confused with “orgasm” and a call to change “WR” to “Wilhelm Reich.”¹⁴ Most pointedly, the New York ad failed to list any theaters or showtimes in New York for the film! In effect, Cinema V obliquely created a newspaper ad heralding the repression lampooned in the film, even to the extent of withholding the most basic information for moviegoers.

Along the same lines, a singular visual image was used for another difficult film to market, Marcel Ophuls’ lengthy documentary on the Nazi occupation of France, *The Sorrow and the
Pity. Like W.R., *The Sorrow and the Pity* eschewed traditional documentary formats to tell its tale of the complicity of everyday citizens during the Nazi invasion. Told in two parts covering more than four hours in running time, the film explored a subject matter both morally complex and emotionally draining. Cinema V devised a simple image of a tear falling from an eye. The eye had a swastika replacing the iris. The image itself was so heavily pixilated that the individual dots could be identified, even in a relatively small quarter-page newspaper ad. As a result, the image perfectly captured the complex emotional and political nature of the film: with the crying figure facing the Nazi image, and with the swastika either appearing or reflected in the eye. Perhaps both interpretations were warranted as Ophuls stressed the complicity of some French people in colluding with the Nazi regime. Cinema V was able to distill the film to a single image without minimizing its emotional complexity. In this way, the image worked not just as marketing, but also as a frame to understand the conflicting political sides within the film.

**The Difference of Cinema V: The Showmanship of a “Wild Genius”**

Cinema V’s striking visual marketing was aided considerably by Rugoff’s expertise as a publicist and entrepreneur. His ability to highlight events, scandals, and “media moments” through Cinema V product was a key corollary to the paid marketing. At the time of his death in 1989, Rugoff was widely credited as the arbiter of both art cinema showmanship and good taste. As the owner of New Yorker Films, Dan Talbot commented on Rugoff, “Directors and producers loved him, thought of him as a wild genius. Relished his stew of unpredictability and showmanship.” Rugoff’s showmanship was manifested through large-scale press “events,” often of a size and grandeur completely separate from the

![Image](image_url)
rarified film they promoted, and the creation of “media moments” linked sometimes to the events but mostly to issues of art, censorship, or representation.

The press events firmly established the brand of Cinema V, often in New York specifically. Consider, for example, Rugoff’s unexpected plan for *Elvira Madigan*, the lush eighteenth-century Swedish romance between a tightrope walker and a shamed army lieutenant. In addition to developing the spare line drawing of the couple for the print ad, Rugoff organized a fashion show at his Cinema II property for store executives and designers. Although twenty-five designers were presenting their latest fashions, curiously only one, Adolfo, featured any product related to *Elvira Madigan*. Morphing the film’s lieutenant’s clothes into a wide black ascot, high collar, and cape, the look was featured the next day in the *New York Times* in an article wondering whether Rugoff’s event would inspire a “back to the 19th century” wave. Rugoff possessed a special ability to create a (faux) fashion craze simply to generate awareness and interest in a specialized film’s release.

Rugoff also bolstered the corporate identity for Cinema V separate from the individual film releases. Technically, Cinema V was an extension of the Rugoff & Becker theater chain, but, in 1971, Rugoff marked the “50th Anniversary of Cinema V” with a day-long “free” day at all the Cinema V theaters. Although patrons enjoyed free screenings and concessions for such Cinema V releases as *Gimme Shelter* (1970), both the local press and the industry trade publications covered what was essentially a day of promotion for both the Cinema V theaters and releases. As *Variety* commented on the strategy, “The major coup however resulted from the surprisingly extensive media coverage of the event, highlighted by the feature article in *The New York Times* which made Rugoff look like Man of LaMancha.” By the early 1970s, Rugoff attracted this kind of publicity due to the focused nature of his efforts with both distribution and exhibition. In fact, Cinema V was then seen as the premiere upscale theater chain in New York’s most desirable neighborhood, the Upper East Side. His “Anniversary Day” allowed access not just to the best theaters in New York City, but also to the best locations. Although the goal was undoubt-
edly publicity, Rugoff also facilitated making art cinema accessible to the everyday moviegoer.

Ultimately Rugoff claimed that he only wanted to be promoting—and creating media events around—films that he was passionately committed to, regardless of the potential financial upside of the film’s box office. So, for example, Rugoff inspired a media focus by lobbying for the inclusion of Liv Ullmann as a Best Actress nominee in *Scenes from a Marriage* (1973). Due to a technicality, the film and its elements were omitted from the Oscar race (the film’s broadcast on television during the prior year in Sweden barred it from consideration). Rather than lobby before the Oscar voting period, Rugoff wrote to the Academy of Motion Pictures Arts and Sciences in the week that the craft nominations were to be announced. He noted in the letter that Ullmann had won Best Actress from both the National Society for Film Critics and the NY Film Critics Circle, and that she should not be made ineligible for the Oscar race by a “technical rule.” The same week, *New York Times* film critic Vincent Canby authored a lengthy account of his calls to the Academy to plead the case for Ullmann. Canby’s stance was that the Academy was diminished by these pointless rules; as he phrased it,
What should concern us is that Scenes from a Marriage is a magnificent film, containing some magnificent performances, but because of an innocent technicality it won’t be able to compete for what are, when all is said, the most influential American film prizes of the year.\footnote{21}

Suddenly a second layer of publicity surrounded the film, with Scenes from a Marriage lauded not just for awards but also for being unjustly barred from the Oscars. Its release by Cinema V coincided with this two-level marketing approach, yielding box office grosses on par with Bergman’s greatest financial success in the 1970s, Cries and Whispers (1972).\footnote{22}

Scenes from a Marriage was auspicious by foregrounding another Cinema V marketing/publicity angle: the editing of a film for US release. As Stuart Byron notes, the film was originally shown on Swedish television in a version totaling 250 minutes. Rugoff purchased the rights for its American release, but was able to convince Ingmar Bergman to edit the film down to the current 168-minute theatrical release version.\footnote{23} In this case, the decision on editing was amicable.

Two years later, Rugoff and Cinema V created a firestorm of media activity regarding the editing of Nicolas Roeg’s film, The Man Who Fell to Earth (1976). Starring David Bowie in the titular role, Roeg’s expansive and dense science-fiction saga detailed the rise of the alien as worldwide entrepreneur only to be co-opted, and eventually destroyed, by government agents, soulless American society, and alcohol. Rugoff was able to cut a distribution deal for Cinema V after the original agreement between the producers and Paramount Pictures fell through on the studio’s executives viewing a rough cut. Apparently, studio chairman Barry Diller commented, “This is not the movie Paramount bought. The picture we bought is linear and this isn’t.”\footnote{24}

Announcing Cinema V’s agreement to distribute the film, Rugoff commented, “It’s the largest deal we’ve ever made on a picture . . . I didn’t really understand the picture but kids really do.”\footnote{25} The allegiance to a youth market was crucial to Rugoff ever since the success of the surfing movie Endless Summer in 1966; as he described this demographic, “(they are) the future of Cinema V.”\footnote{26} In lieu of testing the film with a neutral recruited audience, Rugoff screened the film at Dartmouth College for undergraduate students. The reaction was mixed, with half saying that they would recommend the film and half saying they would not recommend it. With Rugoff believing in the power of the youth audience (and evidencing it through grosses for such Cinema V films as Gimme Shelter, Putney Swope, and Z), the test screening made him nervous about his large investment in the film. He asked screenwriter Robert Young and editor Ed Beyer to trim it, hopefully to highlight the basic (linear) storyline.\footnote{27} The team cut twenty minutes from the 140-minute original release, excising four different scenes, including a controversial sex scene.\footnote{28} Rugoff showed the revised edit to a Colorado psychiatric professor who validated his response. Amid a flash of articles questioning Rugoff’s strategy, the shorter version was released domestically. With the controversy over the cutting adding an additional publicity angle beyond the (music) star power of David Bowie, the film proved to be a modest hit for Cinema V.\footnote{29} Three years later, Rugoff released the “director’s cut” version of the film theatrically, which was merely the original version delivered by Roeg.\footnote{30} In the period between these releases, the film had gained cult status, fostering the theatrical re-release and subsequent home video releases.
These tales illustrate Rugoff’s manipulation of the media through creating “media moments” suitable for articles and free publicity. For all the claims about his desire to see film as an art form, in these cases, Rugoff’s entrepreneurial sense won out over aesthetics and artistic integrity. Rather than a “great man” of the art cinema, Rugoff was more of a force highlighting the marketing assets of the Cinema V films. Rugoff’s financial successes suggest that art cinema could be exploited commercially just like “mainstream cinema.” These examples also illustrate how adept Rugoff was at positioning himself as the public face of Cinema V. Although he was supported by a staff of senior executives and the advertising agency Diener, Hauser, Greenthal Co., he publicized only one staff member on the Cinema V team, General Sales Manager Frances Spielman. An independent film industry veteran who ran her own distribution company, Arlan Pictures, in the 1940s, Spielman’s legendary industry status reflected well on both Rugoff and Cinema V. Leveraging her image, Rugoff placed a full page ad in *Variety* of Spielman wearing a Native American headdress and the line “Contact the Chief.”

Although image management and showmanship reflected much of the Cinema V product in its first decade, by the mid-1970s, the Cinema V films no longer offered the social and cultural critique inherent in earlier Cinema V films. In this way, the heyday of Cinema V is clearly connected to the social and cultural transitions of the 1960s. Consider just one thematic aspect: civil rights/racial equality. Cinema V’s early product addressed the often volatile issue directly (*The Cool World* [1963], *Nothing but a Man* [1964], *One Potato, Two Potato* [1964]). These efforts led Rugoff to distribute the William Klein documentary, *Eldridge Cleaver* (1970), a film that pushed the dialogue on race from integration to the radical political movement of the Black Panthers. Rugoff created a further media controversy by charging $3 per ticket in the premiere engagement (the average movie ticket price in 1970 was $1.55). By the middle of the 1970s, however, Rugoff appears to have shifted away from engaging with social and political issues in the context of the art cinema. This shift may simply reflect that the social movements (race, gender, sexual orientation) were at their height in the late 1960s and early 1970s. In this context, Rugoff could be seen as being able to amplify those aspects, choosing to distribute Cinema V films that reflected the social and cultural discord of the time.

**The Difference of Cinema V: Exhibition as the Key Asset**

Rugoff’s unique marketing and image management efforts were facilitated by controlling the key commercial aspect of exhibition. Rugoff benefited considerably by basing his distribution efforts with Cinema V on his chain of upscale, New York City East Side movie theaters. Labeled the “Tiffany’s of American movie exhibition,” Rugoff’s Cinema V theaters comprised some of the most lucrative theaters in New York: Cinema I, Cinema II, Cinema III, Beekman, Paramount, Plaza, Art, Sutton, 8th Street Playhouse, and the Gramercy. Rugoff was prescient in creating the nation’s first twin theater, Cinema I and II, in 1962. His ability to control the projection quality and exhibition experience at his theaters was unparalleled. For Rugoff, the art house experience was key to the appreciation of film as “an art form.” He designed the Cinema I and II as the jewels in the crown, with a large common lobby (to avoid patrons waiting outside), a roaming coffee cart, a rotating art display in the lobby, and more than three feet of leg room between theater rows.
Although Rugoff alternated mainstream Hollywood fare, foreign films, and American independent films through his Cinema V theaters, the economic potential from Hollywood blockbusters changed for Cinema V in 1973. Cinema I had booked *The Exorcist* for an exclusive twenty-four week run. The phenomenal business for the theater was “Cinema I’s greatest moment of glory” according to industry analyst Stuart Byron. When the film exceeded all financial expectations, Warner Bros. (WB) decided that an exclusive engagement was no longer ideal for the New York market. WB General Sales Manager Leo Greenfield threatened to break the contract with Cinema V unless Rugoff permitted the film to play at a mainstream Times Square theater as well.

Rugoff was able to reach a compromise with Warner Bros.: *The Exorcist* added simultaneous engagements at other Cinema V theaters—the Beekman, Paramount, and Plaza theaters. The revenue from this run helped to offset a largely unsuccessful year from Cinema V on the distribution front. Cinema V’s lack of success in distribution that year was seen as just one of the many failures of art house cinema of the time. As critic Vincent Canby noted, the market for art house film was being challenged by “more sophisticated American and English films” and by theaters turning to “porno chic” in light of *Deep Throat*’s (1972) mainstream success.

From a business perspective, the primary benefits to controlling the exhibition side were twofold. First, as the theaters were so desirable in terms of their location within the largest market in the United States, Rugoff was able to use the theaters to book the most lucrative (read “mainstream Hollywood”) product. This tended to give Rugoff more leverage with the major distributors as he could specify preferential terms required for booking a film into a Cinema V theater. Second, Rugoff could use the Cinema V theaters for Cinema V releases, giving these smaller, more specialized films immediate cachet. This, in turn, allowed Rugoff to keep the Cinema V films on screen longer if they needed additional time to build awareness and interest. For example, Rugoff was underwhelmed with the grosses for *The Two of Us* (1967). Rather than pull the film, he expanded the newspaper ads and subway platform one-sheets, and moved it into a smaller Cinema V theater, the Beekman. *The Two of Us* then reversed its trajectory and played at the Beekman for several months. A similar strategy was used by Rugoff to keep Milos Forman’s comedy, *The Fireman’s Ball* (1967), alive in the marketplace.
The value of Cinema V’s exhibition houses soon attracted industry attention. By 1974, the Cinema V theaters became the target for exhibitor William R. Forman. Forman privately owned Cinerama Inc. and Consolidated Amusement Co., a chain of eighteen theaters in Hawaii. Through Cinerama, Forman had a stake in RKO-Stanley Warner Theaters, a theater chain with a strong east coast presence. Forman started to purchase Cinema V stock, ending up with 26 percent of Cinema V shares purchased from disgruntled board members. Forman requested that he and his son be added to the Cinema V board of directors. The request was denied by Rugoff on an anti-trust basis: with his interest in RKO-Stanley Warner Theaters, Forman could potentially control 33 percent of theaters in the New York market if he was given rights as a member of the Cinema V board of directors. Forman contested this decision.

The case between Rugoff and Forman weaved through the courts until Federal Judge Charles Brieant’s decision in 1978 against Rugoff. The judge assessed that, during the first overtures by Forman in 1974, Rugoff had “parked” seventy-two thousand Cinema V shares with director Francis Ford Coppola, who was on the board of directors. The effect was to dilute the potential threat of Forman and the stock that he was acquiring. Judge Brieant also found that Rugoff’s actions were to the detriment of the Cinema V shareholders: Rugoff’s purpose was “to perpetuate himself and existing management in office to his personal benefit and to the detriment and damage of Cinema V and its shareholders.” The original stock purchase was made through a loan that Rugoff reportedly cosigned and for which, curiously, Rugoff assumed liability. In 1977, Coppola resold the stock to Rugoff when Coppola needed to liquidate assets to continue production on Apocalypse Now (1979). Judge Brieant also claimed that Cinema V “overpaid” when buying back the Coppola shares; Brieant fixed the amount of the shares at $2.50 rather than $4.00.

By this time, Rugoff’s own image, and that of Cinema V, already were somewhat tarnished. Another lawsuit was filed against the company in early 1978 by Steinman-Baxter, which had contracted with Cinema V for the US distribution rights to the Canadian film Outrageous! (1976). Steinman-Baxter claimed that Rugoff and Cinema V significantly underreported grosses for the film (reported as $344,527 vs. their estimate of $2 million) and that Cinema V “inflated and exaggerated” expenses charged against the film. Rugoff’s failure to respond to the claim led Cinema V to be in breach of contract with their Canadian subdistribution partners. Negative press reported “accounting and fiscal mishandling,” placing Cinema V in an even more vulnerable position to face the larger battle against Forman.

With the court against him and no other financial partners/backers “in the wings,” Rugoff relinquished his fight against Forman’s “hostile takeover” and reached an agreement for the sale of his stock to Forman in January 1979. Forman appointed his RKO-Stanley Warners Theaters chief booker Ralph Donnelly as the new chief of Cinema V.

Forman’s cost-benefit analysis of the Cinema V operation illustrated that the distribution arm of Cinema V was unprofitable but that the exhibition arm was very profitable. Four of the Cinema V theaters—Cinema I and II, Sutton, and Plaza—were seen as the profit nucleus of Rugoff’s operation. Further illustrating the leverage that a joined distribution-exhibition operation offered, Forman claimed that Rugoff was also cutting preferred deals with producers on exhibition rates if they chose to distribute their films with Cinema V.
Distribution was seen as a low priority for the new regime of Cinema V. As Ralph Donnelly, the Forman appointed Cinema V chief, commented about his mission after a few months on the job, “My primary aim is to improve the status of the theaters. Everything else I do is of secondary importance. We can make infinitely more money there than if we concentrate on distribution.” Donnelly and Forman in effect returned Cinema V to its Rugoff-Becker roots, privileging exhibition above all else and diluting Rugoff’s strategy to differentiate his operation through a substantial emphasis on distributing foreign and American independent cinema.

Even as the Cinema V buyout was designed to bolster a specific exhibition portfolio on both coasts, the 1980s evidenced a larger wave of theater buyouts. Forman added the twelve theaters of Cinema V to his RKO-Stanley Warner Theaters in New York and to his theater holdings in California and Hawaii through Consolidated Amusement. As the RKO-Stanley Warner Theaters had a presence in Times Square, Forman was essentially building a block of very lucrative exhibition houses in two of the most desirable areas of Manhattan. In fact, the Cinema V deal in 1979 was one of the very early examples of assimilating a small independent theater chain into a much larger corporate entity. As RKO-Stanley Warner Theaters was covered by the Paramount Consent Decree, industry analysts wondered if the Cinema V deal might be seen as limiting free trade in the New York exhibition space. Forman lawyer Harry Swerdlow scoffed at this suggestion, commenting “Nothing I know of that makes (the deal) illegal, immoral or fattening.” A year later, Forman added fourteen additional New York theaters. These theaters were acquired from Ted Mann and incorporated into the Cinema V theater group, further strengthening his control of the New York exhibition space.

Substantial consolidation across the exhibition business was, in fact, already on the horizon by the late 1970s. Notably, in 1981, Walter Reade Theaters was purchased by Columbia Pictures. Like Cinema V, Reade had been prominent in both the exhibition and distribution of art film titles domestically. The Reade deal set the stage for the Reagan-era realignment of film distribution and exhibition. A flurry of deals linked the studios to exhibitors in the mid-1980s: Tri-Star with Loew’s Theaters, USA Cinemas, and Music Maker Theaters; Paramount with Mann Theaters and Festival Enterprises; and Warner Bros. with Cineamerica. Jennifer Holt’s insightful analysis of this period illustrates that these deals were motivated by a desire on the part of the studios to maximize revenue at the theatrical window. This motive had become an even more significant factor as commerce at the ancillary windows (home video, cable, television) was driven by success at the theatrical box office. As Holt describes it, “It was openly acknowledged in the trades that the studios hoped to improve the positioning of their theatrical releases for optimum profitability in ancillary markets.”

**Erasing Independence: Assimilating Art Cinema**

Although Rugoff was one of the key figures involved in establishing and maintaining art cinema in the 1960s and 1970s, the Cinema V tale ultimately is a cautionary one. The lessons from Cinema V extend from the days of 1950s art cinema up through the 1980s and 1990s incarnations of “independent film” characterized by filmmaking outside the domain of Hollywood. In several ways, the Cinema V case illustrates how commercial forces identify
Rugoff did bolster independent cinema through targeted marketing and through linking distribution and exhibition. Although the independent exhibition/distribution pairing existed prior to Cinema V, Rugoff was able to make the link more effective through the prime location of his exhibition houses and his selective booking of mainstream Hollywood hits in these theaters. The financial success of mainstream Hollywood films was used to fund both the distribution and exhibition of Cinema V releases. Furthermore, Rugoff was able to generate breakthrough box office grosses for selected films, such as Z, thereby illustrating that the upside potential for a foreign/independent could be much higher than previously anticipated ($15.47 million gross in 1969).

By the late 1960s, independent distributors—from Cinema V to Audobon, Janus, and New Yorker Films—started to feel pressure from the studios. “Mini-major” United Artists (UA) was the most aggressive in exploring the independent cinema terrain at this time. Rather than risk tarnishing their own brand with potentially transgressive content, UA chose to release some of these films under the label of Lopert Films, their art house subsidiary. UA, for instance, contracted with Svensk Film-Industrie for global distribution on Ingmar Bergman films in 1967. The deal started with *Persona* (1966) and *Hour of the Wolf* (1968), and was designed to be long term. During the same period, UA released films from such art house directors as Louis Malle, Francois Truffaut, Federico Fellini, and Claude Lelouch, all of whom had been “broken” in the United States by smaller independent distributors. Although the market for these films proved to be inconsistent, throughout the 1970s there were two to four breakout hits every year in the foreign and independent film world.

Apart from UA, the major distributors had limited interest in art cinema. There were, however, a few attempts to “translate” a foreign property and director to the US market. In 1972, for example, Warner Bros. acquired the non-Scandinavian world rights to two epic Jan Troell films depicting Swedish emigration to the United States, *The Emigrants* (1971) and *The Settlers* (1972). Warner Bros. stressed the “American experience” aspect of the stories to make them as relatable as possible. The results were initially promising, especially for the three-hour *The Emigrants*, which garnered five Oscar nominations, including Best Foreign Language Film. Warner Bros. used the foreign-film release experience as a stepping stone to give Troell his first English-language production: *Zandy’s Bride* (1974) starred Gene Hackman as a rough but malleable frontiersman who weds a Scandinavian-born mail-order bride, played by *The Emigrants* star Liv Ullmann. In scope, *Zandy’s Bride* crosses the territory of Troell’s previous film with the western, albeit one set in Big Sur country. The film was received tepidly by both critics and audiences. Nonetheless, the “experiment” of integrating a foreign-language director into the Hollywood studios was repeated, with similar results, soon after with both Lina Wertmuller (*The End of the World in Our Usual Bed in a Night Full of Rain* [1978]) and Louis Malle (*Pretty Baby* [1978]).

By the mid-1970s, Rugoff maintained that majors were releasing more serious, “socially relevant” films that competed directly with films from the smaller independent distributors such as Cinema V. Citing the financial and critical successes of *The Turning Point* (1977), *An Unmarried Woman* (1978), and *Days of Heaven* (1978) as evidence, Rugoff believed that the major studios were offering films that “sated” the appetite for art films and minimized the
art film audience. This claim reveals more about the tighter marketplace for “serious” films by the middle of that decade. It is certainly the case that, for more than a decade prior, the major studios were distributing a continual strain of films with more complex, socially aware themes. However, there may be some truth in Rugoff’s claim. By itself, though, the release of serious films by the major studios does not appear to be the major reason for the demise of Cinema V.

Despite his innovative marketing practices and his savvy management of theaters, Rugoff’s intervention in independent cinema became largely a footnote in film history. His efforts with the highly visible and aggressive image campaigns for Cinema V films were innovative in a space that had traditionally utilized critical reviews, word-of-mouth, and rudimentary grassroots marketing like flyers and leaflets. Rugoff demonstrated that independent cinema, both domestic and foreign in origin, could be sold and sustained in the marketplace through these well-orchestrated marketing campaigns and strategies. The insurance marker of the exhibition houses gave Rugoff the financial security and flexibility to pioneer these marketing strategies with products that both succeeded (Z, Scenes from a Marriage, Endless Summer) and failed (Accident [1967], (Very Happy) Alexander [1969], More [1969]).

Although demonstrating a personal commitment to the social and aesthetic value of the films marked as “Cinema V,” ultimately this label had almost no impact on the demise of Cinema V. As noted above, Forman’s interest was, in large part, focused on the exhibition assets of the company. In fact, the dissolution of the art cinema distribution arm of Cinema V came soon after the takeover. In this case, Rugoff’s devotion to the innovative spirit, auteurist voices, and social critique of independent cinema were simply collateral damage in a deal based on about a dozen exhibition houses in one of the most desirable (and underscreened) markets in the United States.

The case of Cinema V illustrates one instance of the incorporation of an independent company by larger mainstream industry forces. In the decades since the Forman acquisition, independent exhibitors, distributors, and producers have continually tried to maintain a market presence despite pressure to assimilate. The legacy of Rugoff and Cinema V can be evidenced through several key figures from the post–Cinema V world of independent cinema. This is particularly the case for the Weinstein brothers of Miramax Films and James Schamus of Good Machine and Focus Features. Like Rugoff, these later indie “veterans” were adroit at salesmanship, image management, and a real interest in social and cultural critique. And, just like Rugoff, these creative executives and their contributions, ultimately, were assimilated by the larger Hollywood “machine.” After its acquisition by Disney in 1993, Miramax dramatically expanded its low-end horror and exploitation label, Dimension Films. In essence, the Weinsteins shifted from their original mission with Miramax to split their attention between middle-of-the-road quality dramas (read “Oscarbait”) and low-budget, easily marketed horror fare. By 2005, the Weinsteins had exited Miramax, leaving the company only fitfully alive with limited releases and a marginal financial commitment from its parent company until Disney sold it to Filmyard Holdings in 2010.

Although the Miramax case shows an independent distributor losing direction once given the resources of a major studio, the fate of producer and distributor James Schamus with Good Machine and Focus Features illustrates another trajectory for independents. Schamus
retained his independent vision in the larger studio environment, but the studio eventually got tired of the small grosses earned by his films. Good Machine launched in 1991, when Schamus cofounded the influential production company with producer Ted Hope. Responsible for such pivotal 1990s indie films as \textit{The Wedding Banquet} (1993), \textit{The Brothers McMullan} (1995), and \textit{Safe} (1995), Good Machine was sold to Universal Pictures in 2001. In turn, then-Universal owner Vivendi merged Good Machine with other Universal independent film assets USA Films, Universal Focus, and FilmDistrict to form Focus Features. In 2014, NBCUniversal replaced Schamus with Peter Schlessel; Schlessel had been responsible for a range of commercially successful horror and exploitation movies. The shakeup at Focus was aimed at making the specialty distributor more competitive with its rivals; the division subsequently beefed up its slate with wider release movies that held more commercial potential. By placing Schlessel in charge, the mandate for the new iteration of Focus Features was evident: distribute a higher number of genre pictures produced at a “manageable” price point. Independence in the art cinema tradition of Rugoff and Cinema V again was curtailed by the promise of larger revenues elsewhere.

Rugoff/Cinema V, Weinsteins/Disney, and Schamus/Focus Features all are examples of independent visions undone by mainstream studio forces. The trajectory is the same, but the routes taken to get there are vastly different: Rugoff’s exhibition houses proved irresistible to the larger exhibition chains; the Weinsteins strayed from their brand promise of innovative and bold product; Schamus stayed true to the brand promise of independent film but the promise of faster, cheaper exploitation fare swayed the studio. In this way, the fate of these film industry icons shows us that the category of “independent film” is forever vulnerable. Independence is a category that is always at the doorstep of mainstream studio forces.

Indeed, as Don Rugoff and Cinema V show, independent cinema is always in transition, with the potential for competing (mainstream) cinema threatening long-term growth and viability. Rugoff’s efforts with Cinema V are notable for three main elements: his development of strong visual branding for the company’s features, his ability to engineer “media moments” around controversies and issues using clever publicity, and his leveraging of his exhibition houses in support of both independent and mainstream film. Through these commercial strategies, Rugoff was able to make an intervention in art cinema that paved the way for future independent distributors and exhibitors. As others following in the decades after Rugoff demonstrate, however, the entrepreneur is almost always at risk of co-optation by the mainstream industry. In many instances, these independent entrepreneurs find it difficult to function long-term within the mainstream industry and eventually are rendered irrelevant. Ironically, those distributors (e.g., Zeitgeist Films, Milestone Film & Video, Strand Releasing) on the far outer fringes of the independent world are often capable of existing in a more sustained manner—if they are able to stay solvent.

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3 For a useful examination of the growth of art cinema and its exhibition during this period, consult Barbara Wilinsky, *Sure Seaters: The Emergence of Art Cinema* (Minneapolis: University of Minnesota Press, 2000).


5 At the time, differentiating the exhibition experience was viewed as one potential method to bolster the motion picture industry. See “Quality and Service: An Answer to the Movie Slump?,” *Business Week*, September 15, 1951, 116–25.


7 Wilinsky, *Sure Seaters*, 121.

8 For an interesting exploration of the early days of art cinema marketing, consult Toby Talbot, *The New Yorker Theater and Other Scenes from a Life at the Movies* (New York: Columbia University Press, 2009).


13 For an analysis of the film’s social and political agenda, see Raymond Durgnat, *W.R.: Mysteries of the Organism* (London: British Film Institute, 1999).


17 Ibid., 5.


19 Ibid.


22 “Cinema V Quarter Nets 60G; Cause Mostly Swedish Import; Coppola at Annual Meeting,” *Variety*, January 29, 1975, 3.


Ibid., 2.

29 “Cinema V Third Quarter Reacts to New Features; A Repetitive 11 Cents,” Variety, August 18, 1976, 7.


35 For an examination of the shift from the single to multiple screen theater in a mainstream context, see Christine Grenz, Trans-Lux: Biography of a Corporation (Norwalk: Stratford Press, 1982).

36 “Art House Boom,” 102.

37 Ibid.


39 “WB to Exorcist Director: We’ll Buy Your 10% Stake,” Variety, February 6, 1974.

40 Among the 1973 financial disappointments for Cinema V distribution were A Sense of Loss, From the Mixed-Up Files of Mrs. Basil E. Frankweiler, Happy Mother’s Day, Love George, I Could Never Have Sex with Any Man Who Has So Little Regard for My Husband, Ashani Sanket, and Visions of Eight.


45 “Coppola Sells Back to Cinema V His 70,000 Shares Bought at $2.50,” Variety, May 18, 1977, 3.


47 “Don Rugoff Has to Pay Only 29G of Court Award to Forman,” Variety, December 13, 1978, 4.


51 Ibid., 98.


56 Ibid., 104.

57 Ibid., 111.

Although the text does not address art cinema solely on an economic basis, David Andrews develops a very compelling argument for the continual commercial development of the art cinema “super genre” in his book, Theorizing Art Cinemas (Austin: University of Texas Press, 2014).


Consider, for instance, Easy Rider and Midnight Cowboy were 1969; M*A*S*H 1970; Five Easy Pieces 1970; Sounder 1972.


Bibliography
