

NYC premiere of Rogen film canceled as threats fly (Update)

December 17 2014, by Bernard Condon



In this Dec. 2, 2014 file photo, cars enter Sony Pictures Entertainment headquarters in Culver City, Calif. Hackers calling themselves Guardians of Peace on Tuesday, Dec. 16, 2014 released another round of data leaks, including ominous threats against the premiere of Sony Pictures' film "The Interview," in which the group references the terrorist attacks of September 11, 2001. (AP Photo/Nick Ut, File)

(AP)—The blow that the hacking attack has dealt Sony is spreading beyond the entertainment corporation itself to theater chains and movie

goers alike. And the financial toll is adding up too.

Threats of violence against movie theaters. The New York premiere of "The Interview" canceled. Leaks of thousands more private emails. Lawsuits by former employees that could cost tens of millions in damages.

The fallout from the Sony Pictures Entertainment hack that began four weeks ago exploded Tuesday after the shadowy group calling themselves Guardians of Peace escalated their attack beyond corporate espionage and threatened moviegoers with violence reminiscent of the terrorist attacks of September 11, 2001.

The Department of Homeland Security said there was "no credible intelligence to indicate an active plot against movie theaters," but noted it was still analyzing messages from the group, dubbed GOP. The warning did prompt law enforcement in New York and Los Angeles to address measures to ramp up security.

Those security fears spurred Sony to allow theater chains to cancel showings of the Seth Rogen and James Franco comedy "The Interview," that has been a focus of the hackers' mission to bring down Sony.

A spokesperson for Landmark Sunshine cinemas said the New York premiere of "The Interview," scheduled for Thursday night, has been canceled. Carmike Cinemas, which operates 247 theaters across the country, was the first to cancel its planned showings of the film, according to The Hollywood Reporter.

B. Riley analyst Eric Wold estimates that if box office and attendance revenue is completely lost for Carmike for "The Interview," that could cost the chain 1.5 percent to 1.9 percent of fourth quarter revenue—not a major loss—but if there is an event that happens in a theater, that

would swell dramatically.

"Unfortunately, there is a lot of uncertainty that this brings into play for all exhibitors this holiday season," he said. "The question is whether or not moviegoers are willing to see another movie in its place ... or if this box office and associated attendance is just a loss."

Benchmark Co. analyst Mike Hickey said other chains are likely to follow suit and pull the movie.

"We have a hard time believing any theatre exhibitor would choose to show the movie on Christmas day, and risk the overhang of potential ramifications from a successful implemented terrorist attack from the hacker group or a random extremist that may have ancillary motivation," he said.

GOP also released a trove of data files including 32,000 emails to and from Sony Entertainment CEO Michael Lynton in what it called the beginning of a "Christmas gift."

And two former Sony film production workers filed lawsuits alleging the Culver City, California company waited too long to notify nearly 50,000 employees that data such as Social Security numbers, salaries and medical records had been stolen.

The filing follows another lawsuit this week from two other former Sony employees accusing the studio of being negligent by not bolstering its defenses against hackers before the attack. It claims emails and other leaked information show that Sony's information-technology department and its top lawyer believed its security system was vulnerable to attack, but that company did not act on those warnings. Sony potentially faces tens of millions of dollars in damages from a class-action lawsuit, said Jonathan Handel, an entertainment law professor at the University of

Southern California Gould School of Law.

In "The Interview," Rogen and Franco star as television journalists involved in a CIA plot to assassinate North Korean leader Kim Jong Un. Speculation about a North Korean link to the Sony hacking has centered on that country's angry denunciation of the film. Over the summer, North Korea warned that the film's release would be an "act of war that we will never tolerate." It said the U.S. will face "merciless" retaliation.

The film was slated to hit theaters nationwide on Christmas Day. It premiered in Los Angeles last week.

But on Tuesday, Rogen and Franco pulled out of all media appearances, canceling a BuzzFeed Q&A and Rogen's planned guest spot Thursday on "Late Night With Seth Meyers." A representative for Rogen said he had no comment. A spokeswoman for Franco didn't respond to queries Tuesday.

The FBI said it is aware of the GOP's threats and "continues to work collaboratively with our partners to investigate this matter." FBI director James Comey last week said that investigators are still trying to determine who is responsible for the hack.

Los Angeles Police Chief Charlie Beck said his department takes the hackers' threats "very seriously" and will be taking extra precautions during the holidays at theaters. The National Association of Theatre Owners had no comment on the developing situation. Neither Sony nor representatives from individual theater chains, including Carmike, responded to requests for comment.

Since the hack surfaced late last month, everything from financial figures to salacious emails between top Sony executives has been dumped online.

The nearly 32,000 emails to and from Sony Pictures Entertainment CEO Lynton leaked Tuesday include information about casting decisions and total costs for upcoming films, release schedules for Sony films through 2018 and corporate financial records, such as royalties from iTunes, Spotify and Pandora music services. They include information about new electronics devices such as DVD players and cellphones. They also include budget figures for the Motion Picture Association of America, of which Sony is a member, and at least one email about a senior Sony executive who left the company. The emails also include banal messages about public appearances, tennis matches, home repairs, dinner invitations and business introductions.

In their warning Tuesday, the hackers suggested Sony employees make contact via several disposable email addresses ending in yopmail.com. Frenchman Frederic Leroy, who started up the yopmail site in 2004, was surprised to learn the Sony hackers were using yopmail addresses. He said there was no way he could identify the users.

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