

SECURITY SITE SURVEY
EFILM, LLC
1146 North Las Palmas Avenue
Hollywood, California 90038
MPAA File 3-30424

The security survey at EFILM was conducted on June 4, 2004, by Terry Ellis who was retained by the Motion Picture Association of America [MPAA] for this purpose. Information set forth in this report was obtained from Gregory Woodland, Executive Vice President & Chief Financial Officer, and from David Day, Facilities Manager, and from personal observations of Terry Ellis during the inspection of this facility.

This report is not intended as a detailed audit of all phases of the EFILM business operation, but rather as a review and evaluation of those areas and activities most vulnerable to the theft or unauthorized duplication of copyrighted materials belonging to MPAA member companies.

Neither the MPAA nor the writer of this report is in a position to evaluate the integrity of the employees of EFILM and this report does not attempt to do so.

SUMMARY

EFILM is in the business of acquiring feature film images from various sources, enhancing them digitally, and delivering them back to clients. EFILM is 80 percent owned by Panavision and 20 percent by Deluxe Laboratories. Other services include digital color timing, on-line assembly, digital opticals [fades, dissolves, etc.], titles, digital cinema as well as film and video output. As such, EFILM is the market leader in the digital intermediate industry.

The EFILM process in handling client elements appears quite satisfactory in that the elements are bar-coded upon receipt, they are scanned into a computerized inventory tracking system and they are secured in a vault until distributed for production. The elements are tracked and controlled throughout the production process, then returned and logged back into the vault until being returned to the client.

RECOMMENDATIONS

The security controls of EFILM are extremely thorough and therefore I can make no recommendations for improvement.

DETAILS

General Information

EFILM is located in three adjacent buildings on a commercial thoroughfare in Hollywood. They are in the process of remodeling a fourth adjacent building to use as administrative offices. Currently they have approximately 45,000 square feet of space including four color timing suites, a master control [computer] room, editorial space and operations room where the high-speed recorders and scanners are located.

In the past couple of years the company has expanded to approximately 120 employees who have access to controlled areas according to their work assignment. Due to the work load they currently operate three shifts around the clock. Potential employees are processed through the Human Resources department at Panavision, including background checks. Employees are required to sign confidentiality agreements and are notified that they are subject to searches of their office space and email.

Physical Security

The receptionist desk is staffed from 8 AM until 7 PM even though the company operates 24 hours a day. During other hours the security guard is stationed at the receptionist's desk. Electronic identification cards are used by employees to gain access to the exterior doors as well as interior doors on a restricted basis. A six-hour emergency backup system is a component of the door control system to ensure security in the event of a power failure. Additionally, there is a lockbox for keys to be used in an emergency and it is located in the Facilities Manager's office. A security guard patrols the exterior of the building and the parking lot during times when the

receptionist is on duty. The security guard escorts the cleaning crew when working in the premises.

Alarm System

There is an alarm system installed but since the company operates around the clock there has never been the need to activate it. There are two emergency exits which are alarmed and clearly labeled.

Closed Circuit Television [CCTV]

There are sixteen closed circuit digital color cameras and the file is maintained for a period of thirty days. The monitors are located in the Facilities Manger's office and at the receptionist's desk. Another monitor is located in the vault area to allow employees there to view the lobby outside the shipping/receiving area.

Visitors – Visitor Log

Visitors are required to sign in a log at the receptionist's desk and wear a visitor badge while on the premises.

Vault / Inventory Controls

Only limited management personnel in addition to the three vault employees have access to the vault. Access is by use of an electronic identification card. There are two cameras inside the vault and another camera in the hallway monitoring employees at the window to the vault. At the request of a client, EFILM has installed a heavy locked metal cabinet within the vault for additional security. Elements received are bar-coded and scanned in and out of the vault.

Production Processes

EFILM scans each negative into digital files to facilitate editing operations such as adjusting the balance of colors. Once the edited changes are completed the digital files are converted back to film for their clients. The labor-intensive process includes storing five to fifty megabytes per frame for

a total of five to six terabytes for a feature film. After the editing is completed their clients typically order a digital achieve master file and the internal files are erased from the computer. Extensive firewalls are in place to prevent unauthorized access.

As elements move throughout the multi-stage production process, they are logged in and logged out of the various departments. Although there is no official “audit” of the elements, project managers and producers prepare formal work orders that dictate and monitor all element usage within a given department. There is no format on the premises of any elements or production items that would be compatible for general public use.

Shipping / Receiving

The shipping/receiving area is located within the vault. All items are received in that area including non-sensitive elements. Employees in the vault have a CCTV monitor to observe the lobby outside the secured vault area. Elements received are bar-coded and scanned in and out of the vault. Transportation for studio elements is provided either by company employees, external courier or from the individual client studios.