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April 1, 1982

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Securities and Exchange Commission
500 North Capitol Street, N.W.
Washington, D.C. 20549

Attention: Mr. Gerald Comizio
Division of Corporate Finance

Re: Film Festival '82
Request for Interpretive Opinion

Dear Mr. Comizio:

Thank you again for the time and attention you have devoted to the captioned request. In our conversation of March 31, 1982, you requested additional information, as follows:

A more detailed description of the business and operations of The Comworld Group and its affiliates, including the nature and character of its business in California and elsewhere.

We are, of course, pleased to respond to this request. Preliminary thereto, we thought it would be appropriate to reiterate the principal purpose and mode of operations of Film Festival '82.

Film Festival '82 will invest its funds in the production of theatrical motion pictures and television product. Film Festival '82 will enter into a joint venture relationship

Mr. Jerry Comizio
April 1, 1982
Page Two

with The Comworld Group, whereby The Comworld Group, subject to the approval of the general partner of Film Festival '82, will select and produce the motion picture and television product for the joint venture. Dr. Barton Heuler, Gordon Hansen and Dr. Thomas Johnson, all California residents, are the managing partners of the general partner of Film Festival '82.

The Comworld Group is a California general partnership organized on June 1, 1981. It succeeded to the interests of Osmond Communications, a partnership which was formed in January 1979. The Comworld Group, through several affiliates, is engaged in the business of producing and distributing feature motion pictures, television movies, industrial films and commercials. It maintains offices in Orem, Utah and Los Angeles, California. There are 9 partners of The Comworld Group, some of whom are general and limited partnerships. A majority of the partners are residents of the State of California. The principal managing partners of The Comworld Group are Dr. Barton Heuler, a resident of California, and Reed Callister, now a resident of Utah but for many years a resident and practicing lawyer in California. Mr. Callister is still a member of the State Bar of California.

While Comworld's plan of operations embraces movie and television production and distribution, the television activities of the company now constitute the dominant part of Comworld's activities. Substantially all of the television production and distribution emanate from the State of California through Comworld Productions and Comworld Films, Inc.

Management of The Comworld Group estimate that 75% of the costs of operations of The Comworld Group and its affiliates are incurred in California. They further estimate that at least 2/3 of all income attributable to the operations of The Comworld Group and its affiliates comes from California. Relevant in this regard are the audited consolidated financial statements of The Comworld Group for the four-month period ended September 30, 1981. These statements show consolidated net income of \$473,591. Gross revenues for the same period were \$8,344,763. Of this total, \$5,219,936 (62.5%) were derived from television and commercial productions.

Set forth below is specific information concerning activities of The Comworld Group and certain of its affiliates.

Mr. Jerry Comizio
April 1, 1982
Page Three

Comworld Productions is a California general partnership engaged in the production of television products - movies for television, television specials and television series. Its only office is located in California. A substantial majority of all filming and production for Comworld Productions occurs in the State of California.

Comworld Pictures, Inc. is a California corporation with offices in California and Utah. It will produce feature-length motion pictures and television movies and will distribute motion pictures within the United States (domestic distribution). A majority of the shareholders of Comworld Pictures, Inc. are California residents. Dr. Heuler and Mr. Callister, each of whom owns approximately 40% of the outstanding shares, are residents of California and Utah, respectively. Mr. Burt Reynolds is Chairman of the Board of Comworld Pictures, Inc.

Comworld International is a California partnership which will be engaged in (1) the domestic distribution of television products and (2) the foreign distribution of feature motion pictures. Although the partnership's principal offices are in Tennessee, the partnership maintains offices in New York and Utah. The general partners of Comworld International are The Comworld Group and David Sifford, a resident of Tennessee.

Comworld Commercial Films is a California partnership engaged in the production and distribution of television commercials and industrial films. It maintains offices in California and New York. The only real property owned by the partnership is its production facility, located on La Cienega Boulevard in Los Angeles, California. A substantial portion of all of the commercials are "shot" in California and processed at the La Cienega facility. The industrial film division is located entirely within the State of California, and in excess of 80% of that division's activities are performed in California.

In summary, the business conducted by The Comworld Group and its affiliates has its locus in California. A substantial portion of the expenses of this business is spent in California, and a major share of its income is derived from California.

Mr. Jerry Comizio
April 1, 1982
Page Four

You also requested certain specific information regarding the distributor to be used by the joint venture. As we noted in our letter of February 9, it is contemplated that the joint venture will enter into an agreement with an affiliate of The Comworld Group for distribution of the films. This affiliate would be either Comworld Pictures, Inc. (for domestic distribution of motion pictures) and/or Comworld International (for foreign distribution of motion pictures and all television distribution).

As set forth above, Comworld Pictures, Inc. is a California corporation, with offices in both Orange County, California and Utah. A majority of the shareholders reside in California. Comworld International is a California partnership with its principal offices in Tennessee, and additional offices in Utah and New York.

To summarize, we believe the facts set forth herein demonstrate that The Comworld Group does substantial business in California. In fact, if The Comworld Group were a corporation, it would be treated for "regulatory purposes" under the California General Corporation Law ("GCL") as a California domiciliary, regardless of the state where it was incorporated. Section 2115 of the GCL provides that certain sections of that law are applicable to a foreign corporation to the exclusion of the state or other jurisdiction in which it is incorporated, if the corporation meets certain tests regarding the business done in California and the number of its California shareholders. This test is basically a two-fold one which requires that half or more of its business be done in California and half or more of its shareholders reside in California. If a corporation meets this test, it is treated as a California corporation and it is subject to the application of all of the major provisions of the GCL designed for the protection of shareholders and creditors.

Moreover, we respectfully submit that the availability of the exemption provided by Rule 147 does not depend upon a finding that The Comworld Group is organized in and/or conducting business in California. Film Festival '82 is the issuer. It is organized under the laws of the State of California, and we believe that the facts set forth in our letter of February 9, 1982 should lead to the conclusion that it is doing business within the State of California,

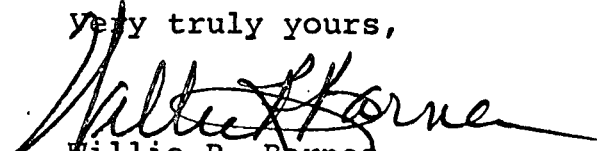
Mr. Jerry Comizio
April 1, 1982
Page Five

that substantially all of the proceeds from the sale of units will be used to finance the production and filming of motion pictures and television products, substantially all of which will occur in California and, despite the possible presence of a foreign distributor, less than 20% of the proceeds from the offering will be used for distribution. If Film Festival '82 satisfies the requirement of the Rule, the presence of a joint venture partner, even if not domiciled in the same state, should not be determinative. This conclusion appears to be supported by the interpretive letter issued to Electrical Ventures, Inc., December 1, 1977. There, E.V.I., an Illinois corporation specializing in the area of electrical contracting, intended to engage in joint ventures with other electrical contractors located outside the State of Illinois. In responding to the request for an interpretive response to Rule 147(c) (2), the Staff stated:

"It is the view of this Division that subparagraph (c) (2) (i) of the Rule would be satisfied under these facts as long as 80 percent of E.V.I.'s gross revenues are derived from projects within the State of Illinois and that subparagraph (c) (2) (iii) of the Rule would be satisfied as long as 80 percent of the net proceeds of the offering are used within Illinois. In regard to subparagraph (c) (2) (iii), it is our view that if more than 20 percent of the net proceeds are used in connection with funding out of State joint ventures, this provision of the Rule would not be satisfied."

I hope this additional information will enable you to reach a conclusion on our pending request. If you need anything further, please do not hesitate to call me.

Very truly yours,


Willie R. Barnes
of Manatt, Phelps,
Rothenberg & Tunney

WRB:jl