

In The News

Akerman's David Blum Quoted in *Fortune* on Warner Bros. Decision to Scrap 'Batgirl'

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David Blum, deputy chair of the Tax Practice Group, was quoted on *Fortune Magazine's* website and in other media outlets regarding the studio's tax strategy of the "killing" of 'Batgirl,' the \$90 million Warner Bros. movie that has already been filmed.

Fortune wrote about the Warner Bros. decision not to release the film, which stars Leslie Grace and Michael Keaton as the title character and the Caped Crusader in, "Why did Warner Bros. kill a \$90 million Batgirl movie starring Michael Keaton as Bruce Wayne? A big tax write-off probably isn't the only reason," published online on August 3.

Blum surmised to the magazine about the entertainment giant's financial strategy: "If they were to write this off as a worthless investment, they get a deduction; it's like a business venture that fails."

The article continues: "Writing the entire production off as a loss and using that loss to offset gains from successful productions, Blum says, is likely the easiest path forward for the company to reach a financially sound conclusion for the film. When Warner Bros. files its taxes this year, explains Blum, the company will combine the income from its profitable movies with its losses to determine its

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taxable income. The loss from Batgirl would lower that taxable income significantly.

Ordinarily, he said, a company could sell a loss-making investment like this. Although Blum did not wade into matters of intellectual property related to comic books, recent precedent illustrates why that's not a realistic option here...

‘Think about how long they’ve been doing Batman movies,’ says Blum. ‘Warner Bros. Studios has a whole Batman part of their studio tour. I think part of this is to maintain the brand and take a tax write-off. I’m speculating that it’s for a dual purpose.’ In other words, selling off any kind of Batman-related IP just isn’t a realistic option for Warner Bros., and so its \$90 million Batgirl had to bite the dust in order for its IP to live another day.”

Blum, ranked by *Chambers USA* for both taxation and tax controversy, *The Legal 500*, and *Best Lawyers in America*, provides transactional, tax planning, and tax litigation counsel to local and multinational businesses throughout the United States. His practice serves a variety of sectors including entertainment, automotive, cloud, family office, financial services, hospitality, logistics, retail, and technology. According to *Chambers*, Blum “combines strong transactional skills with extensive experience in controversy matters, advising an impressive global client base across a range of major disputes.” In addition, *Chambers* interviewees describe him as “very knowledgeable.”

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