

DEALMAKERS

Indie Studio Revenge: TV's Big Hits (and Deals) are Now Off the Lot

Agents, attorneys, execs reveal how A24, Media Res, Fifth Season & more are blowing up terms and backend through a 'human lens'



ASHLEY CULLINS

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This is third in my trio of stories this month on the new state of TV deals. I previously broke down [“showveralls” and mini-first-looks](#) and [scooped Apple’s new backend deals](#) for writers.

What do *Euphoria*, *Severance*, *Landman* and *The Morning Show* have in common? They’re all hits for streamers that were produced by indie studios.

Finding distribution after bringing a project to anyone but an in-house producer used to be seen as a near-impossible feat. But while I was talking to dealmakers about the state of television for my columns earlier this month, writer deals in the post-quote era — including my scoop on [Apple’s new backend structure](#) — it became clear that’s no longer the case.

“The biggest trend for me this year is a lot of business is being driven to indie studios,” says WME partner **Lindsay Aubin**.

When I asked another top TV talent agent what’s the first place he’d take a project he felt in his bones would be a hit, he didn’t hesitate: “A24.” The studio’s roster includes *Euphoria*, *Beef*, *Ramy*, *Overcompensating* and **Kat Sadler**’s BAFTA-winning BBC/Hulu comedy *Such Brave Girls*, whose second season premieres July 7.

Such Brave Girls | Season 2 Official Trailer | Hulu



Fifth Season (*Severance*, *Tokyo Vice*, *Nine Perfect Strangers*) and Media Res (*The Morning Show*, *Pachinko*, *I'm a Virgo*) are also at the top of dealmakers lists, with places like North Road, Skydance, 101 Studios, Tomorrow Studios and MRC in the conversation too (check out my colleague **Elaine Low**'s in-depth interview with [MRC TV president Jenna Santoianni](#)). The draw at the indies? Better backend definitions and less reliance on the old way of doing things, for starters.

One indie TV exec tells me it's not surprising that talent is gravitating to indies because they approach dealmaking through a "human lens" and are loath to derail momentum on a project they're excited about by digging in their heels on deal points because of precedent.

I talked with agents, lawyers and execs including Media Res CEO and founder **Michael Ellenberg**, Del Shaw partner **Kevin Garlitz** and more about where

these indies fit in the scripted TV ecosystem, how to maximize talent deals and what they're looking to buy right now.

In this issue for [paid subscribers](#):

- ✅ The indie studio where one agent says **you can close a deal in 48 hours**
 - ✅ **Pilot fees north of \$500K? EP fees in six figures?** What indies are really paying top writers
 - ✅ A real-world look at how an indie studio **banks \$750K in profit per episode — and shares it with talent**
 - ✅ Why indies are offering **10/10 backend deals** usually reserved for TV royalty
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 - ✅ The creator-showrunners still landing **“insane” deals** — and here's how you can get close
 - ✅ The deal's done... until the buyer balks. **How streamers are forcing renegotiations post-sale**
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So Long, Indie Studio Stigma



YADA YADA YADA *Seinfeld* was a huge hit for Castle Rock Entertainment, which produced the show for NBC. (NBC)

Decades ago, before networks were allowed to own any of their programming, independent production companies like Carsey-Werner (*The Cosby Show*, *Roseanne*), Castle Rock (*Seinfeld*) and Miller/Boyett (*Happy Days*, *Full House*) ruled primetime. After the fin-syn rules changed in the early '90s — though some in Hollywood might like to see [similar regulations reinstated](#), as my colleague **Lesley Goldberg** reported — networks began producing their own series, which led to the vertically integrated media giants we have now.

In-house development reigned and expanded to the streamers as they began producing original content, but amid a contracting industry, both studios and streamers are making less and increasingly willing to pick up quality projects.

“For a while, you’d hear ‘I don’t want to go to an outside studio. It’s going to be harder to sell it because [streamers and networks] want to own everything,’” says the TV agent of talent’s take on the landscape. “There still is some of that, but it’s almost worth that gamble from a deal standpoint and a development creative standpoint as well.”

In his experience, whether writers enjoy working with a streamer or legacy studio depends on which particular exec they’re dealing with. At the indies, he says it feels more like a partnership.

“Developing direct for a streamer tends to be very, very difficult because it ebbs and flows on what’s successful, what’s not working, metrics you don’t have access to,” he says. “The development experience can really be a carousel ride. So coming in with an outside studio to help manage the situation has fostered not only more interesting deals upfront and in success, but also a better, more seamless development experience for the writer.”

Del Shaw partner **Kevin Garlitz** expressed a similar sentiment.

“The indies occupy an important part of the scripted TV ecosystem,” he says. “They typically allow for more creative freedom than one may find at a network or major studio, which often has a more rigid development process with more oversight required. While the indies will not have the deep pockets of a network, they will go aggressively after a project in order to get something they’re passionate about and not be relegated to just developing what has been passed on elsewhere.”

Is Precedent a Thing of the Past?



NEW RULES Media Res CEO Michael Ellenberg, with scripted TV president Lindsey Springer at the 2024 Emmys, says he's focused on deals that meet today's market. (Jesse Grant/Variety via Getty Images)

Media Res founder and CEO Michael Ellenberg tells me his ethos is to focus on today's market and build talent deals for what makes sense in the moment instead of relying on the standard from decades ago that became the status quo by default.

"That doesn't mean lessons from the past are irrelevant," he says, "but it does mean, if you wouldn't build this rule today why do we have to follow it? We make deals that are rational and smart and that we believe in."

When talent reps routinely complain about legacy studios having “antiquated rules and a rigid adherence to precedent, encountering this kind of attitude at the indies is refreshing.

No deal is easy, but dealmakers tell me these companies — especially Fifth Season, Media Res and A24 — are reliably talent-friendly in negotiations.

“They’re paying real fees up front, like north of half a million dollars for a pilot script guaranteed. They will give you six-figure EP fees, real span protection. You don’t have to battle it out and do eight rounds of counters,” says a scripted TV agent. “I’ll give kudos to A24. You can close a deal there in two days. It’s not the grind that it is with so many other places.”

The potential for real money is there too. We’re talking about \$2 million to \$3 million guarantees for sought-after writers.

“These numbers get bigger if you’re talking about someone mega,” says this agent, “I’m sure **David E. Kelley’s** A24 deal is something insane.” (A24 is producing Kelley’s upcoming Apple TV+ series, *Margo’s Got Money Troubles* with **Nicole Kidman** and **Elle Fanning** as stars and EPs.)

Half and Half

Not all of the deals are quite so rich, but the indies still seem more willing than larger companies to take bets.

One thing many indies are doing to mitigate financial risk — which is in line with the general [proof-before-pay attitude](#) I reported on earlier this month — is bifurcating script fees.

“Unless you have a good amount of leverage, you’re seeing a lot of these studios paying you half your fee to write the script and then the other half upon setting it up,” says the TV talent agent.

“I’m seeing a bunch of that,” says a leading talent lawyer who isn’t quite as keen on it. “It’s bullshit, and we try not to agree to it. They can pay. These companies are not impoverished.”

And, as the scripted TV agent noted, “Most of these places are selling cost-plus. So they’re not paying for the show themselves. They’re just producing and making the deals, and then the network is paying 120 percent with the premium.”

That’s an important point to remember. Another top talent lawyer, who works with some of the biggest stars in Hollywood, breaks down just how lucrative that can be for the indies: “If they’re producing [a show] that costs \$5 million an episode, and they have a license fee from Netflix for \$7 million an episode, the cost of the show gets recouped and there’s a \$2 million premium. [Indie studios] charge a 10 percent fee against that \$5 million, so they collect \$500,000. There’s \$1.5 million left in profits. They keep \$750,000 and \$750,000 gets spread around talent. I’m ignoring for a moment interest and other off-the-tops, but you can see how — without taking a lot of risk — they can start to do really, really well.”

‘Best Definition’ and Who Gets It



PITT CREW John Wells, left, with Shabana Azeez and Noah Wyle at a May NYC event, is said to have an unusually rich deal on HBO Max's *The Pitt*.
(Jeff Kravitz/FilmMagic for Max)

Unless you're Dick Wolf or John Wells — who I'm told can command unique rich profit splits with no overhead or admin fees deducted off the top — the best backend mere mortals can hope for at most studios, indie or otherwise is known as a 10/10.

That means a 10 percent distribution fee and 10 percent overhead charge are deducted from profits, along with production costs and interest, before the talent's backend is calculated.

“That’s the gold standard at a UCP or ABC,” says that leading talent lawyer “You’ve made a few shows. You’ve been profitable. You get the benefit of the studio’s best definition.” (A tiny sliver of the industry is between this gold standard and the Wolf/Wells god tier with sub-10 percent distribution fees and sub-10 percent overhead.)

The legacy studios will set those distribution and overhead fees as high as a combined 30-40 percent — which is how hit shows “lose money” and “Hollywood accounting” earned a questionable reputation — but they can be negotiated down for talent with experience and leverage. While legacy studios’ 10/10s are reserved for the upper echelon, many indies will offer that structure regardless of how green a writer is if they want the project.

“If you don’t have a 10/10 definition at Warner Bros. or Universal, you’re not seeing a backend. Period. End of sentence,” says the scripted TV agent. “Having a lot of points and a bad definition is worse than having fewer points at a good definition. When Fifth Season was first founded, this was part of their sell. ‘We’re not going to fight it. Everyone gets a 10/10. Everyone gets this top definition.’ That has not necessarily become industry standard amongst all the indies, but certainly is for a talented writer [with a] sought-after pitch.”

“They survive by having compelling packages,” notes the A-listers’ lawyer. “The bigger the star is, the more compelling the intellectual property is, the more likely they’re going to have multiple bidders for it. Their business incentive to make borderline unreasonably favorable deals to talent such that they can get the package.”

‘Double-Edged Sword’ of Indie Deals

A **mid-six-figures** pilot script fee and clean backend definition sound great but making an indie deal comes with an inherent risk because the studio still has to get a network or streamer on board.

“It is a double-edged sword,” explains Garlitz. “They need to set the project up with networks or streamers in order to proceed to production and in that way are in the same boat with talent in facing the current challenges in the marketplace.”

And there’s a chance the buyer might want to renegotiate the talent’s terms, especially if the studio promised ultra-competitive fees to land the project.

“I’ve run into it,” says the top talent lawyer. “We were making deals for seven figures an episode for some stars and the streamers are now saying no to that. So, you’re faced with the prospect of the Fifth Seasons of the world making really, really great deals with writers, talent, etc., and then we get to the market, and there’s only one buyer, and that buyer is saying, ‘I’m not doing it unless you get these deals down.’ That’s a total possibility.”

Still, even in a contracting market, there are more places to pitch hot packages to than the handful of conglomerate-owned studios and streamers. Unlike the agent who has taken a shine to A24, Aubin doesn’t have one go-to destination.

“If you’re building something for this marketplace, everything has to be put together in a very thoughtful, bespoke way,” she says, adding that there’s still plenty of demand from buyers. “Not enough writers are writing original scripts. Not enough writers are coming up with original pitches. Those that are are thriving because there’s still huge opportunity.”

With indie studios, which can take projects to market without the implied stigma attached to an in-house studio shopping a show — i.e., that its affiliated streamer must have passed — finding the right home for a project a bit like matchmaking (my colleague **Elaine Low** keeps tabs on [which studios and streamers](#) are looking for what kinds of projects). Or, as the exec from earlier described it, “alchemy.”

“If you have answers to the network’s concerns, people still want to be ambitious. They want to be challenged, they want to be inspired, they want to be pushed to go places that they haven’t gone,” says Ellenberg.

“Coming out of the strike, everyone said, ‘We want ongoing, returnable, commercial genre, traditional things. That’s what works.’ Then *Baby Reindeer* was almost immediately a monster hit. *Severance* is avant-garde and it’s a monster commercial hit. That’s humbled the market,” he continues. “I don’t think people are looking for ‘same’ right now, but they are looking for a low barrier of entry. If I can’t articulate why it could break out it’s very hard to sell.”

He thinks people may be taking the wrong lessons away from a show like *The Pitt* hitting the zeitgeist — that the industry is pivoting fully back to [basic broadcast formulas](#).

“Yes, *The Pitt* is a medical show, but it’s a fresh one and that’s why it’s breaking out,” Ellenberg says. “That’s something to be excited by — it’s both creatively innovative and commercially rewarding. Buyers know that and talent should keep swinging.”

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A guest post by

Ashley Cullins

Writer and editor, Medill alum, way too Midwestern

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Interesting Lindsay at WME says not enough writers have original scripts and pitches. I and everyone I know would love to get our original stuff produced, but everyone keeps asking for adaptations and reboots.



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