

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

This episode is brought to you by Viori Clothing, spelled V-U-O-R-I, Viori. I've been wearing Viori at least one item per day for the last few months, and you can use it for everything. It's performance apparel, but it can be used for working out. It can be used for going out to dinner, at least in my case. I feel very comfortable with it. Super comfortable, super stylish, and I just want to read something that one of my employees said. She is an athlete. She is quite technical, although she would never say that. I asked her if she had ever used or heard of Viori, and this was her response. I do love their stuff. Been using them for about a year. I think I found them at REI, first for my partner. T-shirts that are super soft, but somehow last as he's hard on stuff. And then I got into the super soft cotton yoga pants and jogger sweatpants. I live in them, and they too have lasted there. Stylish enough, I can wear them out and about. The material is just super soft and durable. I just got their Clementine running shorts for summer and love them. The brand seems pretty popular. Constantly sold out in closing, and I'm abbreviating here, but in closing, with the exception of when I need technical outdoor gear, they're the only brand I bought in the last year or so for yoga running loungewear that lasts and that I think look good also. I like the discrete logo. So that gives you some idea. That was not intended for the sponsor read. That was just her response via text. Viori, again, spelled V-U-O-R-I, is designed for maximum comfort and versatility. You can wear it running. You can wear their stuff training, doing yoga, lounging, weekend errands, or in my case, again, going out to dinner. It really doesn't matter what you're doing. Their clothing is so comfortable and looks so good, and it's non-offensive that you don't have a huge brand logo in your face. You'll just want to be in them all the time. They're Men's Core Short, K-O-R-E. The most comfortable lined athletic short is your one short for every sport. I've been using it for kettlebell swings, for runs, you name it, the Banks Short. This is their Go to Land to Sea Short. It's the ultimate versatility. It's made from recycled plastic bottles. And what I'm wearing right now, which I had to pick one to recommend

to folks out there, or at least to men out there, is the Ponto Performance Pant. And you'll find these at the link I'm going to give you guys. You can check out what I'm talking about. But I'm wearing them right now. They're thin performance sweat pants, but that doesn't do them justice. So you got to check it out. P-O-N-T-O Ponto Performance Pant. For you ladies, the Women's Performance Jogger is the softest jogger you'll ever own. Viori isn't just an investment in your clothing. It's an investment in your happiness. And for you, my dear listeners, they're offering 20% off your first purchase. So get yourself some of the most comfortable and versatile clothing on the planet. It's super popular. A lot of my friends I've now noticed are wearing this and so am I. VioriClothing.com forward slash Tim. That's V-U-O-R-I clothing.com slash Tim. Not only will you receive 20% off your first purchase, but you'll also enjoy free shipping on any U.S. orders over \$75 and free returns. So check it out. VioriClothing.com slash Tim. That's V-U-O-R-I clothing.com slash Tim.

And discover the versatility of Viori clothing.

This episode is brought to you by Element, spelled L-M-N-T. What on earth is Element? It is a delicious sugar-free electrolyte drink mix. I've stocked up on boxes and boxes of this. It was one of the

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first things that I bought when I saw COVID coming down the pike. And I usually use one to two per day.

Element is formulated to help anyone with their electrolyte needs and perfectly suited to folks following a keto, low-carb, or paleo diet. Or if you drink a ton of water and you might not have the right balance, that's often when I drink it. Or if you're doing any type of endurance exercise, mountain biking, etc. Another application. If you've ever struggled to feel good on keto, low-carb, or paleo, it's most likely because even if you're consciously consuming electrolytes, you're just not getting enough. And it relates to a bunch of stuff like a hormone called aldosterone, blah, blah, blah, when insulin is low. But suffice to say, this is where Element, again spelled L-M-N-T, can help. You're probably already familiar with one of the names behind it, Rob Wolf, R-O-B-B, Rob Wolf, who is a former research biochemist and two-time New York Times bestselling author of The Paleo Solution and Wired to Eat. Rob created Element by scratching his own

itch. That's how it got started. His Brazilian jujitsu coaches turned him on to electrolytes as a performance enhancer. Things clicked and bam, company was born. So if you're on a low-carb diet

or fasting, electrolytes play a key role in relieving hunger, cramps, headaches, tiredness, and dizziness. Sugar, artificial ingredients, coloring, all that's garbage, unneeded, there's none of that in Element. And a lot of names you might recognize are already using Element. It was recommended to be by one of my favorite athlete friends. Three Navy Seal teams as prescribed by their Master Chief, Marine Units, FBI Sniper teams, at least five NFL teams who have subscriptions. They are the exclusive hydration partner to Team USA weightlifting and on and on. You can try it risk-free. If you don't like it, Element will give you your money back no questions asked. They have extremely low return rates. My favorite flavor is citrus salt, and I usually drink one to two Element packets per day. I also enjoy their newest flavor, grapefruit salt, which has been very refreshing on hotter days. You can use citrus salt also to make an amazing margarita, but that's a whole separate story. I noticed a difference in my mental and physical energy when my electrolytes are dialed in, and I highly recommend you check out Element. This has been my go-to for years now, and Element has come up with a very special offer

for you, my dear listeners. For a limited time, you can claim a free Element sample pack with any purchase. Simply go to [drinkelement.com](http://drinkelement.com) slash Tim. That's [drinklmnt.com](http://drinklmnt.com) slash Tim to claim your free Element sample pack with any purchase and try every flavor. That's [drinkelement.com](http://drinkelement.com) slash Tim.

That's [drinklmnt.com](http://drinklmnt.com) slash Tim for this exclusive offer. One more time, [drinkelement.com](http://drinkelement.com) slash Tim. Check it out.

Well, hello, boys and girls, ladies and germs. This is Tim Ferriss, and welcome to another episode of The Tim Ferriss Show, where each and every episode, well, there are some exceptions. But most episodes, it is my job to deconstruct world-class performers to interview them in an attempt to tease out the habits, routines, techniques, strategies, favorite books, whatever it might be, that you can apply in your own lives, or at least test to see what type of mileage you get

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out of them. And my guest today is David Maisel. And for those of you who don't know the name, you will certainly recognize his work. You can find him on Twitter at Maisel David. He is the founder of Mythos Studios and the former founding chairman of Marvel Studios. In 2003, David pitched

Marvel on his idea of Marvel financing and producing its own movies in a connected cinematic universe. He went on to executive produce Iron Man, The Incredible Hulk, Iron Man 2, Thor, Captain America, The First Avenger, and the Angry Birds Movie. In 2009, David arranged the sale of Marvel to Disney for a cool \$4 billion. David is currently the founder of Mythos Studios, an IP entertainment studio. The Ecos Genesis art collection, all one-of-one original handcrafted digital art, is the first offering in the forthcoming Ecos universe. And I'm very happy to share this interview because to my knowledge, it is the first time David has ever done a long form conversation like this publicly where he talks about the ins and outs of how deals are actually made in Hollywood. Some of the inside baseball of Tinseltown making very unorthodox career moves. And I had a blast with this conversation. I learned a lot, had a ton of fun, took a lot of notes in the process, and got me thinking about all sorts of things. And I hope that is true for you as well. You can find Ecos online at [ekos.io](http://ekos.io). On Twitter, you can find both Ecos at Ecos Genesis spelled the same way and at Maisel David, as I mentioned before. And we'll link to, of course, all the social and everything else in the show notes, as usual, at [tim.blogs slash podcast](http://tim.blogs.slashpodcast.com). And without further ado, please enjoy this wide-ranging conversation with David Maisel. David, so lovely to see you.

It's good to see you, Tim. And I had, thanks to your inspiration, fine matcha before sitting down to have this conversation. So thank you for that. I'm honored to inspire you on something like that. So you inspire me so many. I'm putting together the coffee matcha alternating schedule, which seems to be working very well for me so far. So thank you for that. And I'm excited to have you on this show for many reasons, one of which is this is in a way a debut, an audio long-form debut. So I'm very thrilled to be able to explore a lot of these things that we'll be scratching my own itch in terms of asking questions that follow my curiosity.

So let's begin not exactly at the beginning, not at conception, but a beginning of sorts.

And that is with Michael Ovitz. How did you first connect with Michael Ovitz and who is Michael? In the mid-1990s, Michael Ovitz was the most powerful person in Hollywood slash entertainment, by far. He had created Creative Artists Agency, which was already at that time the biggest talent agency in Hollywood. And he had created this leverage by controlling so many stars and by being this very mysterious figure that he just became almost like the Wizard of Oz, like some mythical creature. I remember I was debating a career switch. I was working in consulting for entertainment companies with Boston Consulting Group at the time and decided that my love of Hollywood and movies, I had to move out to Hollywood and really try it and not have regrets. And he was on the cover of Business Week and I just cold called him. I sent him a letter, old fashioned paper resume, went to Kinko's to print it out. And I was granted a five minute interview and flown out to LA. And so that was the first meeting. I remember he put me up at the Beverly Hills Hilton and he made me stay two days waiting for the meeting. Like he just kept getting delayed. So to dig and do a few aspects of that, we're talking about the Wizard of Oz at

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the time in entertainment, a power broker of high order. He must have been having everyone and their grandma and cousin trying to get a hold of him. What did you say in your cover letter or what was it in your resume? What combination of factors do you think led to you being granted an audience with the Wizard of Oz? I think I pieced it together after a while. I was fortunate to have a stellar resume, but so do a lot of people that I'm sure were approaching Michael at the time. And it was in retrospect, I think I can say this now, Michael had been hired by Matsushita, the Japanese company, to secretly analyze and potentially sell their holding of Universal Studios, which they had bought years earlier. So I was in the right place at the right time. As a great agent would do, he sold that assignment, but he didn't necessarily have people that could do the work for him. And all of a sudden he got this Harvard MBA resume of some guy saying he'd be willing to work and take whatever. And in many ways, I think it was just a really fortunate timing that it came across his desk then. And you had the relevant experience in mergers and acquisitions or that type of deal analysis or no.

I sort of joke. I mean, I was very into creative things. And I turned that part of my brain off after graduating from Duke because I needed to make some money. And I figured my rational brain was more predictable. And so I went to HBS and I had the Harvard Business School moniker and I had a couple of years at Boston Consulting Group. But I think once I learned Michael and once I started working with him, that was the first job, which was to secretly help him on that assignment, which was amazing as your first job in Hollywood. To have this huge secret, you couldn't share with anybody in town. I had an office way in the back so none of the other agents would know what I was doing. I was getting these secret emails between Universal and the Japanese at the time that Lou Wasserman, another mythical figure, was not even privy to. So it was a blast. But I think he enjoyed having his token Harvard MBA by his side that he could offer up to his clients. And he did. I was there for whatever that moniker might deem to be useful for, for whether it's Tom Cruise or Warren Beatty or a company like Matsushita.

Now, if we take a step back, and since you came to know Michael very well, you look at what made Michael effective as a power broker. What are some of the ingredients that made him so effective? And your description as we led into this made me think of perhaps other comparables. I'm sure very different people, very different businesses, but say, like Larry Gagosian in the art world or others who, in these fairly opaque, somewhat opaque industries, just develop relationships that give them an incredible degree of leverage. What are some of the requisite components, ingredients that made him so good at what he did? Because certainly he wasn't the only person trying to be powerful or influential in Hollywood. Right. No, it's interesting, Tim, because I ended up in, you know, I was employee number 400 out of 400. I quickly, because of this secret project and the fact that it became pretty obvious he was also considering leaving CAA to run Universal to whoever bought it, which was cataclysmic at the time. So I had this secret and we flew to Japan and all that kind of stuff together. So I became to his right hand side and stayed there pretty much through 1999, 2000, so four or five years. And I saw what he's notorious for, which is a tenacity and a focus and a work ethic that would not let anything but his success happen, which was combined with a level

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of street smarts on how this town works and a ability to amass leverage and perceive leverage that caused his wishes to get executed one way or the other. And then also combined with amazing use of PR to create this mythical image of himself. And personally, I was able to watch that because Michael is a controversial figure and that's very clear from the history, but I was able to look and see where we were similar and where I might want to take a different path in my own career. But if it wasn't for Michael hiring me and giving me that break, I don't think I'm in a position to do Marvel Studios ever. I was naive as hell when I moved to LA. I was smart from a book sense, academic. I had no idea about personal street smarts, let alone Hollywood street smarts. I was somewhat creative, I felt, but I didn't know how this town really works. And not only did I get to see Michael Tim, I had access to all the information at CAA, all the deals. So I just soaked it up. So I'm going to pick a little bit more at the origin story, not in a critical way, but in a curious way. And if you have to speculate, feel free to throw in the caveat that you're speculating, cover a business week, putting himself in these PR positions that would create a dynamic that might help him do whatever it is that Michael wanted to do, which I believe he also imparted to Mark Andreessen and Ben Horowitz when they were founding Andreessen Horowitz,

A16Z. And they did a masterful job in turn of utilizing targeted PR. The reason I bring that up is he's on the cover of business week. I have to imagine you are not the only business school graduate to reach out to him. You're probably not the only consultant either who reached out to him. So why do you think you got the extensive five minute interview? Right. Well, there's two questions. There's one, why the interview and the second, which I think you're related to two, which is why I get hired. Yeah, totally. It wasn't like I went through three people to get to Michael. I think I spoke to a couple other people that same day, but Michael was on my schedule, right? So I had my time with him. In that five, it was no more than 10 minute period. I do remember connecting. I don't know how, but I think he saw my tenacity that I was willing and committed to do what needed to get done. And he saw that through stories of projects assignments that you'd worked on in the past. Yeah, I can't recall what he talked to me about, but I had gone to Duke. I was number two in my class. I was on the board of trustees when I graduated as a student, a full board member. I was accepted right into HBS. Yeah, I had a great, I produced a Broadway Duke series, and not that that matters, but you're right. I mean, a lot of people have great resumes. And I think it was the energy together, but something I've never told anybody is he didn't hire me right away. So that interview happened. I didn't hear anything back for a while. And I started interviewing with other people. I remember I had a job offer from David Stern at the NBA, which was, wow, I mean, we were just talking about the Celtics, but like I had interviewed the commissioner at the NBA and he hired me to be vice president of entertainment. I remember he offered me 50,000 a year and I was like, Mr. Stern, how can I live in Manhattan at 50,000 a year? He's like, don't live in Manhattan. That was his answer. And I actually interviewed with Marvel and got a job offer from Marvel at the same time as head of business development when it was owned by Ron Perlman. I remember their Manhattan offices. And then I got an offer from McKinsey, which was triple the money,

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which I needed to be a meeting entertainment specialist for them worldwide, like a new position. And so I literally accepted that offer from McKinsey, moved to New York City, and started on a Monday. I wrote a letter, an email, I don't forget what it was at the time, but it must have been a letter or an email to Michael and a guy named Sandy Kleinman saying, guys, just so you know, I accepted another job at McKinsey. And on Wednesday, I got a phone call from Sandy Kleinman who was working for Michael saying, is it too late for you to join us? And I gave notice on Thursday, so I was at McKinsey for one week. And Sandy gave me a note from Michael

on top of the letter I sent saying, is it too late to get David? So I think it was timing.

You know, it really was the timing that pieced things together. But I can't explain it.

A little scarcity doesn't hurt either. Having a bunch of excellent offers doesn't,

competing offers doesn't hurt. Yeah, with him, though, it's, you're right,

your sense that he was at the center of attention and had his selection of things.

I do think in my career, when I look back on it, I was very fortunate with some timing issues,

both with Michael and eventually with Marvel. I had to create both jobs. And I'm proud of that.

But I also approach them both at the right time. I think anyone who has ever been on this podcast

who has achieved outsized success, if they're being really honest, has to admit there is a huge

factor of timing. They just have to, which doesn't demean or minimize the hard work required to

translate that into amazing outcomes. But nonetheless, it's an ingredient.

So let me ask you just a few more questions about that period. And for people listening who are

like, we want to talk about the creative stuff, we're going to get to the creative stuff. But

understand, from my perspective, this is all creative stuff. And I'll give you a sense of what

I mean. For those people who don't have context, McKinsey, BCG, Boston Consulting Group, these are

for many graduates of good schools, coveted jobs, highly competitive jobs, they're also

firms within which if you play your cards, right, and you keep your head down, you can make a lot

of money. And it takes time, but that is one potential option. And it would seem to be more

predictable, perceived as more secure, stable than some of these options you were looking at.

What led you and a lot of people go into consulting or investment banking for that matter,

and they say, I'm going to do this just for a few years, get exposure to a broad array of industries,

and then I'm going to forge out on my own and do something entrepreneurial that doesn't always

happen, as you know. What contributed to you at that time, deciding to branch, ultimately

recognizing you did accept the job at McKinsey, but then ended up with Michael, but nonetheless,

to explore options outside of consulting? It was very personal. I wish I could say

I had realized this on my own, but my sister, older sister passed away and a young age. And I saw

impermanence and I saw the fragility of life for the first time, and it did affect me. And I knew

I wasn't completely happy not being creative, not at least trying to be out in the middle of the

action and in the arena and quit BCG soon after that. So when I wrote Michael that letter, I was

back home living with my mom, which wasn't now that's like popular to do. Back then, it really

wasn't.

And I ended up taking the McKinsey thing because I'd run out of money that I'd saved from BCG,

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so I was forced to take something. I think I tried to learn poker at the time. I was losing some money at the games that were going on. And so it was a gift from my sister, frankly, to make me realize that we should try to live to minimize regrets if possible.

So sorry to hear of that. And I imagine that must have been really challenging for your whole family and for you. It was really a beautiful gift, though, because I think I might not have been have the backbone to, like you say, a lot of people talk about branching out, but you can get really secure at those places. And I was headstrong. In fact, when Michael offered me the job, he said, what are you making at McKinsey? I told him. And he said, okay, well, match that, but there's no guarantee. I can fire you tomorrow. So it was a gamble. It was definitely a gamble. How am I supposed to live in Manhattan? Don't live in Manhattan. Yeah, especially from the commissioner who had just signed this huge deal with the owners. It's like, come on, you're not shy for money at the NBA.

It's kind of an amazing answer, though. You're like, I can't really heart to refute in a sense. So let's come back to something that you've mentioned in passing, but the creative interests that you turned off in favor of developing or honing in on your rational, analytical mind, what were those interests? It was primarily when I grew up acting in theater. I was an actor in high school and love life theater. And luckily, my career brought me to have the chance to produce multiple shows, which I've really enjoyed. And I also just love culture and entertainment. Star Wars was a huge impact. So the idea of crafting mega cultural movies to me as a creative producer, as a business producer combined was really exciting. And so it was really show business in general. And I knew my acting skills were not that great. They're pretty bad. But the idea of being a creative producer on Broadway or film, that's what seemed the most exciting to me. So I want to quote someone and then get a little insight from you. So this is a quote from, I believe I'm getting the pronunciation, right? Kevin Huvane, as quoted in the New York Times. And the quote is, David has, this is in brackets, but encyclopedic knowledge of comic books and treats them like real art with a savant like ability to take out characters that appeal to him and make them really relevant. When did your relationship with comic books begin?

Early. I mean, it was probably like a lot of us, you know, something I loved as a kid, probably when I started turning five or six and Marvel specifically, but overall comic books and Iron Man specifically, but a lot of characters, like I'm excited to see the new Flash movie that's coming out. And it was something I remember my mom, I used to joke with her recently before she passed that she would tell me to stop reading my comic books and focus on schoolwork, right? And it turned out to be my career. So it was pretty ironic. And Kevin, who gave that quote, I remember being touched by that because when I joined CAA, back to Michael, Kevin Huvane and Brian Lord and Richard Lovett, the three people who are predominantly running CAA today and took over the firm when Michael left and are arguably some of the, if not the most powerful agents in town, we sort of grew up together in the mid 90s working for Michael. And it was an unexpected quote when I saw that, but it was nice to hear his kudos coming from his position. And I guess we did do some deals like Natalie Portman was his client, who was in Thor and many others as well from CAA. Yeah, so comics were always in interest.

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Marvel specifically, Tim, was a fascination with me. And so even before I got that job offer, when I was talking to Michael, when I was at business school, like over beers, some of my friends and I were like, we need to leverage buy out Marvel from this vitamin company that owned it. And it was completely tilting at a windmill and nothing came from it.

What a fun windmill to tilt at though, while you're slamming back beers at HBS.

Exactly, foreshadowing. I think that's what they might call that.

Before we get to Marvel, what are other lessons that you learned either from Michael or just during that chapter of your Hollywood experience?

I would love to just know what kind of principles or lessons you ended up absorbing.

The best practices, anything that comes to mind.

Tim, I think there's a couple that I'll point out. When was Michael really taught me how to work with the creatives of this town? Because he put me in front of them. I remember, it might have been the first or second time I was ever with him at an industry function.

And he always, and I'll always give him credit for this, whether he said it or not,

but often many times he said something like, hey, here's a lesson here. Tom Cruise was there.

And he introduced me to Tom Cruise and he said, we'll be right back. And he took me to the bar and Michael ordered drinks for Tom and whoever he was with and brought the drinks back for Tom and

whoever was around him at the time, whether it's his assistant or girlfriend at the time,

I don't know. And he mentioned to me, just remember we're always in the service business.

Remember who our customers are. The fact he did that personally and didn't ask me to go do it, or somebody else was like, whoa, this guy is at a different level.

And I remember the second day I was there, he brought me into a meeting with Bill Gates at the time who was, and they talked about creating like a competitor to AOL. And I saw how he dealt with the tech and which as you hinted, became a big part of his life later on. And he always was on the cutting edge of technology. So he opened my eyes to keeping an eye out to what's going on with tech and entertainment and how those two industries are still trying to figure out how to work together. And Michael was sort of head of the time on that. And then I guess third was, all of us have to figure out our personal style and approach. And I saw how there's choices to get made on how you sort of learn about Hollywood and progress through Hollywood. And that to me was eye-opening because I also realized I wasn't very good at that game of using leverage or the politics of what needs to get done in any entity, but this time specifically Hollywood.

So it was an eye-opening lesson for me.

I asked a professor of mine at one point what it was like working in DC because he ended up being a congressman and spending a bunch of time in politics. And he said,

it's like Hollywood, but with less attractive people. And I always thought that was hilarious and probably accurate on some level. You have said before, this is from the Financial Times,

that to be really successful in Hollywood, and you already alluded to some of this,

one needs to be very good at business fundamentals, managing the creative process,

and street smarts to understand the town. Could you give an example of each of those, perhaps case studies, times when you absorbed lessons related to any of those business fundamentals,



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managing the creative process, and street smarts to understand the town?

Yeah. And the first one, business fundamentals, it became pretty clear to me that that was an area that Hollywood was not very focused on. And to this day, you probably can make the same case if you look at some of these enterprise values of the studios. But the idea of shareholder value, the idea of what creates a Disney to be worth more money or universal, how do you value a business?

The idea of value was foreign to people. And to his credit, I remember Brian Lord who is running CA now and is one of the most amazing people in this town. I say that in all respects. But I remember him pulling me aside back in 1995 and asking me to tutor him on financial statements

and shareholder value and all those types of things. And now he's running this huge agency, you know what I mean? But he's also saw the same thing and was wise enough to realize it was something that he could use to his advantage once he learned it.

So that actually becomes really important because later on, I realized the market here was inefficient.

And that the fact I was able to do what we'll talk about later with Marvel should never have been able to happen if it was efficient, right? Yeah. And then number two, with the creative process, God, there's so many things there. But everything like that's that Tom Cruise story, which is understanding them. And Michael also talked about always the people around the star, that it was so important to have a great relationship with them. Yeah, that's smart.

Yeah. And he exposed me to what a star like that is used to in Hollywood. So understanding that they have other people around them that will be maybe whispering in their ears negative things. And so you have to play defense and offense. I was so fortunate. Michael put me in front of so many people. I remember him sending me to Warren Beatty's house, just this icon, right? And still is to talk about the stock market. And I only say this because it just shows you how forward thinking Michael was. And he gave me a chance to interact with these mega stars on a personal basis. Now, did Warren just reach out to Michael and say, I want to learn the stock market? I think it was the opposite. I think what I learned when I got there, because I remember I sat with him for like five minutes, I'll struck. And then he basically looked at me and said, Hey, kid, there's no way I'm ever going to learn this. I've had too much fun in my life. I'm not going to start focusing on the stock market now. It was he might have used a different word than fun with an F. So it definitely was Michael tutoring his clients. I think Magic Johnson has been publicly talks about how Michael would get him a business week subscription and things like that while he was a basketball player. Yeah. Magic has run with that. He's been so good at executing.

That's wild. And the third street smarts. Wow. I mean, that one, I just realized how small this town is to him. It really is, it's a small group of people and still is and understanding what people want and how you can make a deal by figuring out the magic of delivering what they want, but getting what you want back. And the street smarts, they'd say, wow, I've never talked about this publicly, is to know that it's what is their motivation? Are they going for the annual bonus? Are they going for the best seat in the restaurant? Are they care about their stock options? They care about their prestige. They care about credit. And so many different people here are

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

motivated by other things. So sometimes it was good street smart wise to figure that out and it helped me the rest of my career. So if someone is listening and they say, you know, at some point, I would like to set foot into what we would broadly call entertainment and they suspect they're going to end up in Hollywood or LA or at least interacting with groups from those places. And they're not going to have Michael Ovitz. They may not have a direct mentor. Are there any books or resources or docs or they could just be scripted movies too that you would encourage people to watch to help them with those buckets? I'm thinking about that off the top of my head. There are biographies of Michael, of David Geffen, of industry figures like that. And I think those are useful to understand the history of the town. I also am surprised we used to have paper trades, the Hollywood reporter in variety. They're now all online, right? But how many times they interview young people that want to come into Hollywood and they're not really up to date even on the current stuff that's happening, right? So just there's so much information available that wasn't available to me at the time diving into history through articles and through biographies and just keeping up every day with what the latest news in Hollywood is.

Even just those two things together, if you don't have a mentor, you'll get the benefit of a lot of learning, like in most areas of life. Yeah, totally. And I'll reinforce a point that might not be the sexy piece for a lot of folks, but the business fundamentals. It's if you want to, as you have done, and we're going to segue shortly, capitalize on inefficient markets or asymmetric upside opportunities. Having a grasp of just a handful of fundamentals is so incredibly valuable. And I got another example of that would be Bill Gurley, who is a spectacularly successful venture capitalist and famous mostly, well, I shouldn't say mostly, but he's associated with Benchmark. And he came from Wall Street, having developed these different valuation models or at least used all sorts of tools for establishing value and got to tech in Silicon Valley and saw what you saw in Hollywood. It's like, wow, people really aren't tracking this stuff.

And being able to sort of retrofit those to this new environment allowed him and his partners to find some incredible opportunities. Exactly. Just a quick thanks to one of our sponsors, and we'll be right back to the show. This episode is brought to you by LinkedIn Jobs.

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So let's talk about Marvel. How does Marvel enter the picture?

Well, what happened and it relates to C.A. and Michael is Michael did not take the job with Universal. We sold it to Seagram, to Edgar Bronfman. And famously, Michael was supposed to run it and ended up not getting the job. And it was given to Ron Meyer, who was Michael's partner

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

at C.A. and it was somewhat Shakespearean because Michael and Ron were so close. Perhaps there is

the paper say Michael might have over asked for what he wanted from Edgar Bronfman, but he hired

Ron Meyer who ended up spending 20 or 25 years or 20 years running Universal Studios. Everyone thought then that Michael was going to stay at C.A. But then he decided to go to Disney and be president of the Walt Disney Company with his friend Michael Eisner, who was CEO.

That was cataclysmic in Hollywood. I remember walking to a meeting that Michael called early in the morning to announce this. And then later that day, he called me to his office and he invited me to join him at Disney. I had a job offer from Ron Meyer to go to Universal as well.

And the third option was to stay with the new owners of C.A. like Kevin and Ryan and others.

I love Disney. I grew up loving the Disney parks. We haven't talked about this, but when I graduated from business school, the job offer I turned down when I went to BCG was for the Walt Disney Company.

For strategic planning, Tom Staggs, who ended up almost becoming CEO, was in the waiting room with

me at the time. And so I always had this interest in the Walt Disney Company. And Michael was my guy. Here's my idol now asking me to join him in his new chapter. So that turned out to be critical because I then got to spend a couple of years at Disney where it was like your dad was the president.

So you had open access to everything. Like I did at C.A. now I'm in a studio and I'm seen from a studio perspective all the games that are played and how they view the world. And I was put in strategic

planning and corporate development, which was a powerhouse group at Disney. Yeah, you should explain

what corporate development does. Yeah. Kind of like you couldn't script this movie better, you know, in a way. Corporate development at Disney was Michael Eisner had this group of people that controlled strategy in every major move under him. And they would work with division heads.

And essentially it was his way to centralize major decisions at Disney and sort of control

those decisions. And I was put in an office, you know, next to Kevin Mayer, who ended up almost becoming CEO, Tom Staggs, who I mentioned. And so we would go to meetings with Michael Eisner and

Michael Ovitz. And I was Michael Ovitz's guy. They were Michael Eisner's guys. And we'd come back and we'd all get our phone calls. And it was just a crazy, fun time. They just bought ABC. And I remember Michael Eisner saying, and Ovitz, David, what he interested in. And I said, well, sports and ESPN is sort of cool. I'll help out ABC. Because of that, I was the liaison on corporate development with Bob Iger, who was the president of that division at the time.

And Steve Burke, who was his number two guy, who became the head of universal Comcast later on. So I was so fortunate to be exposed to so much in a two year period, Tim, you know, good and bad about what happens at a studio like Disney. And that's one of the things my job was was to recommend

acquisitions. And the three thread with Marvel, I recommended, I don't even think this is public,

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

so this is breaking news. I recommended that Disney buy Marvel back in like 96, 97. At the time, it was no more than \$100 million. And I remember getting kicked out of the room, basically. Because one of the first things that Michael Eisner and the other people in the room saw was that there was no theme park rights available east of the Mississippi River. Because that was a deal that Ron Perlman had given to Universal. And because of that, I sort of was not gently told that this was a stupid idea. What year was this roughly? 96, 97. 96, 97. Yeah, I'm also thinking of the kind of state of the art. At the time, CGI, what was possible, what was not possible. In your mind, what was the value proposition at that time? For Marvel. For the recommendation. What were the bullet points in the recommendation for that acquisition? The same as what I told the Bob Iger, you know, 14 years later, when I actually sold in Marvel for on paper \$4 billion. You're like, let me just pull this off from 14 years ago.

Bob wasn't the decision maker in that earlier meeting. He probably would not even been in the room because he was running ABC at the time. But he remembered that and I remembered it. And

separate from the movies, Disney is very good at thinking about their customer.

And they're very strong with all of us as babies, right? And we all love Disney. And then normally guys start not liking Disney when they're early teenagers, right? It's not cool anymore.

And traditionally, that happens as well with females at a later age. But at some point, you lose interest in what you love as a kid. And then it comes back when you're a young parent, right? And you have your own kids. And so there was a huge gap, especially with guys, between like age 12 and age, whenever they have kids, that Marvel was very strong with.

And so it just mapped on that. I don't even know if I was able to even get to that point in this meeting, but it mapped on that whole tremendously well. That was the driver at this time.

And then obviously all the stuff you could do with the Marvel characters. And I was starting to dream then about Marvel films in a bigger way. But that idea came to me actually later, a few years later. So it was driven more by the gap in the lifetime cycle of a Disney customer. That makes sense. So you make the pitch, you're very unceremoniously ejected from the meeting, which happened to me a lot, by the way, happened many times.

And at that point, they're like, yeah, great idea, kid, not for right now, not for here.

I'm not sure they said great idea. Yeah. Yeah, right. So how does Marvel then boomerang and come back to you? Michael got fired by his best friend from Disney in 97, 98. And there to make a long story short, he again asked me to join him in this next venture of his career.

And that lasted a couple of years during which he bought a Broadway company. And I was able to produce a show called Fosse and exercise my first direct creative project, this Broadway show, which did very well. And we won the Tony Award for Best Musical.

And so it gave me some confidence, which is relevant for what happens with Marvel later on.

And then I chased some internet money from 99 to 2001, a very famous investment banker, very well known in Hollywood named Joe Ravitch, who was Goldman Sachs at the time, sent me up with a John Malone company. And I lived in London and Amsterdam for two years, which was great and also scary because the dot com crash happened in the early 2000s.

And then I came back to LA and I was ready to get back into traditional business. And I went to

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

work with Ari Manuel and Patrick Whitesell, who was a guy, a great agent who had an office next to me at CAA. And they had just started Endeavor, what is now William Morris Endeavor, this huge company. And they offered me my first real payday to work for them for two years. The reason that's relevant, besides Ari and Patrick being amazing guys and shows you how small this town is and they still run that company. I knew I never wanted to be an agent long term. Why is that?

It wasn't intriguing to me to in an agency like in a consulting firm or a law firm, there was a role for someone like me that was a wild card for a period of time.

But the real power and money came if you represented clients and you could show that you're bringing in direct revenues. And that wasn't what I did. And I also had my own entrepreneurial desires. And it was in 2003 when I knew I had a couple of months left to go with Endeavor that I sat down for a weekend and figured out what has become Marvel Studios and started

that path in my life. Okay, I'm going to inflict something horrible on my audience, but I can't help myself. So this is going to be one of those like cliffhangers on page 22 of a comic book. So Marvel, we're going to come back to Marvel. But I have to very selfishly ask you about your side path into Broadway and theater. And I say selfish because this I don't think is known. I don't think I've mentioned this anywhere. So this is the first also that I have over the last few years become one of the larger investors in a theater production. And it's the first time I've ever become involved with that. And they did a run in Pennsylvania, their first commercial run, and now they're going to be opening a much larger production in Chicago in the next few weeks, in fact, as of the time of this recording for people who want to check it out, [personalitymusical.com](http://personalitymusical.com). That's the story of Lloyd Price. And if you don't know that name, you should know the name, it's pretty bananas, how many cultural sort of milestones this man touched.

In any case, it seems like a very tough business, even the deal structures have all sorts of terms that I had never heard before in my life. It's very different from say early stage tech investing on a multitude of levels. And yet, it seems like a beautiful, powerful vehicle and art form in so many respects. What would you say were key decisions or events that inform the success of Fosse? I think personal passion in everything that I've done when I look back at it,

I get very focused on whatever project I'm working on. And I think I do better if I really love it. And theater and the excitement of live theater, which you're now experiencing, which is so cool with that project, however it works out, is really indescribably hard to replicate. It's a little bit like a live action film shoot, but more unpredictable. There's an audience there, it's an animal of its own. So that was number one. Number two, I enjoy, I guess, telling stories that have some sort of meaning to me and relevance. And this was Bob Fosse, who was a very complicated

man, arguably one of our best choreographers in America ever, and probably the best one of the best ever on Broadway. And there's a movie called *All That Jazz*, which I will recommend to everyone to watch if they haven't seen it with Roy Scheider and Jessica Lange, which he directed, which is really weird, biographical story about himself, because he predicts his own death. Oh, wow. He also was a great film director at the Academy Award for Best Picture, I think for *Cabaret*.

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

And when I learned about this guy's life and saw that he died of whatever substance abuse and womanizing his lifestyle and had a very tragic end, I thought that was a really interesting story to tell. And then third, he was known for his sensuality of his dance. And it was like, whoa, I had never seen anything like that. So the ingredients made me believe that telling this guy's life story through dance, through his own dances, could be a really cool Broadway project. I never thought we'd win the Tony for Best Musical because we had no dialogue in the show. It was literally all his dances and the different phases of his life. And the other part I'd say is in a sort of similar, I'm not afraid to use creative end business in a decision. A lot of people in Broadway or any place entertainment are so afraid of that because your title is suit if you talk about profits. If you want to be creative, you have to just not, you have to ignore that and be above all that. And it's so, the creative mystique is so subjective that people have, in most cases, there's not real accountability unless you like actually draw something or write it yourself. But I knew that a story, a dance musical would be very inexpensive. Both its original setup costs, the set itself, it's just basically a black stage and two proscenium.

What was that term you used, the blank stage and then?

I think it's proscenium. It's like the arches in a theater. I hope I'm saying that correctly.

But we had a... I got the image.

Yeah, I think it was like \$3 million to set up our set, which some musicals are way higher. And then the writing cost of the show was really low because it was 32 amazing dancers, but no superstars. And so it was also a show that was easy to tour like you're doing with your show. And so I understood the economics of Broadway. And this was a chance. The company that Michael had bought was technically basically bankrupt. So we didn't have a lot of money to spend on a show or market it. So out of all the stuff we could do, I saw that the company owned the rights to this project. And I picked that one for us to focus on. So I was producing that at night and running the company during the day for about two years.

For people who don't know and wink, wink, might even be me. I'm sure there are others out there.

The word producer gets used in all sorts of contexts in movies and TV and in theater.

What does it look like for you at the time to have been producing at night?

What were you focused on?

There's not accountability in general in entertainment and titles can mean nothing or everything. So I'm glad you clarified that. I don't know what the name is for what I do, but I've been lucky enough with Fosse, with Marvel, with my projects post Marvel, to conceive of the idea, basically, or see something like Marvel that exists that has some legacy or Fosse writes of and to envision, I guess the first step is vision what the project could be. And something that perhaps other people hadn't seen. And then when I produce, it's literally probably not liked by many people, but it's micromanaging all the various relevant major creative decisions or business decisions, which might include bringing in huge creative talent, which I did on Fosse. I brought in his ex-lover, Ann Reinking, Sue Direct, who had all a lot of the dances in her head. And I was dealing with Gwen Verde and his ex-wife and his daughter, Nicole Fosse. But it's, I like to define it, there's no Fosse musical if I don't make it. And there's no MCU or Avengers if I don't go to Marvel. So it's having the vision

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

and then going there and making it happen with whatever dials I need to turn creatively or business or political or financing to get it done.

Just very quickly, we're going to hone in on this, but MCU just for people who may not have that acronym. If you could just say what that is and then looking back at your experience with Fosse, is there anything that you wish you had known then that you know now, anything you would have done slightly differently, perhaps? Keeping on theater for a second. With Fosse, I was blessed. We had our out of town tryouts and then we went to New York and we won the Tony. Like, it doesn't get much better than that for a show, right? And so we were able to sell that company because of Fosse's success to Bob Sillerman at the time. I remember the investment banker that worked for me was a guy named Steve Bannon, which was odd, but at the time he had just come from

Goldman Sachs and I only knew him as a polymath. Yeah. He did a great job as my banker and got the

company sold. So when his name popped up later on in my life, I was, whoa, is that the same person?

And it was. So that was sort of funny. I know crazy stories. Later on, if we want to circle back to it, I also produced the Spider-Man musical on Broadway, which famously lost like 50 or 60 million. I was going to say, yeah. Cost a little more than three million to put the set together. Now, Marvel had no capital in it and we had, I think, 10% of gross ticket sales. So we ended up making a significant profit from that production and it was fantastic to work with Bono and Edge from U2. So there's a whole different animal, the Spider-Man musical, but I was involved with that as well. Well, let's hit it straight down the fairway between these two polls. And just before we move on, since I promised folks, MCU, what does that stand for? Marvel Cinematic Universe. Okay. And then we do the Wayne's World. We go back in time. Yeah. And you know, you have a few months left in working with, if I'm remembering correctly, Ari and Patrick. Yes. And somewhere in the next few months, some of the ideas related to Marvel start to percolate. What does that look like? It actually happened, I remember specifically, it was in like October, November of 2003, when I think my stint with Endeavor was going to finish at the end of that calendar year. That story about the discussion with Disney to potentially buy Marvel. Marvel went bankrupt in 1999. And it had gone through a fight between Ron Perlman, Carl Icahn, and Ike Perlmutter. And Ike Perlmutter successfully got it like for \$30 or \$50 million out of bankruptcy. And it had been a public company for a couple of years post that and achieved like a \$200 million valuation. And I was an investor in the stock. And so I watched as the first X-Men movie came out, Spider-Man, of course, right? And the stock had sort of stopped at a \$200 million valuation. And I took out some old fashioned paper and I thought to myself, okay, what will my next path be? I could potentially stay at Endeavor and William Morse for the reasons we talked about. It was just Endeavor at the time. I decided not to do that, which I think Ari is really happy about because he very much wanted to buy William Morse even back then. And I was telling him all the reasons not to. And so I think he was very happy that he didn't have to listen to those anymore. And he's done so well with that acquisition. So worked out really good for both of us. I had another path, which was I could go to one of the studios and try to work my way up to be chairman of a studio, which is the only position I saw where you could be both creative

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

and business. Those jobs were what I really wanted. Chairman of a studio, you green light movies, that's the ultimate power, you decide what gets made. And then you can influence that on every one of those dials that I mentioned, creative or business. And it was the only place where I saw that that really merged together. Some producers had sort of power, but not as much as a studio chairman. And so I thought about that path, Tim, and I realized I didn't like it. It wasn't like a law firm or McKinsey, which is somewhat of a meritocracy, not totally, but you at least logically, you should proceed if you deliver results. I don't know what the formula is to become a studio chairman. It's just one person selected every 10 years. They're all in their 60s or 70s. And I knew I would be a fool's gamble for me to do that. So then I'm sitting in there with this crazy thought of, I'll create my own studio. Then by definition, I'm in charge of that studio, right? And my business, I thought to, it has to be something I'm really interested in. It has to have something that could really be a sustainable good business because I needed it still to make money. Could I ask you a dumb question just as an interjection? Because I feel like it's my job to do that. I just realized as you're talking, I have heard and used this term studio myself many times. And I don't actually know exactly what it means to be a student. Yeah, good question.

Do they raise money and fund production and then external production companies and teams kind of take that money and run with it? How much is internal versus external? If you started your own studio, what would that entail? So what a studio should mean is that you bring all the elements to the table. You have the money, you have the properties, you have people that either make the films or hire producers. Properties meaning the intellectual property.

Exactly. You either make the movies yourself or you internal producers or you hire other producers to do it. And then you market and distribute the films, which costs as much as making the movies for a major picture. And so at the time, there were six studios, Universal, Disney, Fox, and so on, Sony. And they made all the movies. So everyone with every IP holder, then and even now would license their properties to these studios.

And so Spider-Man was famously licensed to Sony. Sony would make the decision when there's a movie,

how much they're going to spend creatively, what it was going to be, and market and distribute that movie and keep the vast, not the majority, but like 95% plus of the profits. So an IP holder like Marvel would only get a piece of the money and they'd have like script notes, like certain rights, but nothing very heavy. Like you couldn't make Peter Parker do some crazy job that would wasn't relevant to the comics or something like that. And then normally ancillaries like toys would be split between the studio and the rights holder. So the way Marvel got to a 200 million valuation was off the toys of Spider-Man or the toys of Hulk or the toys of X-Men, very little money from the movies. And I was frustrated with that as an investor. I didn't think it was a good model to grow enterprise value. And so I was very focused on Marvel right away. So luckily, I didn't have to look at my second choice. I knew I was personally interested in it. And then I had this hypothesis or model at the time, which was I knew how bad the first movie business was. And you spend in this case \$100 million on something you hope people show up. Yeah, research can help you a little bit, but very little. It's pretty random. Stars at the time



**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

could maybe open the movie, but it's a horrible, not a horrible, but a pretty bad business. But the sequel business was amazing because statistically, you could predict the revenues plus or minus something, and you could manage your profit margin, not whether you made profits. And so the big idea I had, which was now, it's called the universe, was what if after the first movie, every movie after that was a sequel or a quasi-sequel, which required all the characters or a lot of the characters to show up in multiple movies. And that led me again to Marvel because I knew about the vast universe of characters and that this would be a perfect way in my mind to make every movie after the first one a sequel or quasi-sequel. It came up like over 24, 48 hours that weekend, the whole thing. Were you sitting in an ashram? Were you flying on airplanes? Were you

having an endoscopy? What was going on? It was very boring, sweatpants sitting in my rental apartment across from the park. And they were fair facts where I still have my studio, the same building. Okay, so you're capturing all this on yellow notepad or in your laptop or wherever, then what? So it's a great idea. I could see how this works. That was the good news. The bad news was I didn't know anyone at Marvel. I knew Marvel had licensed a lot of its properties, like Spider-Man and X-Men. I didn't know how many that they had licensed beyond that. I had never made a movie before in my life, right? So there's a lot of things that were obstacles. And in the next month or two, I got an introduction to a man named Avi Arad and Ike Promutter, who were the two guys running Marvel, the public company at the time. How did you get that introduction? This is non-trivial.

Yeah, it shows you how small this town is. My lawyer, who negotiated my deal with our Emanuel in Endeavor, was a man named Josh Grode, who was also Avi Arad's lawyer at the time. And I told my lawyer my interest and he said, oh, I can introduce you to Avi.

Now, to show you how this town is really small, Josh is now the CEO and president of Legendary Entertainment, which is a big mini studio owned by a lot by the Chinese.

And so he's become his own studio chairman and pretty powerful company with the King Kong movies

and other things like that. So you mentioned studio. At the time, Avi was in charge of what was called Marvel Studios, but it was really a small shop of giving script notes to licensed movies.

Avi successfully saw the potential of Marvel films and started licensing the movies post the bankruptcy. Ike and Avi had known each other for many years and Avi started as a toy creator.

And he did the original license deal with Spider-Man. He did the original license deal with Fox for X-Men.

And that's what the route that Marvel was on at the time was licensing these movies and continuing to license their films. Ike owned, I think, 40 or 50 percent of Marvel at the time, even though it was a public company. And he was in charge of everything.

How uncommon is that? That seems like a gigantic equity position.

It was. Because he got it out of bankruptcy. He got out of bankruptcy and he kept it.

And so Ike was the person I really needed to pitch. I pitched him at Mar-a-Lago in November of 2003. And I remember that flying to Palm Beach and having lunch there and Trump came

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

by who's close with Ike. They're still very close. And I was introduced to Trump and Trump said something about he had a TV show starting soon, which turned out to be The Apprentice.

And he was excited about that. That's all I remember from that conversation.

And I pitched Ike in the same way I pitched Ovid's. And Ike did not see and agree that they should do their own films right away. But he was open-minded enough to offer me a job and give me a lot of stock options at market and give me a chance to fight for it internally. And Ike is now, I think, the largest individual shareholder of Disney.

All right. So he's like, you can fight this fight. I don't necessarily agree with all of it up front. But you'll have your day in court, so to speak. Exactly. That was it.

And what then proceeds to happen from there? I had one other job that I was looking at, which I'm only going to raise. And I've never told this publicly because of your question about theater. But I got a phone call in the fall of 2003 from a very high-pitched voice who said, Hi, this is Michael Jackson. And he went on to say that he had seen Fosse on Broadway and loved the show. And it was a personal call. I don't know how he got my phone number. And I thought it was fake, right? And he said, I want you to tell my life story through my music videos. And I was like, whoa. And that turned into a one or two month set of discussions with Michael

about doing a 50-50 deal where I'd have, he put in all his music videos and all the IP.

I'd be able to produce it. And we both had vetoes on each other. And he even,

I got him to agree that he would perform randomly once every couple of months thriller.

So you'd go to the Broadway show and you'd see Michael Jackson actually perform, like be like a lottery, right? And Josh Groed was my lawyer on that. So I have the deal agreement.

I was going to say that'd be tricky to figure out from the legal perspective.

Yeah. He was very smart. I gotta tell you, he was a very smart business person. And then I, I wasn't really seriously, I was going to carve that out of my Marvel deal.

And I think Marvel was going to let me do that. And then I saw Michael get arrested.

And so I let that fizzle right at that period of time. But it was like the other thing that

I was looking at. And then third, Heff was circling me about potentially helping him

run Playboy at the time, which was an IP company. But Marvel was the part where my focus was the

highest. And I started right away, basically two weeks after that meeting with like at the end of

2003. In title, what was your job? My title was president of what was then called Marvel Studios,

which wasn't a studio. We didn't bring any money. We didn't have distribution and marketing.

We weren't making the movies, but it was called Marvel Studios from a title point of view. Yeah.

Okay. So he put you in the position where you could, at least without having to lily pad,

hop around the company, right, implement what you'd been discussing.

So this part we're going to get into, which I'm happy to do. Like you said in the beginning,

I've never talked through in this way. And I've also not done press of any significant note in

the past 10 years. So a large amount of this is still coming to light. And so some things people

might know and some things they might not. But in 2004, we had a very small office,

office Santa Monica Boulevard. I think I was definitely interested in making more money

for entertainment. My job was really, how can we make more money without taking any

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

significant risk? Had a career of bankruptcy type of companies, Remington and now Marvel. And those people are not ones that take big capital risk on big grandiose visions, right? And so in the board of directors was a bunch of ex bankruptcy guys, basically. And Sid Gannis, I remember who was the president of the Academy of Motion Pictures was the one Hollywood person there. And so I would argue for the studio in the board meetings and was basically told to be quiet, maybe not those words. My last name was in Spielberg and not bring it up again, unless Marvel had no risk. Not little risk, but no risk. And so conjure me this Spielberg. And what was important at the time is I asked the board to at least give me six months. And what that meant is not to license any more movies. They were about to license Captain America and Thor to two major studios. I think it was Warner Brothers and Sony. And Thor specifically was very close to being licensed. And I basically had to hold my breath in the board meeting and say, if you do that, I can't do anything. I need at least those characters to put together something that somebody would finance as a slate. And they gave me that six month time. And so during 2004, I put on my NBA hat. I spent a lot of time in New York and was able to raise the financing that we needed. It was about a half a billion dollars of what turned out to be, I mean, sounds crazy to say, but for those that are interested, it was no risk. It was non-recourse. Marvel never had to pay it back in no cash collateral. Two things. How do you sell? How do you pitch that? And then how do you structure that? The structuring that's related. It was this idea of the universe. Again, not a word that we used at the time, but it was the vision of intermixing all the characters. So if we owned first to my board, the argument was if we own our own studio, it means we get the full financial upside that they understood very well. Number two, we decide a green light when the movies get made that they also understood because they only sold toys really at the time. And the toys were contingent on a movie, which they then control the timing of. Now, when you're doing a public company and you're giving guidance every year, how can you give guidance if you don't even know what movies are going to get made? And so controlling green light was important. Full creative control. I felt that people like myself and Kevin Feige eventually, because we care about the movies, would make better movies for the fans. I'm not sure my board really heard that point or really understood it, given that we neither Kevin or I had ever made a movie ourselves. Like I said, and then fourth, we would keep all the ancillaries as well, the toys and video games. So there's a lot of reasons for this to happen. The challenge of not having risk is normally insurmountable. Thank God, again, for timing like we talked about, the bond bubble of 2004 was happening. So it was a time where there was loans being made that shouldn't have been made. And a lot of people were enamored with Hollywood as they get enamored every few years. And so I was able to pitch that give me four at bats. And if one of them hits, then every movie is a sequel after that. And when they ran their models, they were able to get a pass their investment committee to the point where there was no equity component. Wow. All right. So are we talking about, just so I understand, there are many ways to raise financing. So are we talking about banks? Are we talking about, if so, what types of banks are we talking about? Who are the people you were pitching to agree to these terms and provide the financing? Pitched a lot of different entities,

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

but turned out to be Merrill Lynch, who took the gamble with us and helped structure it. And it was structured, as I mentioned, as pure debt. So very low interest rate. And the only collateral were the film rights to 10 Marvel characters, of which we could make four of the movies. And a lot of people misunderstand that they think we pledged 10 of our characters as collateral. It wasn't that at all, because in the worst case scenario, it only got collected if we lost money on those first four movies. And then those six characters, we owned all the rights besides film. And if a film was ever made by the bank, whoever collected this collateral, we got the same license fee that we get if we just licensed it that day to a party. So there's no opportunity cost. So that's how you would justify it to your board of directors. Exactly. Also, right. Worst case, we just get what we would have gotten doing our current model. And actually, even better, because we were able to get 5 percent of 100 percent revenues as a producer fee. So even if the film lost money, we were making 10 to 20 million. And the bank let us keep all of the non film revenues, like toys and video games, in a different waterfall. So even if the four at bats lost, we were making 25 million per movie. And that's \$100 million. And the whole company was worth 200. So it was not a deal that the board could say no to. But they also got enthusiastic about it by the end of 2004. Okay. So were there any hurdles with the border? Was it just so clearly delivering on the request of zero risk that there was just no defensible position they could take that would object to things? Eventually, when the financing came together, it's important for Marvel fans to realize that it was tender at the time. If we were not able to raise riskless capital like that, the MCU might never have occurred. Or if I got there six months later, and those other movies were licensed, it would have been too late anyways. The idea, by the way, of Marvel or any IP holder making their own \$100 million plus movie was revolutionary. Like nobody to this day, I'm only aware of Marvel and Angry Birds who's done that. And Angry Birds I was part of after I left. So it was a crazy idea, Tim. And to Ike's credit, he did give me that audience. He sent me an email that I have behind me recently thanking me for my tenacity and basically said, I can actually read it one second. This was after Avengers Endgame in 2019. David, the movie was a terrific accomplishment. And we know that it all started with you, your vision and your tenacity and pushing to achieve that vision. The word tenacity is about those hurdles you just mentioned, right? It was tough. That was a huge hurdle to get over, having the correct financing that would work. I have never said this publicly. I could have showed up in the boardroom and given up half the equity and the same terms for the other 50% of the money. And that would have been easier to structure. And perhaps my board would not have cared. Half is better than nothing of the movie. And I was very greedy. I wanted Marvel to keep 100% of the upside because also I was one of the largest individual owners at that time with my stock options. And so I was very tenacious with Ike, but I was also very tenacious with Merrill Lynch that we keep 100% of the upside. And no deal is easy. They try to renegotiate and make us put up a third of the budget some other way. And I was lucky. I was not lucky as fortunate, I guess, to be able to convince them not to do that at the end. So it was very precarious for a while.

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

And this was renegotiating years later after they had signed on the dotted line or this was mid-process?

We probably came to agreement in the fall of 2004 and closed it in the spring of 2005.

And things always get renegotiated until they're closed. Best way to put it. Now,

all those guys, it turned out to be one of their best loans they ever made, obviously.

And I'm friends with a lot of those bankers still. It was an interesting time. But that was only one

of the things because even with the money that came in, we still needed a distribution deal with

a studio. And all that money was contingent on a major studio putting up 150 million bucks

to market the movie. Before we get there, just a very quick question,

keeping in mind, I'm slow moving from Long Island. It takes me a minute or two. So

I'm thinking of the numbers here. Company is worth, as a publicly traded company,

I think you said \$200 million, \$200 million market cap. You're raising \$500 million.

To do that, I would love to know what the most important exhibits were and how the licensed

films like X-Men and Spider-Man fit into that, if at all. Because otherwise, it strikes me that it

would be perhaps based on industry comps, but it would be considered potentially very speculative.

I think a lot of people are now looking and learning that Marvel Studios was a relay race.

Stan Lee and the original comic creators created the characters. And then the baton went to Ike

and Avi, and Avi specifically doing these licensed deals, and Ike supporting him. And then the baton

in 2003 went to me, and then we can get to later on. I passed the baton to Kevin Feige in 2010,

and he's still writing the studio. But if I didn't have the numbers of X-Men

and Spider-Man to point to and run scenarios to my board internally and to the bank,

that what if we just do half of those numbers or two-thirds of those numbers for their stress

case scenarios? Yeah, I mean, they never ran a stress case scenario like at doing a third of

those numbers. If they did, we would have failed. So they wanted this deal to happen.

And, you know, there's incentives. We go back to street smarts of Mike Ovitz, right? What does

Merrill want out of this? What does the bank want? Well, they really, they got, I think,

a 3% success fee with this deal. And they held the debt for all of probably a half hour till

they flipped it to somebody else. So there was incentives for everyone to get this deal done.

And, you know, that was important to figure out.

Dumb question. Who's paying the 3%? It comes out of the facility.

Okay, I'm going to need you to expand on that. So I've raised 525 million. And 3% of that,

about 17 million. Got it. Went to Merrill Lynch right away. Yeah.

And who are they raising it from? I'm just wondering if they're like taking it out of one

pocket and sticking it in the other. What that means. I learned this in real time doing this

because we really didn't have a banker helping us on this deal too much.

And so it was a man named John Turitson who was the general counsel of Marvel who

is important to mention because he was the closest person and still is to Ike and he

kept my head in the game and he helped me get through this process. And many times I thought

of quitting and I probably thought about firing me and he probably, I know he talked us both

off the ledge many times. So if it wasn't for John, there's no Marvel Studios either.

I'm either fired or I quit. Probably fired. It's a pretty detailed thing, but I was very greedy.

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

I wanted the interest rate to be lower and we got it insured by a company called the MBAC, most of the debt. So it became AAA debt, which is then easy to sell to pensions and easy to sell to individual investors. So Merrill turned around and it was packaged with AAA and they were able to resell it. And I'm sorry to be labor this point, but my podcast is basically my continuing education in Tim Ferriss program. So coming out of the facility is Merrill, are they basically reselling it and then taking their 3% after they have resold it? I guess I'm just trying to figure out where the success fee, how it comes out of the facility. I think they took risk because at the time the deal closes, they're obligated to put up the 525. So they got their success fee, I think right at that time. And then they resell most of it to other people pretty immediately. So I don't know, I'm trying to remember back, this was 2003, 2004, 2005, but they had risk when the deal closed for, I don't know if it was for a half hour or for one day or for two days, but they had risk for a period of time before they resold all that. And that's when they get their success fee. Once the money's guaranteed us. Is one division of Merrill Lynch paying another division, the 17 million or whatever it added up to, sorry to be... Oh, that's a good question. No, if they got stuck with the whole loan, yeah, then they're sort of paying themselves, I guess. Yeah. I didn't think about it that way. Yeah. Okay. Wow. What a world. Yeah. I'm not sure there was a risk of that when it happened because most of it was insured. Yeah. Yeah, totally. Okay. This is a world that is largely foreign to me, but let's come back to, as you mentioned, the other very, very critical kind of leg on the stool, which is distribution deal. How did you go about securing that? How did you go about trying to pick, I guess, all distribution more or less the same thing? And it's just a different marquee name on the same function, and they kind of all perform the same way. How did you go about navigating that? Well, it was easy because we didn't have a choice to pick. Nobody wanted to be our partner. So at the end of the day, only one person said yes, which was Paramount, part of IACOM. But the way we got there, at the time, this is really important. In 2003, 2004, 2005, Marvel wasn't the Marvel it is today. So everyone that's listening, it's many people probably don't remember that Marvel wasn't this huge thing that has been the past 15 years. And in Hollywood, if it was, by the way, I never would have gotten this opportunity. So Disney or somebody else could have bought Marvel for \$500 million much earlier if they wanted to. And so the studios, nobody wanted to distribute these movies. It wasn't just Sony, it was Universal, and others. We had obstacles. Now, we wanted great terms, but nobody really believed in these properties. And Iron Man New Line, which is part of Warner Brothers, they had the rights for many, many years. And I think for seven or eight years, and never thought it was worthy to make into a film. And they let the rights expire and give it back to us. So it was a very different world. Yeah. So why Paramount? When I was at Disney, I got to be friendly with a guy named Rob Moore, who was running one of the senior people at the studio at Disney. He was vice chairman of Paramount at this time. He was on his way to a Laker game, and I tackled him in the parking lot and just bugged him enough because he didn't want to be

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

late to the basketball game that he agreed to, seriously, he agreed to have a meeting with me. And then Brad Gray was his boss, who Aviarad knew. And so we sort of tagged team, these two men, and convinced them that this was a good bet. And to your point, we showed them that they were the last money. They put up the last hundred and fifty million. They got the first hundred and fifty million back. So the film only had to do like a percentage of X-Men for them to at least get their money back. Right. So they were last and first out in terms of preferences. Yes. But even with that, nobody else wanted to do it.

Aside from getting slide tackled in the Lakers parking lot, what was it? Do you think, and maybe you already answered this, and I just am too dense and it didn't land, what led them to say yes in contrast to all the others who said no? What did they see, or how did you refine the pitch that didn't exist in the other conversations?

I think they listened. And Rob trusted me from our times at Disney. He knew me pretty well. So the past relationship helped. And he knew I wasn't careless with my analysis or my statements. And so for at least for Rob, I can't speak for Brad, but for Rob, he understood. And when he finally listened to where the break even was for them, he saw it was a good bet in the upside. He had distribution rights to like, I think five or 10 movies in the downside. You know, he basically broke even if the film didn't do well. And there's a lot of other games like studios make money internally, even on P&A. Could you just explain P&A?

Print and advertising. So I remember Jeffrey Katzenberg had a distribution deal with Paramount, and he was running DreamWorks Animation. And he basically coached me on what terms I should ask

for and mentored me on that. So we had a deal that was really good. There was no non-cash charges. There was no overhead charge. What is a non-cash charge? I mean, I understand the wording, but I don't know what it is. They would inflate the costs that they got reimbursed. So they would say they spent 150 million on marketing, but you know, 20 million of that's overhead and another 10 million some odd costs. It's like shipping and handling for infomercial products. You're like, how is shipping and handling \$17? Right. Extra handling, man. Yeah, right. Okay. Okay. So it's actually was important because it can eat up all your profits on a movie if you get charged too much. We had like a 10% distribution fee, which is really attractive as well. I think George Lucas had the lowest, I'm aware of it, 6% or 7% for Star Wars.

How the hell did he get that? I mean, that was also at the time. It's easy for people to forget, but it's like, it's not like that was the juggernaut franchise that it is today. But I don't want to take us too far afield, but wow. Okay, got it. So they say, all right, worst case, we recoup. Best case we have rights to these things you claim will be as predictable or similarly predictable to sequels. Sure. Okay. And Tim, the part that I guess with both the bankers and with Paramount is I would strongly make the case creatively for why I thought Iron Man would be a success and why the

MCU, which wasn't called at the time, could be a success. And then also Avi and Kevin would come into these meetings with the bankers and with the distribution partners to talk about their experiences on those movies of X-Men and Spider-Man. So we had the sexy halo effect of producers on

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

those movies, even though we weren't actually the full producers and all those things, especially with the bankers, were really important. And with Rob and Paramount, I think it was more the financial trade for them, but they saw the success of Spider-Man with Sony and hoped that they could get that upside, which they did. So why Iron Man? As you know, we've talked about this. I love comics. I have boxes and boxes and boxes of comic books for my childhood. Still cardboard backed and polybagged sitting in my parents' probably garage being eaten by mice or something at this point. But there are a lot of characters to choose from. You have a lot of options. Why Iron Man? We didn't have that many options again, right? So when we closed the financing, we didn't have Iron Man. We listed 10 characters, and those 10 characters were led by Captain American Thor. This thing called Avengers, which people thought was a British spy TV show, and the Avengers weren't defined in our deal. So it could be, as with the comics, different characters in the Avengers, right? So it was sort of a weird category of a property. There was Black Panther in there. There was Doctor Strange, but nobody cared about those characters at all. People thought of Black Panther as a terrorist group from the 60s. Doctor Strange was a small comic. I think we had Cloak and Dagger in there, Shang-Chi, which finally made it as a movie, Power Pack. People won't know these names. I mean, there weren't that many big names. And I'm not sure we even put Thor in in the beginning because there was disagreement internally whether Thor was even practical given the cost of Asgard.

And so for a while, we didn't know what the first movie was going to be. I was able to get the rights for Hulk back. I mentioned Ron Meyer. It went to become chairman of Universal from CAA earlier. And so Ron, I knew very well. And I texted him and asked him for a meeting. And they had done the first Hulk movie with Aang Lee, which was critically well-received and not box office-wise. And they were owned by GE at the time. And I said, Ron, are you ever going to make a Hulk movie? And he said, no, probably not. And I said, what about if I finance it? And you distributed.

I'll give you 10%. And he said, yes. And so that's why we got the Hulk back into the Marvel universe. And that's why the first Hulk movie was made in 2008. Because by making one film, we got the rights back for Hulk in perpetuity, at least as a supporting character. And also, we were splitting toys 50-50 with Universal. And that became way in our favor. And Hulk hands were our number one toy. So we were thinking of Hulk potentially as the first movie. And then Iron Man came back. And Kevin and I were both really excited about Iron Man, as was Avi Arad, who was still in the studio. He left in early 2006. And so we zeroed in on that. And I think, I don't know exactly why other people missed it. I think what we were excited about was the man inside the suit. Like, we love the sexy suit of armor, like most people do. But Tony Stark is such a cool character. And if you don't see Tony Stark, you don't see how good the movie can be. And so I think that was probably the breakthrough for the three of us.

Yeah, I can't remember which film it was from. But there's one of the Marvel films, I think it was quite a bit later, where there's some disagreement. I thought, I want to say it's between Thor and Stark. And he's like, well, if we take that suit off you, who are you? And he's like billionaire playboy. Yeah, exactly. Oh, God, what a character. So let's then walk into



**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

the next steps for Iron Man. Because I feel like this is such a, maybe not make it or break it, but just such a critical project overall, as sort of a harbinger of things to come, perhaps as a signal, as a proof of concept. What were some of the key decisions or critical moments in that development phase, and then moving into the theatrical release? To give perspective on that, we talked about how in 2004, 2005, it was primarily raising the money and getting distribution partner in Paramount. I was then promoted to vice chairman of the studio in that period. And in 2006, Avi left the studio. And then I was running the studio myself. And I promoted Kevin Feige, who was a young kid that was helping Avi on script notes, who I'd gotten to know very well and admired him, his creativity and his love of the comics. I promoted him to be my president of production. And I was chairman of the studio and promoted to that. I also was fortunate to be promoted to office of the CEO with Ike and John of the parent company. And so it's relevant because with those pieces in place, we were able to focus solely on making that film. There was no more internal politics. There wasn't these external things we needed like financing or distribution deals. We had that. We had the rights back. We had a clean structure in the company. And I promoted my ex assistant into the creative realm. He became our number two guy creatively, Jeremy Lachem. We hired Ludi Esposito and Victoria Lanzo to amazing talents early in that period of time. And all of us then focused on making this movie. And John Favre was identified as the director and Robert Downey as the actor. That was the two big decisions. How did those two end up happening? A lot of people think of John today for his Star Wars stuff and a lot of visual effects. But at the time, he was well more known for swingers and, you know, for those types of films. People forget about Elf, too. Yeah. And he was just coming off as a thorough. And we felt like we knew how to do the comic book part of things, like the action and the comic booky part of stuff. But we also knew we didn't have a lot of money to make the movie. I could green light to \$165 million. I told my board I'd make the film at a budget that would allow it to break even at a percentage, I think, two thirds of X-Men. And so my budget for the film was about \$105 million. Now, that sounds like a lot, but it wasn't. I mean, Batman that year was \$230 million. And so that allowed us to have some action, but not a lot. So we knew we'd have an hour and 45 minutes of Tony Stark in his workshop or talking to Pepper Potts. And John was great on those scenes and is great on those scenes and also getting the best out of talent like Robert Downey. So I think that was something we all saw in Favreau. Plus, he seemed very committed to it. His career, obviously, has taken off in the past 15 years tremendously. And he's shown his talent in so many other ways. And Robert Downey, I think originally came from John and Kevin. They both were proponents for Robert. As studio chairman, I had to give the final thumbs up and thumbs down on that. But I agreed with them knowing Tony Stark from the comics and Robert's work. It wasn't obvious. I mean, Robert had never had a box office success. He had just been arrested a couple years earlier for drugs and spent time in jail. So it's not who you bet your company on. And he came in and did a video audition, which is also rare. And I remember taking that recommendation to Ike and the board and showing him that video audition. And they asked a lot of tough questions, but they also agreed. That was a

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

key part. I mean, I think with those two pieces in place, Kevin and I were off to the races with John and Robert to make this film, which is, I think this month, you know, it's our 15th anniversary of release. What were some of the biggest challenges? It could have been in production or in distribution or in any facet of that experience. What I just talked you through was the biggest, Tim. It was getting the job at Marvel, getting the financing in place, convincing the board, getting the distribution deal, getting the rights back to Iron Man, getting the board to agree with us on Robert Downey, and getting the internal politics of Marvel. Like there are in every company settled. So by that spring of 2006, two years before the movie comes out, we have all those pieces in place. And we didn't have an office. We took the Mercedes-Benz dealership in Santa Monica Boulevard. Playboy had an office in the very top corner, and they were having financial difficulties. And I sublet it from Hefner and put a Marvel Studio sign outside that cost \$10,000. And we announced our presence. And we just would work there 18 hours a day. We moved pre-production for a movie, which is where all the planning gets done, right there in that same floor, which is normally never done with the studio, which was Kevin and I. But I guess there's another thing that people should hear about is I had this philosophy that studios, Hollywood studios had this unnecessary layer of management called studio executives who hired the producers. So our model was there's no studio executives. We were the producers of the movie. And so Kevin and I were technically studio executives, but we were working on the film, Kevin, every day, me with a significant chunk of my time, because I was also a co-CEO, and we didn't have that layer. So we all, with John and Robert and all the pre-production, were all together for months, planning out this film. We had a pretty smooth ride amazingly from that point on. We took the Spruce Goose hangar by the ocean where Howard Hughes had this huge wooden hanger that he built the biggest airplane in the world. And that's appropriately where we filmed it since Tony Stark is influenced by Howard Hughes. And that was a big decision because we didn't get tax incentives by being in California. But it turned out to be great because we were all so close. And it became a set of people that were really enthusiastic. Gwyneth Paltrow joined, that was a big win. I think it was Brian Lord, who called me and said Gwyneth was interested, and my God, to get an Academy Award winning actress like her, it was a dream. It all came together. We had some disagreements at the end about reshoots, which cost some money. But I was able to get Ike and the board to approve the ones that we wanted to do. But marketing was a tough challenge too, to get Paramount to manage marketing, because all this stuff doesn't make any sense if

nobody goes to see the movie. I think it was Katzenberg who told me to show up at every meeting and make sure we get a good release date. In retrospect, we chose May 2nd because nobody else wanted it, like it was an early date. People thought the summer started with Memorial Day. Us going to May 2nd, now it's a great date, and Marvel has it every year.

It turned out to be really good because we had the first movie of the summer. Paramount gave us that date. They keep their best dates for their own movies. We were able to get a date they didn't want. It sounds weird to say things went smoothly from that point on, but for those two years, things went very smoothly. Let me rewind just a little bit because I have some notes in front of me that I want to fact check with you. You can't believe everything you read on the

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

internet, but this is Hollywood Reporter, so you would hope that it is accurate. Is it true that you had an early proof of concept in the sense of changing Marvel's strategy with a low-budget Iron Man animated film, or maybe animatics? Is that true? Yeah, it is. In 2004, while I was raising the money for the theatrical films, I wanted to prove to the board that we actually could produce something. I was able to make a deal with Lionsgate. Michael Burns and John Feldheimer still run Lionsgate, that we'd make \$3 million directed DVD animated movies. I think the budget was \$3 million to \$4 million, and they put up the money. We at Marvel Studios produced it. We hired a guy named Mark Rollman. For those who aren't watching the video, that was their quote in that example. I remember they got their \$4 million back and we split the money, so we had no risk. It was like a mini Marvel Studios type of deal. I forget the order. We made a Doctor Strange one. We made Iron Man. We made Avengers. We made a Hulk one. They all did pretty well. They're still fun to watch. That was our chance to creatively be in charge of a project and show the board that we could do it. Incredible. A lot of people don't point that out, Tim. You do good research. Yeah. Well, I need to thank my team also for finding this particular example. I love finding these proof-of-concept moments or talking, as we have been, also about structuring because, as you mentioned, I think in many worlds, not just film, not just Hollywood, there is almost a religious divide between the people who are derisively called suits and the people who are sometimes overromanticized as creatives. You can be a sort of one event athlete in that sense, that you stick really narrowly within a lane, and you can become world-class and very successful doing that. In many cases, the creatives don't get to do what they would most want to do unless things are structured by someone who understands incentives and these various provisions. I find your story so compelling for a lot of reasons, one of which is you blend these capacities in a very effective way because they could be blended ineffectively. Part of it, Tim, is I think most people, because I haven't done press, they view my role as very much the financial structuring, the distribution deal, the co-CEO role on Marvel, and less on the creative side. I think in retrospect and talking this through with you, the biggest creative thing I've ever done in my life was the first, that weekend, at having the vision for the MCU, for having what became the universe. Just intuitively believing these characters could become a modern mythology for this world, and that's a delusional belief I had at the time in retrospect. I didn't realize the bar of this, and then I had to put on the hat that I had to do for each of the dominoes. If I went into my board and I just creatively talked, they wouldn't have listened to me. I had to argue in their language about finance, and to the bankers about the financing, and to paramount about their break-evens, and politically structure a studio in terms of personnel that I thought could do well. And then to manage creative people like John Favreau and Robert Downey and Kevin Feige, my president of production, who they all worked for me. I was chairman of the studio. But to get the best out of them, I learned this from my time at CA in Disney. It can't be because you're their boss. It's got to be because you give them the creative freedom to explore and be careful about guardrails, right? So a lot of people would say, oh, it was my idea. I was studio chairman to do Robert Downey rather than saying, yeah, I mean, John and Kevin recommended him, right? And I love that. I mean, that's why you hire good people. That's why I'm very proud of

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

promoting Kevin Feige. A lot of people, I think, believe because I haven't been doing press that Stanley or Kevin created Marvel Studios. And as we heard in the story, that's not the case, right? The baton came to me, and that was my legacy, which I'm really proud of. I'm also really proud of identifying Kevin. And I remember the conversation with Ike who had never met Kevin before in 2006. Ike's in New York and Kevin and I were in LA. You need to hire somebody when Avi left. I said, no, Kevin can do it. He can be my president in production. And he's now, when I sold the company to Disney, I told the same thing to Iger that Kevin could run it. And he's become, I'm his biggest fan in how he's done the films the past 10 years and has become the most respected creative producer in Hollywood. And so part of managing creativity is knowing when to exert yours and when to get the best out from others. I remember the biggest time I ever exerted mine was early in 2006. I think it was over Christmas holidays. I got unhappy with the Iron Man script. And the script at the time, Jeff Bridges Obadiah Stain, who in the movie is the villain, was actually working for the Mandarin. And so there was a whole nother scene or two where we met the Mandarin in China, and he was manipulating Obadiah Stain. And there

was another big action sequence. And that felt too comic book-y to me, because for these movies to work, I was running marketing from Marvel's perspective. I didn't delegate that. I was going to every meeting as the chairman of Marvel Studios. I had the relationship with Rob Moore to get the best out of Paramount. Kevin was on set every day. And so we would talk about everything,

of course, and I'd go to set many times and Kevin would come to marketing meetings. But we needed to appeal from a marketing point of view to noncommon book fans. Otherwise, we would have died. Only 4,000 or 5,000 people read Iron Man comics. So I needed the movie to be appealing to my mom, my girlfriend at the time, the whole world. And so it had to be a classic story about a man changing his life, who happened to change him to be in a superhero, and making other big decisions. And so my spidey sense was the story was getting too comic book-y in Act 3. And we needed to make it more Shakespearean, where the father figure of Obadiah was the villain. And so I went in as studio chairman, where I could have dictated that and told John Favreau and Kevin were chopping off that part of the movie. But instead, I went in. I remember first calling Ike and John and telling them what I thought about in my discomfort, and then going in and calling the meeting and recommending it and explaining why to John and to Kevin and to the team, rather than just ordering it. And to their credit, they embraced it pretty quickly. And that became, which we had to do because we were pretty close to getting the production. And that, I think, made the story we all believe better. We kept the Mandarin for a later film, and we saved money on the budget too, because we didn't have to do that scene. And we probably didn't piss off China at the time. So we had a lot of benefits from that decision.

When, when, when. I don't know Robert Downey Jr. I don't know Kevin, but I have spent some time with John. He's been on the podcast and I just want to be strongly plus one that he is one of the most talented people. And that's not to diminish the hard work that goes into it. I should say skilled people on a multitude of levels that I have met and really knows how to do what you were describing in terms of embracing the comedy, but not making

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

it

overly slapstick and getting a lot out of performances on screen. He's really exceptional. And also just very, at least in all of my experiences, just a very pleasant guy to be around. He is. We had a blast on set. And the other thing John did really well to your point there is we didn't freeze the script on Iron Man, which most people would say is crazy, because each day costs three or 500,000 depending on the day of cost. So if you miss your day and you don't finish everything, you blow that money. But we kept time for Robert to improvise and John managed that and Kevin and they did a great job. And John is the director and so many of the lines that you probably love that so many people love came out of Robert improvising. And that was a risk. And I felt very secure in that given John's expertise, like you say, worked out. So let's look at the series of events. And I love for you to walk us through the milestones or the key moments between Iron Man and the sale to Disney. Before we get to that, I have to ask, because you've mentioned it a few times, why so quiet with PR? Why haven't you done more PR? It relates to what you're about to ask me to sell to Disney, which I try to live life intentionally. And one of the things that I've tried to avoid is you get too focused on my own, I guess, ego for lack of a better word. One of the reasons I sold the company to Disney, one big reason was shareholder value and get the best price. And the other was me personally, I was okay with it because I wanted to venture away and do new challenges. I realized that if I opened the door on the PR side, it would just be a route that didn't interest me at the time. And I'd be talking about the past all the time. And I did well with the sales of Marvel to Disney. And so obviously, I could have afford PR people. And I just never did that. And that was my reason. I always thought truth always prevailed. And we've learned in a lot of parts of our lives in the past eight years that that's truth is fungible. And so it was something where by being quiet, there was a lot of confusion about all the stuff that we talked about. And I found my story essentially being somewhat rewritten out of history, which is really weird when it's, you know, eight years of your life and something that was your vision and dream to the point of articles being written where they just didn't even mention what we just talked about, one famously in the cover of *Vanne Fair* a few years ago. And the same author of that article is writing a book that's coming out in the history of Marvel Studios coming out in November, Joanna Robinson, who now has done her research and knows the story that we've talked through and realizes the mistake that they made. So the past couple years, I've realized two things. I mean, one, I enjoy telling the story. It's a big part of who I am. My friends knew people like Brian Lord and Kevin Hovane and my Hollywood friends knew and the people in Hollywood that mattered. But even in many cases, if they don't see it written and so on, it gets confusing. So I've realized that if you care about something, it's important to be part of the narrative. Luckily for Marvel, it's so big and it's done so well that there's plenty of shine to share. As I mentioned, Avi, I give him full credit for the licensed deals of which I would not have been able to open some of the doors I did. And Kevin, I'm his biggest fan, but I'm proud of my vision for Marvel Studios and where it came from me and whether it's my future wife or it's people listening to this podcast that's part of who I am. I'm proud of going there and making it happen

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

and putting on all those different hats that we talked about that were needed at the time. And I'm proud of handing the baton to Kevin and the sale to Disney. And so there's enough great credit for everybody to have and hopefully everybody sees that once all the facts come out. And so that's been, you know, this is a big step in talking about PR and it's fun to tell the story to people. There's so many different angles to it. And the other part that's been a big influence is when my mom was recently sick, a lot of the doctors and nurses and other people around her, I'd have time with and I would tell them the story and I realized how it affected their lives. They'd go home and tell their kids, they were with the guy who founded Marvel Studios and not everyone gets to meet us and have these discussions. And I realized Marvel brings a lot of joy in people's lives. I just flew back from Miami yesterday and I have a Marvel bag with me and the security guy at the airport was all excited. He helped me through security, which was a good benefit. So there's actually a selfish benefit of carrying a Marvel bag. Well, pro tip, go get some Marvel bags. So I'm really glad that you're willing to take the time to have this conversation. I'm having a lot of fun. I'm learning a lot. I'm taking notes, not only about your entire journey with Marvel, but I'm going to watch all that jazz. And there's more, of course, in the notes. But let's talk about Iron Man to sail and you can walk us through that in any way that makes sense. I'll leave it to you to guide us. Sure. So as we're making the film, I mentioned that things went smoothly from spring of 2006 to May 2, 2008. They didn't really go smoothly in terms of people's perception of the movie. They went smoothly in us making it, us feeling good about it. But nobody really believed. Our stock went down for four and a half years. So I came in, my options were 19 bucks a share. When Iron Man came out, I think the stock was trading like \$18 a share. And I was not for lack of trying. I mean, I was on CNBC, touting Marvel. Ike famously doesn't really care about press, but even he agreed we should do press. And so we had articles in Business Week at the time and Fortune and Financial Times and all these other places. And New York Times as well, a famous article that I keep by my office door, which talks about all the risks about Marvel. This was like a 2006 or 2007 article. At the end of the article, I'm like, David, we're doing this really in a smart creative way. And people are going to love it. It sounded like I was crazy on the street. So even Paramount projected we're going to do about 40 or 50 million for the weekend. And my board came finally to LA. They didn't care about it really too much from that point of view. But we had the premiere. And I remember my board telling me that Kevin and I would get, I think it was a half a million dollar bonus each if the film broke even. And so that was my own company was like, hey, out of boy, the way to go breaks even we'll make money on the toys, you know. And so, you know, I think we were immune to it. I think Kevin and I and, and I think John and Robert, we were so immersed in making the movie and we felt so good about it that for some reason, that lack of confidence in the Wall Street or otherwise didn't affect us too much. But it was there. It's important to realize that because I was having lunch with Bob Iger probably once a year since I joined and Kevin Mayer and I'd wear my Spiderman tie and stuff like that. But it was only after the Ironman came out that I really start thinking where does this company go? And we had Hulk coming out a month later. And that film, a lot of people misunderstand, they're like wondering why we did it. And like I said,

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

we did it to get the rights back for Hulk as a supporting character in movies like The Avengers. And we had to make that movie for that. And we planned the budget of that movie to do break even as long as it did like the first film. So we weren't expecting it to break out like Ironman did. But the night Ironman came out, I was at a man named Ron Burkle's house

who had become a mentor and still is. And I got a phone call from Rob Moore that at like 6 p.m. Hey, we're going to do 60 million and like hour later, 70 million. Every hour went up 10 million. And finally, it had 100 million at like 10 p.m. at night on Friday night. And I knew things had changed for Marvel. They changed for John, Robert, Kevin and I.

What a night. Can I just pause to say or actually pause to ask like what did that feel like? What was your experience as you're getting these updates hour by hour?

By the way, it's still unreal like telling the story to you. I still pinch myself every day that I was able to go from reading Ironman comics to like having this crazy dream to making Marvel into what it is today is crazy. And kids ask me, how do you do that? And I just don't even like it doesn't happen, right? And so when Ironman came out and it was, we knew the number, the adrenaline was just huge. Like we had just had the premiere. People seemed buzzed about

it. But until we got that box office number, you get really busy. Like you have to give quotes right away. And we had a Wall Street analyst meeting coming up like that next Tuesday. And so you get busy doing things, but I probably didn't really celebrate it till later in the summer. It definitely, you know, we did have a dinner this year. People might be interested in.

So I organized the dinner at Mr. Chow's, a famous restaurant in LA in Beverly Hills with John Favreau, Robert Downey, Kevin and myself to celebrate. And it was like a couple of weeks after Ironman opened. And Kevin and I had suggested to Ike that we buy cars for Robert and John as presents for them. And we had worked with their wives to figure out what cars they want. And so Favreau had picked this Mercedes and Robert Bentley. And so at Mr. Chow's, we swapped Favreau's car. So he drove in with whatever old car he had. And we knew he's going to get his Mercedes. And we brought Robert in on the joke. So I'll come back to that in a second. But at dinner, we celebrated. And I said, guys, I will green light Ironman too.

If everyone around this table, and I look at John and Robert and Kevin, commit to making it so we can release it May 2nd, 2010, or whatever the equivalent weekend was, which is really quick for a movie with no script. I think everyone was sort of surprised. Things don't just happen that way in Hollywood. So a lot of what we did in this movie was like film school. Natalie Portman, I was introduced to by Leo DiCaprio. We wanted Natalie to be in Thor. She had no desire. Kevin Hovane was her agent to really be in it. And then he knew I wanted her in the movie. And he was bowling with her one night and texted me to get dressed and come out to a midnight bowling in Hollywood. And he introduced me to her and said, you two should work together. And so it was really like kids in film school. So it all worked out for everybody. So we did celebrate. And then at the end of that night, we gave John his new car. But the funniest part was Robert was in on the joke, but there was no car for him. And we did that on purpose so that he'd get like, where the hell's my car in his mind, right? And so we waited a week so he'd be like wandering

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

brutal brutal. Yeah, his wife told us when he was taking a nap one afternoon and we brought it into his driveway. So when he woke up, he saw it in his driveway. That's incredible. That's so fun. So we had fun with it a bit. So you mentioned these regular meals, I think it was with Bob Eiger. And then you mentioned Ron Burkle, who has become and still is a mentor. I want to pick up on those two. What was the context of meeting with Bob on a regular basis? Was it just to keep in touch, to swap stories, to give news from the front lines in your respective worlds? What was the context? And then stepping back for your audience. It wasn't just having meals like I called Bob a couple of times with business proposals. One of the time I said, let's do animated movies 50 50 Marvel Disney. And that didn't go anywhere. So we had a habit of talking about business opportunities. But our stock was so low in February of 2009 that I didn't raise a sale at all. And then importantly, and this is all public, because when you do things as a public company, the SEC makes you go back for five years, every email, every meeting, every communication I had with Bob or with Kevin Mayer or anybody else at Disney is public record. But I called Bob end of May. Our stock was back up to 35. I felt that Disney stock was also under value. It was at \$25 a share with the economic collapse. And Disney, as a company, is very sensitive to the economy. People go to theme parks more often, they do stuff like that. And so I felt like I was a big Disney shareholder that Disney, or I follow the stock closely at least, that Disney was at least a double when the economy recovered. Whereas we were at two movies a year at best and could be plateaued for a while. And DreamWorks Animation was a company that also had two movies a year and they were plateaued. So all of that in my mind, when I saw our stock hit 35 or 36 or 37, I called Bob, we organized a secret meeting in his office for early June. I brought my Marvel encyclopedia of characters with me. And that's the meeting where this is news for your readers too. So for your listeners, there was two deals that we had on the table that would have encumbered us. Encumbering means we would have tied up our rights and been way less attractive for a potential purchaser. We were about to extend our distribution deal on the movies beyond what Paramount had to another studio. I won't name them on this thing yet. But we were very close to doing like another 10 or 20 movies to them. And we were about to do a kids TV network with Discovery and Hasbro, which ended up being called The Hub. So I remember David Zaslav at the time and Brian Goldner, the CEO of Hasbro recently passed away. The three of us were working on this and I was working on this other deal. So I knew that there was a window to sell the company. That six months later, we'd be way less attractive to Disney or anyone else because we'd be committed to somebody else in TV and then somebody else in film. And I was gun shy. I knew how easily a deal can fall apart from my previous time suggesting this at Disney. So all of that was in my mind in June when I went to see Bob. And I remember telling Bob about our TV deal and with Discovery and Hasbro and him saying, hold on, let's do a TV deal at Disney and we'll do a primarily male but kids, teenager entertainment network. And I joked with him. I said, no, not going to get a little bit pregnant. We either do something big or we don't. And he took that to his credit and said, then let's think something big. And I remember vividly him saying, I said, I think we would need \$50



**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

a share. We need a five in front of it. So we went pretty far in this meeting. And he knew I knew Kevin Mayer and he knew I knew Tom Staggs, who was CFO at the time, I think. And he basically said,

well, my board and Kevin and Tom think that's a fair price. And I said, absolutely. I said, I've got this thing planned out for the next 10 years. And so since I had done work for Bob, he I think had some trust in that. And we talked about the vision of connecting all the characters and what the future movies were going to be. Iron Man 2 was our next movie. We had delayed Thor. So I knew that would be good to have Iron Man 2 as the next movie because that's predictable. And I explained how we're leading up to the Avengers and how everything after Iron Man would be a sequel to Iron Man, everything after Avengers is sequel to Avengers, which I think has proved to be the case. And that was June, first week of June 2009. We announced the deal the end of August,

two months later, and we kept it secret. And they ended up paying, I think it was 51 a share and we got 40% of it in Disney stock. We wanted 50%. And so that was a great trade for our shareholders and turned out to be one. And, you know, Disney got up to 180, 200 at some point. Now there's close to 100 even with their correction. And so I remember meeting with Kevin Mayer right after that. We didn't even have a banker. I went through my projections with Kevin and as friends, we yelled at each other, swore at each other, all that kind of stuff. I remember Kevin saying, I was basically saying, for Captain America and Thor, you need to give us credit for like 80% of Iron Man, you know, in your model. And he's like, no, it should be 60%. No one cares about those characters, whatever. And then I said, Iron Man two should be like 110% of Iron Man and Avengers should be like 150% of Iron Man. He's like, no, Avengers is a new movie that should be like Captain America or Thor. And I was like, no, Robert Downey, we had signed up for the Avengers. So it's basically a quasi Iron Man sequel. So all those things were like, it's an interesting story because I'm negotiating with someone I worked with that I've known for decades, with a company where I worked at intimately. And so your question though, after that first meeting, I went to that meeting, I didn't even know I was having a meeting. And if he didn't know, he would not be surprised because it would be about a business deal, that kind of stuff. I called like from in front of Team Disney after leaving Bob and I was as pumped about this meeting as I was about Iron Man's box office. Because I could see the excitement of Bob's eyes. Turns out that they had internally been reviewing options and Marvel was on their list, though they hadn't proactively contacted anybody, including myself. And I called Ike and I told him, I think I have a buyer for the company. And I thought there'd be one of three responses to him, even though Iron Man, it came out, even though it was my idea to do the MCU or Marvel, this new Marvel Studios self financed, self producing and connecting the characters. I want to come back to the second, but even with all that, I knew Ike might say you're fired right on the spot. Or more likely, get your ass back to the office and work on Iron Man 2 and other initiatives that we were doing as a company. But he said, fly to New York, come see me. And I made a reservation to come right away,

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

like the next morning or whatever I wrote on the airplane, what my scenario planning would be. So he was open minded to it once I got there and made the case.

Wow. Okay. So he didn't, he didn't lop your head off, didn't march you off with the guards.

Well, that, I mean, that speaks to, seems to speak volumes to his character and presence of mind to be able to mentally having committed for so long to not selling nor even entertaining the possibility of a sale to endure the cognitive dissonance of considering it as an option. I

mean, that's no small feat. Yeah. And I think that's a trait I saw in Ike all the way through.

He's notorious for being very fiscally conservative. And some people mistake that for not being supportive of major decisions. And he did hire me and gave me a chance with Marvel Studios.

And here he gave me a chance. He still wasn't convinced, but he at least wanted to hear my case. It took a while to convince him. And then the major thing was Bob and Ike had to get together.

And so in the meeting with Bob, I remember Bob said, what do we need to do? He even asked me, what do you want out of this, David? And I said, no, no, you have to make Ike happy.

That's the person that has to be convinced. And I had basically understood from Bob that if I didn't want to do something that this wouldn't go anywhere. So I arranged a meeting in New York

where Bob came to the offices at like nine o'clock at night and he and Ike, I let them go to dinner.

I kept back and I didn't ask to go and they had a wonderful dinner. And I think this is public.

Bob had Steve Jobs call Ike and talk to him how well Bob preserved Pixar's culture after the sale.

So all of that really helped get this across the finish line.

Incredible. What a story. Wow. What a wild adventure. How does Ron Burkle fit in as your mentor in all of this? And maybe just in a snapshot explain just enough

background so that people can conjure an image of someone.

Ron is most famous for owning Ralph's grocery stores. He started as a bagger and became the owner

and became a billionaire through that and other investments. And he's notorious as a very savvy investor and a very hard businessman to, you know, in terms of the terms that he requests for investments. And we met, I don't know exactly where we met, but I think we met

at one point when he was interested in buying Endeavor when I was working with Ari in the early days. And that deal didn't go anywhere. But Ron and I became friends and then he watched my career at Marvel and the relationship grew deeper. He also was, we had Leo as a mutual friend.

And so we had social acquaintances in common as well. The intersection with the Marvel story is I was at his house for a party that night when the box office came out.

The night before Iron Man came out, we actually, Kevin and Robert and John and I went to theaters together to see the Thursday night shows. And that was a blast because it was the first time we saw a live audience watching the films. We didn't test market these movies at all.

That was exciting. We wanted Robert to sell tickets, but they wouldn't let us have him do that.

Why didn't you test market? I'm curious. So no test audiences.

It's very atypical. We could have really blown this, Tim. I mean, we went a lot with our instincts and the collective group and I'm trying to remember if we ever had one. I don't recall it happening.

So you mentioned the dinner, the turning point dinner with Bob and Ike and then a lesser known

**[Transcript] The Tim Ferriss Show / #676: David Maisel of Marvel Studios Fame — Never-Before-Heard Tales of Hollywood Dealmaking, The Art of Aiming Big, Lessons from Power Broker Michael Ovitz, Combining Business Smarts with Street Smarts, The Making (and Importance) of Iron Man, Selling to Disney for \$4 Billion, and Much More**

fellow named Steve Jobs calling Ike to talk about Pixar. And then we know how that story, in a sense, ends at least from the public perspective, which is in the successful acquisition.

Are there any other points along that path that you would like to mention or fill in?

I think from a deal perspective, besides negotiating the percentage in Disney stock, we were pretty close to what Bob and I spoke to in that first meeting.

And then it became about keeping Marvel as a separate company within Disney. So the culture didn't get messed up. And I specifically wanted to step aside and I told Bob about Kevin, how I thought he could run the Marvel entity within Disney in a uniquely great way. And then Bob got to meet Kevin and see for himself. And so that was a big part because personally, I wanted to go on to different ventures and different parts of my life. And selling to Disney allowed me to do that in a very clean way, both financially with other shareholders to be able to afford that and then to easier to leave a company when it's a division of a bigger company than by itself. So that for me was personally, in addition to the deal time, it was sort of exciting to think about my next venture and scary because I didn't quite know who I was outside of my role at Marvel and what that person would be. But besides that, the deal went through pretty well. And the price of it, we got \$4 billion, which was about \$3.8 billion more than the price when I joined. And we ran a lot of scenarios when I presented to the board in 2004. But the main scenario valued the new studio as potentially in the three to \$4 billion range. And it came out close enough to that. And our comic division and other things and not really grown too much. Our toy division, we went from making toys to licensing, which was sounds like a minor thing, but it was big at the time. But pretty much it was a lot of people now, I guess they're hearing Marvel Studios was a startup within the parent company of Marvel. But it was one that had to raise its own money. It got the IP from the parent company. But other than that, we had to manage it, raise our own money, do our own deals. And I was speaking to a tech entrepreneur this past weekend in Florida from one of the biggest tech companies in the world. And he was very intrigued about how Marvel Studios was a startup just like his company was at the time. So David, I think this may be a logical place to begin to wind to a close with this first chapter of our ongoing conversation. And I want to do a bit of teasing. So next time, there's lots I would want to talk about. But broadly speaking, I want to talk about some of your adventures outside of Marvel and Disney, so Angry Birds and other things, including Ecos Genesis, which we will talk about at some length. And also how people might think about building a universe, constructing a universe of characters, what are the necessary steps, common mistakes, etc. that you might be able to share as lessons learned or things observed. And I would say I'll ask you two of my favorite rapid fire questions. The answers don't need to be rapid fire, but the questions are intended to be short because I can be very long winded with my like 17 part questions. This lead up is an example of that. So the first question is, what books, if any, have you gifted the most to other people or recommended the most that come to mind or gifted a lot or recommended a lot to other people? Are there any books that come to mind? The book I recommend to people the most is Stranger in a Strange Land by Robert Heinlein, but I'm not sure that's a good book. Yeah, I'm not sure that counts really. That counts. That's a classic and awesome. Yeah. And it's an incredible book. It's probably the live action movie I would most like to make as an individual movie, you know what I mean? Which could be

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interesting. Yeah, that could be interesting. All right. Let me ask you maybe a close cousin of a question, which is not one of my rapid fire, but are there any properties, caricatures, stories that you are not thinking of pursuing yourself that you just hope someone excellent out there makes into a film or some type of immersive world outside of its original format? I love how you said film or some other type of immersive world. I think that's very savvy, by the way. And we can get into that in the next discussion because I don't believe launching the next universe is going to happen like Marvel did through theatrical film. I think it's going to start with something else and most likely will because of the way the world has changed. So I think the question and the topic as a tease for this next thing, when I left Marvel, I had to figure out who I was from a person point of view, like would people still want to talk to me if I wasn't running Marvel Studios, right? Would I still be able to go to restaurants and things like that? Who my real friends were. And then from a business point of view, what would catch my eye? And what

I'd say is because of Marvel within Disney and the power of the two together and because of how well Kevin has run Marvel since, Marvel's gotten so big that the bar to launch a new universe has gotten so high and so much tougher because now you're competing against Marvel. So when I launched

in 2008, Iron Man, we had DC as a competitor. We had the Marvel licensed movies, you know, Fox with

X-Men, Sony with Spider-Man. They were not just competitors. They could use the Marvel brand. So they were like weird competitors. We were scared about all these people, but in retrospect, we had a relatively open playing field because we didn't have ourselves to compete with the version of Marvel today, which just dominates so much. And we didn't have streaming. We didn't have

as much social media, all these other distractions on people's time. And it was tough, but it's like, you know, it's old saying like how good we had it. You know, we didn't realize it's still very tough, but now it's even harder. So something that goes through the filter you're talking about has to be pretty special to hop into what we call universe category or major,

potentially new mythology. And I love to talk about that more because it is something that a lot of people do ask about and a lot of people are focused on. Obviously DC just hired a new person to run DC after 20 years of us being able to do what we did at Marvel. David Zaslaw, when he bought Warner Brothers from AT&T, said, I want to copy Marvel. I want to do what Marvel did.

But we did that 15, 20 years ago. So it shows you even DC hasn't gotten their act together in the same way. And that's a very well-capitalized company with a large number of properties.

So it's very hard for a new universe to get created. I don't think it's impossible, but it's got to be differentiated from Marvel so that there's a reason that it exists. I think it has to be introduced in new ways that you sort of tease with new technologies and new ways of storytelling probably has to be way more primal and visual. So it gets people's quick attention. They can see what's there. I think it has to have great meaning to him. Marvel had a good meaning in that it's great to be a hero. And I think people relate to something that

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they feel is adding to their lives and somehow, whether they sense it or it's just subconscious. That's what all mythologies from Greek and Roman onward have done or before even Greek and Roman mythology. And it has to be something I think James Cameron with Avatar has probably done the best since Marvel came out with big cultural moments. Now he does things every 10 years though, right? But that was an original idea. I think the next thing probably is a legacy property, but it's still like Marvel. It had history, but people could discover it together. So it was the perfect combination. And I think people love to discover something with their friends and the idea of the new band or something in new technology. There's just something great. I hear you and Kevin talking on podcasts and two friends discovering things together, whether it be pipe smoking or whether it be something else. But there's something fun. Like pipe smoking is a good example. That's a legacy activity that we understand our grandparents did and people before them, but it still felt new when you talked about it with Kevin. And Marvel was legacy. But for most people, they never read the comics. It was new for them to talk with their friends. Did you see Iron Man? Did you see all that? It's like the youngsters these days running around with nirvana shirts on. I mean, it's really been this resurgence of grunge popularity. I'm like, wow, didn't see that coming. That's wild. Yeah. And if there's no legacy, then it's just purely new. Like you can't, you don't get into like the geekiness of like with pipes. How was it done 100 years ago? And look at this pipe is collectible or whatever. You know, like you don't have all that. And if it's completely legacy, but it's so big, then there's no thrill of discovery, right? So it's the balance on the scale of those things. You know, I think did a really nice job. This is within serial television, but stranger things because they were tapping into all of these hot button passions from decades ago. But at layering on top of that novel story lines, I thought it was executed extremely well. I haven't watched Beyond Season One, but I thought, wow, that's a really smart combination. So I think we just answered the question about new universes by comparing it to pipe smoking. So any other questions? So David, it's there. I'm going to, I'm going to skip my other question. I'll save it for next time, which is the billboard question. I'll advise you in advance so that you have some heads up. But is there anything else you would like to add before we come to a close? Anything else you'd like to make a request of the audience comment recommendation, philosophical note or two, anything at all? I appreciate that. And I will think about that also for part two. But I think we went into a lot of details about what happened in 2003 through the sale of the Disney in 2010, whether it be financing or distribution or the sale. And I think stepping back for a second, there was also a simple pursuit of something you really believed in that you're passionate about. And when I think to myself, what happens if I didn't go to Marvel or if I didn't take that meeting or didn't hire me or if I took the Michael Jackson and get arrested? Thank God for the timing on that one. Not being halfway through that. You know, the butterfly effect of no new Marvel studios for Disney to have for no Avengers movie, because one of the things we didn't talk about is if the movies are all licensed at different studios, they never get mixed together. So to create Avengers to mix the characters, we had to own and keep the rights ourselves. And so just legally, these characters would

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never be mixed together. And there wouldn't be this interrelated universe and the ripple effect and everything else is so big. And I do think as people think about their lives and they think about their decisions, we all have that butterfly effect somehow, almost every day on decisions we make. And that might not be as evident as no Avengers movie or something as big culturally. But it's exciting to realize that your life has that potential in your own personal life. You and your focus on health had a butterfly effect on me getting healthy recently in these past six months and a mutual friend hearing that story and introducing us. So even this podcast comes from that chance event happening. And I think that's one of the big lessons from that that even if you are just with your family or your friends, like the effect of your actions and everything else does create all these cool things in life. And it creates wonder and all about what life can be. And sometimes, you know, real passion and sort of dreams can become reality.

And in this crazy world that we live in, that's probably the biggest sentiment I can say to people. What a great place to wrap up also here here. So thank you, David. Makes me want to get out there, get after it. Or just sit down and do some doodling because you just never know where it's going to go. That's true. And these these huge things often start off just as a glimmer in some handful of neurons and then look at where that's led. What a wild story. And people can find you, I'll link to all these in the show notes, but on social and other places, they can find you on Twitter at Maisel David, that's spelled M-A-I-S-E-L David, D-A-V-I-D. They can find Ecos Genesis at Ecos Genesis on Twitter, E-K-O-S Genesis for BluWant, a preview of part of what we'll be discussing

next time. And the website for that is E-K-O-S dot I-O. And so nice to spend time with you, David. I really appreciate you blocking out the time to have this conversation. I feel the same. It's been a pleasure talking through this stuff. And I look forward to part two. Yeah, more to come, and for everybody listening, as always, we will have show notes, links to everything we discussed at tim.blog slash podcast. And until next time, be just a bit kinder than is necessary, not only to other people, but also to yourself. And as always, thank you for tuning in. Hey, guys, this is Tim again, just one more thing before you take off. And that is Five Bullet Friday. Would you enjoy getting a short email from me every Friday that provides a little fun before the weekend? Between one and a half and two million people subscribe to my free newsletter, my super short newsletter called Five Bullet Friday. Easy to sign up, easy to cancel. It is basically a half page that I send out every Friday to share the coolest things I've found or discovered or have started exploring over that week. It's kind of like my diary of cool things. It often includes articles I'm reading, books I'm reading, albums, perhaps gadgets, gizmos, all sorts of tech tricks and so on that get sent to me by my friends, including a lot of podcast guests and these strange esoteric things end up in my field. And then I test them and then I share them with you. So if that sounds fun, again, it's very short, a little tiny bite of goodness before you head off for the weekend, something to think about. If you'd like to try it out, just go to tim.blogslashfriday, type that into your browser, tim.blogslashfriday, drop in your email and you'll get the very next one. Thanks for listening.

This episode is brought to you by Element, spelled L-M-N-T. What on earth is Element? It is a

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delicious

sugar-free electrolyte drink mix. I've stocked up on boxes and boxes of this. It was one of the first things that I bought when I saw COVID coming down the pike and I usually use one to two per day. Element is formulated to help anyone with their electrolyte needs and perfectly suited to folks following a keto, low-carb, or paleo diet. Or if you drink a ton of water and you might not have the right balance, that's often when I drink it. Or if you're doing any type of endurance exercise, mountain biking, etc., another application. If you've ever struggled to feel good on keto, low-carb, or paleo, it's most likely because even if you're consciously consuming electrolytes, you're just not getting enough. And it relates to a bunch of stuff like a hormone called aldosterone, blah, blah, blah, when insulin is low. But suffice to say, this is where Element, again spelled L-M-N-T, can help. You're probably already familiar with one of the names behind it, Rob Wolf, R-O-B-B, Rob Wolf, who is a former research biochemist and two-time New York Times bestselling author of *The Paleo Solution* and *Wired to Eat*. Rob created Element by scratching his own itch. That's how it got started. His Brazilian jujitsu coaches turned him on to electrolytes as a performance enhancer. Things clicked and bam, company was born. So if you're on a low-carb diet or fasting, electrolytes play a key role in relieving hunger, cramps, headaches, tiredness, and dizziness. Sugar, artificial ingredients, coloring, all that's garbage, unneeded, there's none of that in Element. And a lot of names you might recognize are already using Element, who's recommended to be by one of my favorite athlete friends. Three Navy SEAL teams as prescribed

by their master chief, marine units, FBI sniper teams, at least five NFL teams who have subscriptions.

They are the exclusive hydration partner to Team USA weightlifting and on and on.

You can try it risk-free. If you don't like it, Element will give you your money back, no questions asked. They have extremely low return rates. My favorite flavor is citrus salt, and I usually drink one to two Element packets per day. I also enjoy their newest flavor, grapefruit salt, which has been very refreshing on hotter days. You can use citrus salt also to make an amazing margarita, but that's a whole separate story. I noticed a difference in my mental and physical energy when my electrolytes are dialed in, and I highly recommend you check out Element. This has been my go-to for years now, and Element has come up with a very special offer for you, my dear listeners. For a limited time, you can claim a free Element sample pack with any purchase. Simply go to [drinkelement.com](http://drinkelement.com) slash Tim. That's [drinklmt.com](http://drinklmt.com) slash Tim.

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slash Tim. That's [drinklmt.com](http://drinklmt.com) slash Tim for this exclusive offer. One more time, [drinkelement.com](http://drinkelement.com) slash Tim. Check it out. This episode is brought to you by Viori Clothing, spelled V-U-O-R-I, Viori. I've been wearing Viori at least one item per day for the last few months, and you can use it for everything. It's performance apparel, but it can be used for working out, it can be used for going out to dinner, at least in my case. I feel very comfortable with it, super comfortable, super stylish, and I just want to read something that one of my employees said. She is an athlete, she is quite technical, although she would never say that. I asked her

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if she had ever used or heard of Fiori, and this was her response. I do love their stuff, been using them for about a year. I think I found them at REI, first for my partner, t-shirts that are super soft but somehow last as he's hard on stuff, and then I got into the super soft cotton yoga pants and jogger sweat pants. I live in them and they too have lasted there. Stylish enough I can wear them out and about. The material is just super soft and durable. I just got their Clementine running shorts for summer and love them. The brand seems pretty popular, constantly sold out, in closing, and I'm abbreviating here, but in closing, with the exception of when I need technical outdoor gear, they're the only brand I bought in the last year or so for yoga running loungewear that lasts and that I think look good also. I like the discrete logo. So that gives you some idea. That was not intended for the sponsor read. That was just her response via text. Fiori, again spelled B-U-O-R-I, is designed for maximum comfort and versatility. You can wear it running. You can wear their stuff training, doing yoga, lounging, weekend errands, or in my case, again, going out to dinner. It really doesn't matter what you're doing. Their clothing is so comfortable and looks so good and it's non-offensive. You don't have a huge brand logo in your face. You'll just want to be in them all the time. Their Men's Core Short, K-O-R-E, the most comfortable lined athletic short, is your one short for every sport. I've been using it for kettlebell swings, for runs, you name it. The Banks Short, this is their go to land to see short, is the ultimate versatility. It's made from recycled plastic bottles. And what I'm wearing right now, which I had to pick with one to recommend to folks out there, or at least to men out there, is the Ponto Performance Pant. And you'll find these at the link I'm going to give you guys. You can check out what I'm talking about. But I'm wearing them right now. They're thin performance sweat pants, but that doesn't do them justice. So you got to check it out. P-O-N-T-O Ponto Performance Pant. For you ladies, the Women's Performance Jogger is the softest jogger you'll ever own. Fiori isn't just an investment in your clothing. It's an investment in your happiness. And for you, my dear listeners, they're offering 20% off your first purchase. So get yourself some of the most comfortable and versatile clothing on the planet. It's super popular. A lot of my friends have now noticed are wearing this. And so am I. Fiori clothing.com forward slash Tim. That's V-U-O-R-I clothing.com slash Tim. Not only will you receive 20% off your first purchase, but you'll also enjoy free shipping on any U.S. orders over \$75 and free returns. So check it out. Fiori clothing.com slash Tim. That's V-U-O-R-I clothing.com slash Tim and discover the versatility of Fiori clothing.