



Semi-Annual Project Report

July 15, 2011



Michigan Film Office Semi-Annual Project Report – July 15, 2011

OVERVIEW

The Michigan Film Office was created in 1979 to assist and attract incoming production companies and to promote the growth of Michigan's own film industry.

The Michigan Film and Digital Media Production Incentive provides qualified production companies up to a 40 percent refund across the board for Michigan expenditures with the opportunity to earn an additional 2 percent for filming in one of Michigan's 136 core communities. Up to a 30 percent refund is offered for non-Michigan below-the-line labor.

Eligible projects include motion pictures, documentaries, TV series, miniseries, interactive television, music videos, interactive games, video games, Internet programming, sound recording, digital animation and interactive websites.

All applications for film incentives receive a thorough review by a Michigan Economic Development Corporation (MEDC) committee comprised of the Senior Vice President of Marketing and Communications, the Senior Vice President of Policy, the Vice President of Business Development and the Director of the Michigan Film Office.

The current statute is used to guide approval decisions. Preference is given to projects that best meet the following criteria:

1. The production is financially viable.
2. Utilization of existing infrastructure (studios, post-production facilities, film labs, etc.).
3. The number and wage levels of direct jobs for Michigan residents created by a production.
4. Ability to show Michigan in a positive light and promote the state as a tourist destination.
5. Magnitude of estimated expenditures in Michigan.

The film incentive program is jointly administered by the Michigan Film Office and the Department of Treasury and all projects must be approved in concurrence with the State Treasurer.

Beginning in FY 2012, the Michigan Film Office will be operating within a \$25 million annual incentive budget for new film projects. The specific details of how this new framework will operate are still being worked out in the Legislature.

PROCESS

Both the Michigan Department of Treasury and the Michigan Film Office, in coordination with the MEDC review committee, must concur on all production incentive applications in order for the agreement to be approved. Michigan has a rigorous approval process requiring projects to provide, among other things, proof of financing, budgets, Michigan hires and proposed Michigan locations to be used.

Projects must begin pre-production within 90 days of approval and must have a signed agreement in order for expenses to qualify for the incentives. Money spent before an agreement is signed does not qualify.

Increases in budgets made after the agreement is signed do not qualify for the incentives without prior authorization from the Film Office and Treasury. Productions must submit a revised budget, revised in-state and total expenditures, and request the new credits sought in order to qualify for an authorized credit increase.

Once a production is complete, it must employ an independent Michigan CPA to perform an audit of its Michigan expenditures, which is submitted with the post-production certificate. The Film Office and Treasury review this audit report. Only after the audit is approved will the Film Office issue a post-production certificate signed by the Film Commissioner – the document that actually allows the production company to receive a tax credit in a specified dollar amount. This signed post-production certificate is then submitted with the project's Michigan Business Tax return.

Each project is also charged a 0.5 percent redemption fee for all film-related tax credits, with proceeds going to the Michigan Film Promotion Fund to support the Michigan Film Office.

JULY 15, 2011 REPORT

Between January 1, 2011 and July 1, 2011, 69 production companies applied for the Film and Digital Media Production Incentives. The total proposed Michigan investment by the applicants was \$493,603,491 with \$196,177,552 in credits requested. Out of the projects that applied, 12 projects were approved, with a total estimated Michigan investment of \$54,462,552 and \$22,674,375 in credits requested.

Two additional projects that applied in 2010 – *Keys to the Goose* and *Chasing Jimmy* – were also approved in 2011 bringing the total to 14 projects that have been approved so far this year with \$22,748,375 in incentives being awarded on \$54,642,552 of approved production expenditures.

Of the remaining applications, 28 projects remain under review, 7 have been denied and 22 withdrew their application or provided insufficient information in their application.

The Michigan Film Commissioner signed 25 post-production certificates between January 1, 2011 and July 1, 2011, with \$51,178,575 in total credits certified.

\$257,180 in redemption fees were assigned between January 1, 2011 and July 1, 2011.

Exhibit A provides a description of applications received during the previous six months, including the name of the eligible production company, the name of the project, the estimated qualifying expenditures, the requested credit, the proposed Michigan locations to be used in the film, the type of project and whether or not the project was approved.

Exhibit B provides a monthly breakdown of the post-production certificates signed by the Film Commissioner between January 1 and July 1, including the total amount of credits certified and the redemption fees collected.

The numbers in these reports are based on the project's application and/or signed agreement and therefore are estimates. A project's actual numbers are only available once the audit process is complete.

Applications Report - Exhibit A
January 1 - July 1, 2011

Production Company	Project Title	Estimated Qualifying Expenditures	Estimated Credit	Locations	Description	Status
Max Advertising, Inc.	SARALEE SMART/FUNDMANAGER SYSTEM	\$ 50,418.00	\$ 21,176.00	Southfield	Website	WITHDRAWN/INSUFFICIENT
AOC Productions LLC	ON THE ROAD IN AMERICA 3	\$ 75,909.00	\$ 29,145.00	Dearborn, Detroit	Documentary	DENIED
Pillpoint LLC	MAN VS. WILD: THE GAME	\$ 95,000.00	\$ 37,500.00	Farmington Hills	Video Game	UNDER REVIEW
PBT Productions LLC	LET'S MAMBO	\$ 92,118.00	\$ 36,411.00	Troy	Music Video	WITHDRAWN/INSUFFICIENT
Big Family Adventure Movie, LLC	THE OGIELOVES IN THE BIG FAMILY ADVENTURE	\$ 16,880,150.00	\$ 6,658,796.00	Detroit, St. Joseph, Grand Haven	Feature Film	DENIED
Big Holiday Adventure Movie, LLC	THE OGIELOVES IN THE BIG HOLIDAY ADVENTURE	\$ 16,665,074.00	\$ 6,590,553.00	Detroit, St. Joseph, Grand Haven	Feature Film	DENIED
Times Up Productions, Inc.	SPY KIDS 4	\$ 4,517,000.00	\$ 1,804,800.00	Birmingham	Feature Film	APPROVED
Wing Commander Productions, Inc.	WING COMMANDER	\$ 31,071,179.00	\$ 12,295,382.00	Detroit	Feature Film	UNDER REVIEW
FKM One, Inc.	LUCKY CHRISTMAS	\$ 2,030,032.00	\$ 830,627.00	Detroit	Video Game	WITHDRAWN/INSUFFICIENT
Hungman Films, Inc.	HUNG - SEASON 3	\$ 2,648,486.00	\$ 1,059,394.00	Troy, West Bloomfield, Hamtramck, Detroit	Feature Film	APPROVED
Calibox, LLC	BURN	\$ 797,259.00	\$ 327,427.00	Detroit	TV Series	DENIED
SW2, LLC	SUICIDE KINGS 2	\$ 4,078,851.00	\$ 1,638,658.00	Metro Detroit	Documentary	WITHDRAWN/INSUFFICIENT
BH Golfing Game Productions LLC	BEN HOGAN FIVE LESSONS MOBILE APP GAME	\$ 200,000.00	\$ 80,000.00	Royal Oak	Feature Film	DENIED
Ed's Story LLC	ED'S STORY	\$ 238,900.00	\$ 100,338.00	Grand Rapids	Interactive Game	WITHDRAWN/INSUFFICIENT
Georgia Film Fund Three LLC	FREELANCERS	\$ 8,238,654.00	\$ 3,414,644.88	Grand Rapids	Documentary	WITHDRAWN/INSUFFICIENT
Domestic Justice Productions LLC	DOMESTIC JUSTICE	\$ 76,650.00	\$ 32,109.00	Livonia, Ferndale	Feature Film	WITHDRAWN/INSUFFICIENT
Reinassant LLC	DETROIT SECRET	\$ 1,179,514.00	\$ 485,555.00	Detroit	TV Series	DENIED
Paramount Pictures Corp.	UNTITLED JOSH SCHWARTZ PROJECT (Fun Size)	\$ 13,310,827.00	\$ 4,925,266.00	Wayne County	Feature Film	WITHDRAWN/INSUFFICIENT
Crain Communications, Inc.	AUTOWEEK LIFESTYLES TV	\$ 951,648.00	\$ 393,356.00	Detroit and surrounding areas	TV Series	WITHDRAWN/INSUFFICIENT
DW Studios Productions LLC	UNTITLED DOUG LIMAN PROJECT	\$ 58,221,134.00	\$ 22,876,896.00	Detroit	Feature Film	WITHDRAWN/INSUFFICIENT
Why Me Film LLC	THE CITIZEN	\$ 1,336,200.00	\$ 561,204.00	Detroit	Feature Film	APPROVED
IAC Productions LLC	I. ALEX CROSS	\$ 8,509,387.00	\$ 3,573,943.00	Michigan	Feature Film	APPROVED
Drunkn Pig Productions LLC	FIVE YEAR ENGAGEMENT	\$ 12,532,056.00	\$ 5,263,464.00	Detroit, Ann Arbor	Feature Film	APPROVED
Iceman Productions, Inc.	ICEMAN	\$ 10,526,690.00	\$ 4,321,450.00	Ann Arbor, Detroit	Feature Film	UNDER REVIEW
Detention of the Dead LLC	DETENTION OF THE DEAD	\$ 331,233.00	\$ 139,118.00	Pontiac	Feature Film	APPROVED
Big Moose LLC	GREEN LANTERN	\$ 125,127.00	\$ 52,553.00	Traverse City	Feature Film	WITHDRAWN/INSUFFICIENT
CT Productions LLC	EXTRA TIME	\$ 779,311.00	\$ 327,311.00	Traverse City	Feature Film	WITHDRAWN/INSUFFICIENT
Peninsula Films LLC	AVOL	\$ 4,374,960.00	\$ 1,837,483.00	Ann Arbor, Detroit	Feature Film	APPROVED
Marvel Eastern Productions LLC	THE AVENGERS	\$ 33,672,567.00	\$ 12,497,509.00	Detroit, Pontiac, Wayne County, Ann Arbor	Feature Film	WITHDRAWN/INSUFFICIENT
Scarpa Productions Inc.	SCARPA	\$ 30,487,448.00	\$ 10,854,682.00	Ann Arbor, Detroit	Feature Film	UNDER REVIEW
Look at the Moon Productions LLC	ADMISSIONS	\$ 2,126,987.00	\$ 862,272.00	Holland	Feature Film	WITHDRAWN/INSUFFICIENT
FTP Productions LLC	DETROIT 187	\$ 53,998,479.00	\$ 22,422,095.00	Detroit	TV Series	WITHDRAWN/INSUFFICIENT
Yobi, LLC	DREAM MAKER	\$ 294,256.00	\$ 122,364.00	Detroit	Internet Programming	WITHDRAWN/INSUFFICIENT
Fort Edmonton Management Company	RANDOM TALENT	\$ 361,406.00	\$ 149,983.00	Detroit	Internet Programming	UNDER REVIEW
Lake Effect Cinema LLC	NORTHERN LIGHT	\$ 100,000.00	\$ 40,000.00	Farmington Hills	Documentary	UNDER REVIEW
Untamed, LLC	CROOKED TREE	\$ 5,106,680.00	\$ 2,144,806.00	Grand Rapids, Charlevoix, Petoskey, Upper Peninsula	Feature Film	UNDER REVIEW
Stage 6 Films, Inc.	UNTAMED	\$ 521,387.00	\$ 218,983.00	Charlevoix	Feature Film	WITHDRAWN/INSUFFICIENT
Freddy Doaky Film, LLC	SISTERS (aka SPARKLE)	\$ 7,410,216.00	\$ 3,104,455.00	Detroit and surrounding areas	Feature Film	APPROVED
BIDS Production LLC	FREASY DEARY	\$ 6,926,071.00	\$ 2,864,020.00	Detroit and surrounding areas	Feature Film	APPROVED
Beautiful Mistake, LLC	13TH SIGN	\$ 151,388.00	\$ 60,547.00	Steering Heights, Rochester Hills, Royal Oak	Feature Film	UNDER REVIEW
Katie Brown, Inc.	KATIE BROWN WORKSHOP season 6	\$ 17,300,265.00	\$ 6,813,153.00	Detroit, Farmington, Grosse Pointe, Birmingham, Dearborn	Feature Film	WITHDRAWN/INSUFFICIENT
Nina Films Limited	UNTITLED NINA SIMONE PROJECT	\$ 240,405.00	\$ 100,970.00	Benton Harbor	TV Series	DENIED
The Lowenfisch Party Productions LLC	PIRANHA DOUBLE D	\$ 4,778,116.00	\$ 1,963,745.00	Detroit and surrounding areas	Feature Film	WITHDRAWN/INSUFFICIENT
PdoubleD Films LLC	Ovation M1 LLC	\$ 7,246,845.00	\$ 2,843,589.00	Detroit	Feature Film	WITHDRAWN/INSUFFICIENT
The Reluctant Film Company LLC	THE RELUCTANT FUNDAMENTALIST	\$ 9,432,547.00	\$ 3,778,152.00	Ypsilanti	TV Series	WITHDRAWN/INSUFFICIENT
Big Medicine Productions LLC	UNDAUNTED COURAGE	\$ 610,834.00	\$ 230,853.86	Detroit and surrounding areas	Feature Film	UNDER REVIEW
Soup Productions LLC	ARIEL & ZOBY & ELI, TOO - season 3	\$ 6,730,923.00	\$ 2,344,522.00	Detroit	TV Series	WITHDRAWN/INSUFFICIENT
SBN Productions LLC	LIGHT YEARS	\$ 586,300.00	\$ 246,246.00	Ann Arbor, Livonia	TV Series	WITHDRAWN/INSUFFICIENT
Arc of a Bird LLC	CASS	\$ 727,791.00	\$ 294,650.00	Detroit, Novi, Ann Arbor	Feature Film	WITHDRAWN/INSUFFICIENT
Scientifically Proven Entertainment LLC	GHOST GAME	\$ 166,124.00	\$ 65,711.00	Detroit	Video Game	APPROVED
McGee Street Productions, Inc.	HAVE A LITTLE FAITH	\$ 1,038,125.00	\$ 415,250.00	Farmington Hills	Feature Film	UNDER REVIEW
Bite LLC	STARBRIGHT	\$ 5,609,393.00	\$ 2,355,945.00	Detroit	Feature Film	UNDER REVIEW
Starbright Corporation	BITE	\$ 6,594,338.00	\$ 2,745,691.00	Detroit	Feature Film	UNDER REVIEW
Stage 6 Films, Inc.	J-MAC	\$ 15,028,771.00	\$ 6,712,909.00	Grand Rapids	Feature Film	UNDER REVIEW
Shady Lady Productions, Inc.	TICKET TO THE CIRCUS	\$ 8,981,639.00	\$ 3,577,900.00	Detroit and surrounding areas	Feature Film	UNDER REVIEW
Farm Vets	DOGMAN	\$ 194,096.00	\$ 80,000.00	Detroit, Southfield, Ferndale	TV Series	UNDER REVIEW
Brauer Productions, Inc.	REPARATIONS	\$ 369,540.00	\$ 151,284.00	Mt. Pleasant, Wexford, Mt. Pleasant, Lansing, Grand Rapids	Feature Film	UNDER REVIEW
Charlyon Media LLC	BUNK	\$ 400,000.00	\$ 170,000.00	N/A	Feature Film	UNDER REVIEW
J.Schwank Productions, J.M.H. Schwank	FUN WITH FLOWERS AND J SERIES, (FEEL GOOD GLOWERS PILOT)	\$ 12,717,468.00	\$ 5,316,124.00	N/A	Feature Film	UNDER REVIEW
Wincom International Inc.	THE ROAST	\$ 60,000.00	\$ 25,000.00	Grand Rapids	TV Series	UNDER REVIEW
Ed's Story LLC	ED'S STORY	\$ 1,016,589.00	\$ 399,124.00	Detroit	TV Series	UNDER REVIEW
ACI Films, LLC	THE WICKED	\$ 141,000.00	\$ 56,460.00	Grand Rapids	Documentary	UNDER REVIEW
BH Golfing Game Productions, LLC	BEN HOGAN LESSONS MOBILE APP GAME	\$ 545,791.00	\$ 218,316.00	Commerce Township	Feature Film	APPROVED
Washington Street Productions LLC	A DOT COM AFFAIR	\$ 1,687,792.00	\$ 699,359.00	Benton Harbor, St. Joseph	Mobile App	UNDER REVIEW
A First Film LLC	NEEDLESTICK	\$ 923,800.00	\$ 371,496.00	Detroit	Feature Film	UNDER REVIEW
Mass Effect Productions/NEEDLESTICK LLC		\$ 493,603,491	\$ 196,177,552			

Post Production Certificates - Exhibit B

January 1 - July 1

<u>Month</u>	<u>Number of PPC's Signed</u>	<u>Credit's Certified</u>	<u>Redemption Fee (.05%)</u>
January	2	\$19,619,566	\$98,591
February	4	\$6,030,094	\$30,302
March	7	\$4,811,974	\$24,181
April	5	\$5,807,641	\$29,184
May	5	\$8,502,005	\$42,724
June	2	\$6,407,295	\$32,198
TOTAL	25	\$51,178,575	\$257,180