

Hearing Agenda

Date: July 7, 2022

Time: 3:00 pm

Main Location:

[Register for Public Hearing](#)

-
1. **Call to Order**
 2. **Public Comments**
 3. **Hearing Officer's Comments**
 4. **Transferable Tax Credit Application for GOED Approval:**
 - A. **Sympathy FTD, LLC**
Production Type: Feature Film
 - B. **Pilgrim Production, LLC**
Production Type: Reality Competition Series
 5. **Public Comments**
 6. **Adjournment**
- For Possible Action**

NOTE (1) THIS NOTICE HAS BEEN POSTED NO LATER THAN THREE WORKING DAYS PRIOR TO THE MEETING AT THE FOLLOWING LOCATIONS:

- a. GOED website www.diversifynevada.com
- b. Nevada Public Notice website <http://notice.nv.gov>

NOTE (2) Persons with disabilities who require special accommodations or assistance at the meeting should notify Kim Spurgeon, Nevada Film Office, 6655 W. Sahara Avenue, Ste. C-106, Las Vegas, NV 89146, 702-486-2711, kspurgeon@nevadafilm.com on or before the close of business two business days prior to the meeting date.

NOTE (3) The Nevada Film Office reserves the right to take items in a different order, combine items for consideration and/or pull or remove items from the agenda at any time to accomplish business in the most efficient manner.

NOTE (4) All comments will be limited to 3 minutes per speaker. Comment based on viewpoint may not be restricted. No action may be taken upon a matter raised under the public comment period unless the matter itself has been specifically included on an agenda as an action item. Prior to the commencement and conclusion of a contested case or quasi-judicial proceeding that may affect the due process of individuals; the Nevada Film Office may refuse to consider public comment. Public comments may be submitted in advance to the Nevada Film Office, (702) 486-2711, or Kim Spurgeon, kspurgeon@nevadafilm.com, no later than one business day prior to the meeting date. See NRS 233b.126.

NOTE (5) For supporting material please contact Kim Spurgeon, 6655 W. Sahara Avenue, Suite C-106, Las Vegas, NV 89146, (702) 486-2711, kspurgeon@nevadafilm.com. Materials may be obtained at the following public locations: GOED website www.diversifynevada.com.

STATE OF NEVADA

Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

Note: This application is considered public record.

I PRODUCTION COMPANY INFORMATION

A. Full Legal Name of Production Company to receive the tax credit

Company Name: **Sympathy FTD, LLC**

Company Address: **7121 W Craig Rd Ste 113 PMB 1080**

City: **Las Vegas**

State: **NV**

Zip Code: **89129**

B. Contacts

Primary Contact: **Matt Collins**

Title: **Line Producer**

Phone: **323.899.4932**

Email: **mattcollinsproductions@gmail.com**

Other contacts authorized to discuss this form (if applicable): **Alex Lebovici, Andres Glen, Allan Unger**

II PRODUCTION INFORMATION

A. Production Title **Sympathy for the Devil**

B. Type of Production **Feature Film**

C. Will this production contain any obscene or sexually explicit material? If so, please explain.

No

E. Name of Producer(s) **Alex Lebovici and Allan Unger**

F. Name of Director(s) **Yuval Adler**

G. Name(s) of Principal Cast **Nicolas Cage and Joel Kinnaman**

III PROPOSED SCHEDULE AND LOCATIONS

	In Nevada ^[1]	Everywhere
A. Pre-production Start Date	6/27/2022	
B. Production Start Date	7/25/2022	
C. Post-production Start Date	8/22/2022	
D. Project Completion Date	TBD	

[1] NRS 360.7591(1) Qualified direct production expenditures must be for purchases rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced. The first date of pre-production in Nevada is the first day of the qualified production period.

STATE OF NEVADA

Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

III PROPOSED SCHEDULE AND LOCATIONS (CONTINUED)	
E. List of Nevada filming locations	
Vu Studios, Hospital, various roads, and road house diner	
F. Will any filming days take place in any of the following counties: Carson City, Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe, White Pine? If so, indicate which counties and number of filming days in each.	
No	
G. Are postproduction costs included in this application? ^[1]	No
IV ATTACHMENTS	
<input checked="" type="checkbox"/>	Attachment 1: Script, storyboard, or synopsis of the production.
<input checked="" type="checkbox"/>	Attachment 2: Explanation of how the proposed production is in the economic interest of Nevada, including marketing & distribution plans. ^[2]
<input checked="" type="checkbox"/>	Attachment 3: Summary budget or top sheet for the entire production.
<input type="checkbox"/>	Attachment 4: Proposed Capital Investment in real property and other tangible personal property purchased (if applicable).
<input checked="" type="checkbox"/>	Attachment 5: Completed Incentive Calculation Worksheet, including separate subtotals for costs incurred within and outside of Nevada, above the line, below the line, Nevada residents and non-Nevada residents; as well as disallowed expenditures, and a jobs summary. It must show at least \$500,000 and 60% of the total budget is incurred in Nevada.
<input checked="" type="checkbox"/>	Attachment 6: Proof of adequate financing, that (a) Seventy percent or more of the funding for the qualified production has been obtained; or (b) the Production Company has a corporate credit rating of "lower medium grade" or higher from a credit rating agency found suitable by the Office.
V AGREEMENTS AND ACKNOWLEDGEMENTS	
	(initial) (A) I certify that the Production Company has, or will, secure all licenses, registrations and other filings required to do business in each location in Nevada at which the production will be produced.
	(initial) (B) I agree and acknowledge that this is a qualified production as defined in NRS 360.7586.
	(initial) (C) I agree and acknowledge that the production must be completed within 18 months after the date of commencement of principal photography.
	(initial) (D) I agree and acknowledge that the Production Company will pay for a final audit by a Nevada independent certified public accountant approved by the Office. The audit will include an itemized report of direct production expenditures, show at least \$500,000 was incurred in Nevada, and submit to the Office not later than 270 days after completion of the Production.


^[1] At least 60% of the direct production expenditures for pre-production, production, and post-production must be incurred in Nevada as qualified direct production expenditures. However, if all post-production will be completed outside of Nevada, then post-production expenditures can be withheld from the 60% calculation.


^[2] Due to funding caps in the transferable tax credits for film and other productions program, priority shall be given to applications that are in the economic interest of the State and promote tourism to Nevada.


STATE OF NEVADA


Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program


V AGREEMENTS AND ACKNOWLEDGEMENTS (CONTINUED)


 (initial) (E) I agree and acknowledge that the Production Company shall provide a Declaration of Residency, with sufficient evidence, which will be a required part of the audit package for all cast and crew claimed to have Nevada residency during the production.


 (initial) (F) I agree and acknowledge that the Production Company will repay to the Department or the State Gaming Control Board, as applicable, any portion of the transferable tax credits to which the producer is not entitled if found to have submitted any false statement, representation or certification in any document for the purpose of obtaining Transferable Tax Credits, or who otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits.


 (initial) (G) I agree and acknowledge that the Production Company shall provide proof of insurance certificate, binder or quote for general liability insurance totaling \$1,000,000 or more at the start of production.


 (initial) (H) I agree and acknowledge that the Production Company shall provide proof that the production meets the applicable requirements relating to worker's compensation insurance at the start of production.

 (initial) (I) I agree and acknowledge that the State of Nevada may withhold, in whole or in part, any portion of the tax credits until any pending legal action in the State against the producer or qualified production is resolved.

 (initial) (J) I agree and acknowledge that expenditures and costs which provide a pass-through benefit to a person or business who is not a Nevada resident or business (as defined in NRS 360.7583), are not qualified expenditures and are not eligible to serve as a basis for transferable tax credits, as described in NRS 360.7591(2) through NRS 360.7591(3).

 (initial) (K) I acknowledge that a public hearing is required regarding this application.

 (initial) (L) I agree and acknowledge that the Production Company will not be issued a Transferable Tax Credit Certificate until all required documentation and materials are submitted to the Office.

 (initial) (M) I agree and acknowledge that the production will include a Nevada Film Office logo provided by the Office within the end screen credits, as described in NRS 360.759(3)(g).

VI OATH AND SIGNATURE

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it and all of the attached information are true and correct.

 06/16/2022
Signature of Authorized Representative Date (mm/dd/yy)

Alex Lebovici Producer
Print Name Title

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
BUDGET BREAKDOWN**

Instructions: Adjust account numbers and descriptions as necessary to fit your budget. Break each account down into each of the four listed categories. The total budget will auto-calculate and should match the summary budget submitted. Only labor performed in Nevada is qualified; any labor performed outside of this State is considered a non-qualified expenditure. Below-the-line labor performed by non-Nevada residents in Nevada is also considered a non-qualified expenditure. [1] If post-production costs are not included in this application, do not include those account totals or breakdowns.

Production Company: Sympathy FTD, LLC
Production Title: Sympathy for the Devil

Date: 6/16/2022
Fiscal Year Funding: 2022

ACCOUNT	DESCRIPTION	TOTAL BUDGET	LABOR - NEVADA RESIDENTS	LABOR - ATL NON-NV RESIDENTS [2]	NEVADA EXPENDITURES [3]	NON-QUALIFIED EXPENDITURES [4]	Fiscal Year Funding:			
							TOTAL QUALIFIED	TOTAL NON-QUALIFIED	NV %	NON-NV %
1100	STORY/WRITERS	163,250			3,250	160,000	3,250	160,000	2%	98%
1200	PRODUCERS	215,000		215,000			215,000	-	100%	0%
1300	DIRECTION	219,812	7,200	212,212	400		219,812	-	100%	0%
1400	CAST	2,842,276	2,123,256	700,000	19,020	-	2,842,276	-	100%	0%
1500	TRAVEL & LIVING	80,575			80,575		80,575	-	100%	0%
1999	ATL FRINGE BENEFITS	190,935	190,935				190,935	-	100%	0%
2100	EXTRA TALENT	12,180	12,180				12,180	-	100%	0%
2000	PRODUCTION STAFF	297,546	218,886			78,660	218,886	78,660	74%	26%
2200	SET DESIGN	46,680	18,680		1,000	27,000	19,680	27,000	42%	58%
2300	SET CONSTRUCTION	68,350	60,850		7,500		68,350	-	100%	0%
2400		-					-	-	0%	0%
2500	SET OPERATIONS	142,659	83,059		59,600		142,659	-	100%	0%
2600	SPECIAL EFFECTS	31,100	26,100		5,000		31,100	-	100%	0%
2700	SET DRESSING	104,984	86,634		18,350		104,984	-	100%	0%
2800	PROPS	54,127	41,727		12,400		54,127	-	100%	0%
2900	WARDROBE	72,371	44,171		28,200		72,371	-	100%	0%
3000	BTL TRAVEL AND LIVING	82,218			82,218		82,218	-	100%	0%
3100	MAKEUP & HAIRDRESSING	47,810	44,810		3,000		47,810	-	100%	0%
3200	LIGHTING	77,668	37,068		40,600		77,668	-	100%	0%
3300	CAMERA	133,708	42,908		56,000	34,800	98,908	34,800	74%	26%
3400	PRODUCTION SOUND	31,033	18,583		12,450		31,033	-	100%	0%
3500	TRANSPORTATION	272,750	131,270		123,480	18,000	254,750	18,000	93%	7%
3600	LOCATIONS	520,600	29,200		491,400		520,600	-	100%	0%
3700	OFFICE/ FACILITY EXPENSE	34,641			34,641		34,641	-	100%	0%
3800		-					-	-	0%	0%
3900	PICTURE VEHICLES	10,000			10,000		10,000	-	100%	0%
4000		-					-	-	0%	0%
4100	TESTS	2,500			2,500		2,500	-	100%	0%
4200	COVID TESTING	50,000			50,000		50,000	-	100%	0%
4300	2ND UNIT	40,000			40,000		40,000	-	100%	0%
4400	BTL FRINGE	200,533	200,533				200,533	-	100%	0%
4500	EDITING	-					-	-	0%	0%
4600	POST PRODUCTION ONLINE, VFX DIGITAL PACKAGE	-					-	-	0%	0%
4700	POST SOUND PACKAGE	-					-	-	0%	0%
4800	MUSIC	-					-	-	0%	0%
5400	POST FRINGE	-					-	-	0%	0%
6600	GENERAL EXPENSE	89,105			89,105		89,105	-	100%	0%
6700	INSURANCE	100,000			100,000		100,000	-	100%	0%
	BOND	102,307				102,307	-	102,307	0%	100%
	CONTINGENCY and UNIONIZATION CONTINGENCY	401,774	210,000		191,774		401,774	-	100%	0%
	BRIDGE FINANCE	70,000				70,000	-	70,000	0%	100%
TOTALS		6,808,492	3,628,050	1,127,212	1,562,463	490,767	6,317,725	490,767	93%	7%

[1] NRS 360.7593(1) In calculating the base amount of transferable tax credits pursuant to subsection 1 of NRS 360.7592: (a) Wages and salaries, including fringe benefits, paid to above-the-line personnel who are not Nevada residents must be included in the calculation at a rate of 12 percent. (b) Wages and salaries, including fringe benefits, paid to below-the-line personnel who are not Nevada residents; (4) For the period beginning January 1, 2017, must not be included in the calculation.

[2] NRS 360.7581(1) "Above-the-line personnel" means an executive producer, co-executive producer, producer, director, writer, principal actor, any other person having creative or financial control over a qualified production or any other person associated with such a person. The term does not include below-the-line personnel.

[3] NRS 360.7591(1) Qualified direct production expenditures must be for purchases, rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced, must be customary and reasonable and must relate to: (a) Set construction and operation; (b) Wardrobe and makeup; (c) Photography, sound and lighting; (d) Filming, film processing and film editing; (e) The rental or leasing of facilities, equipment and vehicles; (f) Food and lodging; (g) Editing, sound mixing, special effects, visual effects and other postproduction services; (h) The payroll for Nevada residents or other personnel who provided services in this State; (i) Payment for goods or services provided by a Nevada business; (j) The design, construction, improvement or repair of property, infrastructure, equipment or a production or postproduction facility; (k) State and local government taxes to the extent not included as part of another cost reported pursuant to this section; (l) Fees paid to a producer who is a Nevada resident; and (m) Any other transaction, service or activity authorized in regulations adopted by the Office of Economic Development pursuant to NRS 360.759.

[4] NRS 360.7591(2) Expenditures and costs: (a) Related to: (1) The acquisition, transfer or use of transferable tax credits; (2) Marketing and distribution; (3) Financing, depreciation and amortization; (4) The payment of any profits as a result of the qualified production; (5) The payment for the cost of the audit required by NRS 360.759; and (6) The payment for any goods or services that are not directly attributable to the qualified production; (b) For which reimbursement is received, or for which reimbursement is reasonably expected to be received; (c) Which are paid to a joint venturer or a parent subsidiary or other affiliate of the production company, unless the amount paid represents the fair market value of the purchase, rental or lease of the property or services for which payment is made; (d) Which provide a pass-through benefit to a person who is not a Nevada resident; or (e) Which have been previously claimed as a basis for transferable tax credits, are not qualified direct production expenditures and are not eligible to serve as a basis for transferable tax credits issued pursuant to NRS 360.759.

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
JOBS SUMMARY**

Instructions: Include totals for all work performed both inside and outside of Nevada. Separate cast and crew into anticipated Nevada residents and non-Nevada residents. Input the number of crew members, anticipated total hours worked, total wages, and total fringes. The wage and fringe totals for Nevada resident labor performed in Nevada (cell G17) and above-the-line non-resident labor performed in Nevada (cell G21) should match the corresponding labor column totals on the Budget Breakdown sheet.

Production Company:

Production Title:

PRODUCTION HIRES:	CREW COUNT:	HOURS WORKED:	TOTAL WAGES:	TOTAL FRINGES:	WAGE & FRINGE TOTAL	WAGE HOURLY RATE:	WAGE & FRINGE HOURLY RATE:	FTE
NEVADA RESIDENT LABOR PERFORMED IN NEVADA:								
ATL NEVADA RESIDENT LABOR:	12	1,144	\$ 1,890,456	\$ 110,000	\$ 2,000,456	\$ 1,652.50	\$ 1,748.65	0.6
BTL NEVADA RESIDENT LABOR (not including extras):	71	41,000	\$ 1,038,650	\$ 265,000	\$ 1,303,650	\$ 25.33	\$ 31.80	19.7
NEVADA RESIDENT EXTRAS:	2	500	\$ 12,880	\$ 6,440	\$ 19,320	\$ 25.76	\$ 38.64	0.2
TOTAL NEVADA LABOR:	85	42,644	\$ 2,941,986	\$ 381,440	\$ 3,323,426	\$ 68.99	\$ 77.93	20.5
NON-NV RESIDENT LABOR PERFORMED IN NEVADA:								
ATL NON-NEVADA RESIDENT LABOR:	6	3,420	\$ 1,327,212	\$ 80,935	\$ 1,408,147	\$ 388.07	\$ 411.74	1.6
BTL NON-NEVADA RESIDENT LABOR:	4	2,100	\$ 165,449	\$ 145,850	\$ 311,299	\$ 78.79	\$ 148.24	1.0
TOTAL NON-NEVADA LABOR:	10	5,520	\$ 1,492,661	\$ 226,785	\$ 1,719,446	\$ 270.41	\$ 311.49	2.7
ALL LABOR PERFORMED OUTSIDE OF NEVADA:								
ATL LABOR PERFORMED OUTSIDE OF NEVADA:					\$ -			0.0
BTL LABOR PERFORMED OUTSIDE OF NEVADA:					\$ -			0.0
TOTAL LABOR PERFORMED OUTSIDE OF NEVADA:	0	0	\$ -	\$ -	\$ -			0.0
TOTAL LABOR:	95	48,164	\$ 4,434,647	\$ 608,225	\$ 5,042,872	\$ 92.07	\$ 104.70	23.2

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
COMPENSATION LIMITS**

Instructions: Change cast and crew titles as needed. All producers on the production should be included in the producer subtotals. Include any entity (individual or loan-out) whose wage and fringe total will exceed \$750,000. [1] Include totals only for work performed in Nevada.

Production Company: **Sympathy FTD, LLC**

Production Title: **Sympathy for the Devil**

Nevada Residents					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
Above the Line					
Executive Producer	-	750,000	-	-	0.0%
Producer	-	750,000	-	-	0.0%
Associate Producer	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
Subtotal All Producers	-		-	-	0.0%
Limit on Producers	10.0%	631,773	-	-	
Director	-	750,000	-	-	
Lead Actor	2,000,000	750,000	1,250,000	750,000	
Day Players	35,041	750,000	-	35,041	
Stunt Coordinator	17,226	750,000	-	17,226	
Stunt Players	30,989	750,000	-	30,989	
	-	750,000	-	-	
	-	750,000	-	-	
Subtotal Other Nevada ATL	2,083,256		1,250,000	833,256	
Total Nevada	2,083,256		1,250,000	833,256	
Total Nevada Expenditures	6,317,725				

Non-Nevada Residents					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
Above the Line					
Executive Producer	-	750,000	-	-	0.0%
Producer	450,000	750,000	-	450,000	7.1%
Associate Producer	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
Subtotal All Producers	450,000		-	450,000	7.1%
Limit on Producers	5.0%	315,886	134,114	315,886	
Director	212,212	750,000	-	212,212	
Lead Actor	700,000	750,000	-	700,000	
Supporting Actor	-	750,000	-	-	
Supporting Actor	-	750,000	-	-	
(additional items)	-	750,000	-	-	
(additional items)	-	750,000	-	-	
(additional items)	-	750,000	-	-	
Subtotal Other Non-Nevada ATL	912,212		-	912,212	
Total Non-Nevada	1,362,212		134,114	1,228,098	
Total Nevada Expenditures	6,317,725				

[1] NRS 360.7594(3) For the purposes of calculating qualified direct production expenditures: (a) The compensation payable to all producers who are Nevada residents must not exceed 10 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (b) The compensation payable to all producers who are not Nevada residents must not exceed 5 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed \$750,000.

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
SUMMARY**

Instructions: Complete the number of production days. The rest of the form will auto-calculate based on inputs in previous worksheets.

Production Company: Sympathy FTD, LLC
Production Title: Sympathy for the Devil

Date: 6/16/2022

Fiscal Year Funding: 2022

	Pre-Production	Production	Post-Production	Total		Production days in a rural county
Total days in Nevada	20	20	10	50		-
Total days Outside of Nevada	-	-	-	-		
Total Days	<u>20</u>	<u>20</u>	<u>10</u>	<u>50</u>		0%

	Number of Personnel	Expenditure Amount	Disallowed Expenditures	Qualified Expenditures	Incentive Rate	Incentive Amount
Total Nevada Personnel Expenditures (Above the Line) Limit on compensation	12	2,000,456	1,250,000	750,456	15%	112,568
Total Non-Nevada Personnel Expenditures (Above the Line) Limit on compensation	6	1,408,147	134,114	1,274,033	12%	152,884
Total Nevada Personnel Expenditures (Below the Line) Excluding extras	71	1,303,650		1,303,650	15%	195,548
Total Nevada Personnel Expenditures (Extras)	2	19,320		19,320	15%	2,898
Percentage of Nevada Personnel (BTL)-for additional 5% [1]	95%					
Total Nevada Personnel Expenditures		3,323,426	1,250,000			
Total Qualified Non-NV Personnel Expenditures incurred in NV		1,408,147	134,114			
Total Personnel Expenditures incurred in NV		<u>4,731,573</u>	<u>1,384,114</u>			
Total Nevada Direct Production Expenditures		1,562,463		1,562,463	15%	234,369
Total Qualified Nevada Expenditures		6,294,036	1,384,114	4,909,922		
Total Non-Qualified Expenditures		490,767		490,767		
Total Budget		<u>6,784,803</u>	<u>1,384,114</u>	<u>5,400,689</u>		
Percentage of NV to Total Qualified Expenditures, must >60% [2]	91%					

Additional Incentives

Additional 5% incentive if >50% of BTL personnel are NV residents [3]	4,909,922	5%	245,496
Additional 5% incentive if >50% filming days occurred in rural county [4]	-	5%	-

Projected Incentive Total [5] \$ 943,763

Effective Incentive Rate 13.9%

Proof of Funds amount Production Company must show obtained [6]
(70% of total Budget) \$ 4,749,362

[1] NRS 360.7592(3) For the purposes of paragraph (a) of subsection 2: (a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel. (b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

[2] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (d) Provide proof satisfactory to the Office that at least 60 percent of the direct production expenditures for: (1) Preproduction; (2) Production; and (3) If any direct production expenditures for postproduction will be incurred in this State, postproduction; of the qualified production will be incurred in this State as qualified direct production expenditures.

STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
SUMMARY

- [3] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (a) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the below-the-line personnel of the qualified production are Nevada residents.
- [4] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than \$10,000,000 of qualified direct production expenditures.
- [5] NRS 360.7594(2) The transferable tax credits issued to any production company for any qualified production pursuant to NRS 360.759: (a) Must not exceed a total amount of \$6,000,000.
- [6] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (c) Provide proof satisfactory to the Office that 70 percent or more of the funding for the qualified production has been obtained.

Sympathy for the Devil

Statement of Economic Benefit

The applicant will produce a motion picture within the state of Nevada with the intention of maximizing the incentives offered by the state. Under Nevada's film tax credit program, almost the entire budget of \$6,819,511 should qualify as Nevada spend. 100% of the film project will be produced and shot in Nevada, mainly Las Vegas and its surrounding areas. The applicant plans on hiring Nevada residents to fill out most of the crew positions and all of the extras.

Working closely with Vu Studios, a local production studio, the applicant expects to hire between 40-60 of Nevada crew members, bringing employment to the state. The applicant will book 10 -15 rooms in Las Vegas's beautiful strip, over an 8 week period which includes the pre-production and production phases of the project, as set forth in the production schedule.

The support from the Tax credits created by the production is essential in allowing the company to proceed with this level of project. The funds from the Tax credit program allow the company to anticipate and mitigate any economic risk that comes with film productions.

As an added note, Nicolas Cage, who is a resident of Las Vegas, is starring in the project. He specifically wanted to film in Las Vegas to showcase the city that he has deep love for. He wants the film to portray the lights, the atmosphere, and the history of such a splendid and unique city that attracts millions of people each year. We believe this would be an added bonus to Nevada, as audiences will see the city's beauty and in this post-pandemic world will want to visit Las Vegas again.

Pre-production: Commences June 27, 2022 and concludes July 24, 2022

Production: Commences July 25, 2022 and concludes August 19, 2022

Wrap: August 19 - August 26, 2022

We are looking forward to working with the State of Nevada!

STATE OF NEVADA

Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

Note: This application is considered public record.

I PRODUCTION COMPANY INFORMATION

A. Full Legal Name of Production Company to receive the tax credit

Company Name: **Pilgrim Production, LLC (a division of Pilgrim Media Group)**

Company Address: **12020 Chandler Boulevard, #200**

City: **North Hollywood**

State: **CA**

Zip Code: **91607**

B. Contacts

Primary Contact: **Jonah McMichael**

Title: **Executive Vice President, Production**

Phone: **(310) 867-3287**

Email: **jmc michael@pilgrimmediagroup.com**

Other contacts authorized to discuss this form (if applicable):

Mike Kool (SVP, Finance - Pilgrim): mkool@pilgrimmediagroup.com

II PRODUCTION INFORMATION

A. Production Title

Street Outlaws: Fastest In America, Season 3

B. Type of Production

Unscripted/Reality Competition

C. Will this production contain any obscene or sexually explicit material? If so, please explain.

No

E. Name of Producer(s)

Sam Korkis, Executive Producer

F. Name of Director(s)

N/A

G. Name(s) of Principal Cast

Jonathan "JJ Da Boss" Day, Patrica Day, Chelsea Day, Precious Cooper

III PROPOSED SCHEDULE AND LOCATIONS

	In Nevada ^[1]	Everywhere
A. Pre-production Start Date	7/11/22	6/20/22
B. Production Start Date	7/18/22	N/A
C. Post-production Start Date	N/A	8/1/22
D. Project Completion Date	8/12/22	N/A

^[1] NRS 360.7591(1) Qualified direct production expenditures must be for purchases rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced. The first date of pre-production in Nevada is the first day of the qualified production period.

STATE OF NEVADA

Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program




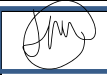



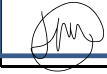

III PROPOSED SCHEDULE AND LOCATIONS (CONTINUED)	
E. List of Nevada filming locations	
Old State Road 6/Harry Allen Power Plant Road (Clark County, NV)	
State Road 604/Las Vegas Blvd. (Clark County, NV)	
F. Will any filming days take place in any of the following counties: Carson City, Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe, White Pine? If so, indicate which counties and number of filming days in each.	
No	
G. Are postproduction costs included in this application? ^[1]	
IV ATTACHMENTS	
<input checked="" type="checkbox"/> Attachment 1:	Script, storyboard, or synopsis of the production.
<input checked="" type="checkbox"/> Attachment 2:	Explanation of how the proposed production is in the economic interest of Nevada, including marketing & distribution plans. ^[2]
<input checked="" type="checkbox"/> Attachment 3:	Summary budget or top sheet for the entire production.
<input type="checkbox"/> NA Attachment 4:	Proposed Capital Investment in real property and other tangible personal property purchased (if applicable).
<input checked="" type="checkbox"/> Attachment 5:	Completed Incentive Calculation Worksheet, including separate subtotals for costs incurred within and outside of Nevada, above the line, below the line, Nevada residents and non-Nevada residents; as well as disallowed expenditures, and a jobs summary. It must show at least \$500,000 and 60% of the total budget is incurred in Nevada.
<input checked="" type="checkbox"/> Attachment 6:	Proof of adequate financing, that (a) Seventy percent or more of the funding for the qualified production has been obtained; or (b) the Production Company has a corporate credit rating of "lower medium grade" or higher from a credit rating agency found suitable by the Office.
V AGREEMENTS AND ACKNOWLEDGEMENTS	
(initial)	(A) I certify that the Production Company has, or will, secure all licenses, registrations and other filings required to do business in each location in Nevada at which the production will be produced.
(initial)	(B) I agree and acknowledge that this is a qualified production as defined in NRS 360.7586.
(initial)	(C) I agree and acknowledge that the production must be completed within 18 months after the date of commencement of principal photography.
(initial)	(D) I agree and acknowledge that the Production Company will pay for a final audit by a Nevada independent certified public accountant approved by the Office. The audit will include an itemized report of direct production expenditures, show at least \$500,000 was incurred in Nevada, and submit to the Office not later than 270 days after completion of the Production.

^[1] At least 60% of the direct production expenditures for pre-production, production, and post-production must be incurred in Nevada as qualified direct production expenditures. However, if all post-production will be completed outside of Nevada, then post-production expenditures can be withheld from the 60% calculation.

^[2] Due to funding caps in the transferable tax credits for film and other productions program, priority shall be given to applications that are in the economic interest of the State and promote tourism to Nevada.

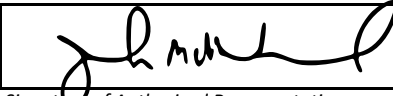
STATE OF NEVADA

Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

V		AGREEMENTS AND ACKNOWLEDGEMENTS (CONTINUED)
	(initial)	(E) I agree and acknowledge that the Production Company shall provide a Declaration of Residency, with sufficient evidence, which will be a required part of the audit package for all cast and crew claimed to have Nevada residency during the production.
	(initial)	(F) I agree and acknowledge that the Production Company will repay to the Department or the State Gaming Control Board, as applicable, any portion of the transferable tax credits to which the producer is not entitled if found to have submitted any false statement, representation or certification in any document for the purpose of obtaining Transferable Tax Credits, or who otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits.
	(initial)	(G) I agree and acknowledge that the Production Company shall provide proof of insurance certificate, binder or quote for general liability insurance totaling \$1,000,000 or more at the start of production.
	(initial)	(H) I agree and acknowledge that the Production Company shall provide proof that the production meets the applicable requirements relating to worker's compensation insurance at the start of production.
	(initial)	(I) I agree and acknowledge that the State of Nevada may withhold, in whole or in part, any portion of the tax credits until any pending legal action in the State against the producer or qualified production is resolved.
	(initial)	(J) I agree and acknowledge that expenditures and costs which provide a pass-through benefit to a person or business who is not a Nevada resident or business (as defined in NRS 360.7583), are not qualified expenditures and are not eligible to serve as a basis for transferable tax credits, as described in NRS 360.7591(2) through NRS 360.7591(3).
	(initial)	(K) I acknowledge that a public hearing is required regarding this application.
	(initial)	(L) I agree and acknowledge that the Production Company will not be issued a Transferable Tax Credit Certificate until all required documentation and materials are submitted to the Office.
	(initial)	(M) I agree and acknowledge that the production will include a Nevada Film Office logo provided by the Office within the end screen credits, as described in NRS 360.759(3)(g).

VI OATH AND SIGNATURE

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it and all of the attached information are true and correct.

	6/22/22
Signature of Authorized Representative	Date (mm/dd/yy)

Jonah McMichael - Executive Vice President, Production - Pilgrim Media Group	
Print Name	Title

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
JOBS SUMMARY**

Instructions: Include totals for all work performed both inside and outside of Nevada. Separate cast and crew into anticipated Nevada residents and non-Nevada residents. Input the number of crew members, anticipated total hours worked, total wages, and total fringes. The wage and fringe totals for Nevada resident labor performed in Nevada (cell G17) and above-the-line non-resident labor performed in Nevada (cell G21) should match the corresponding labor column totals on the Budget Breakdown sheet.

Production Company: Pilgrim Operation, LLC

Production Title: Street Outlaws: Fastest In America - S3

PRODUCTION HIRES:	CREW COUNT:	HOURS WORKED:	TOTAL WAGES:	TOTAL FRINGES:	WAGE & FRINGE TOTAL	WAGE HOURLY RATE:	WAGE & FRINGE HOURLY RATE:	FTE
NEVADA RESIDENT LABOR PERFORMED IN NEVADA:								
ATL NEVADA RESIDENT LABOR:	0		\$ -	\$ -	\$ -			0.0
BTL NEVADA RESIDENT LABOR (not including extras):	35	4,596	\$ 139,643	\$ 25,136	\$ 164,779	\$ 30.38	\$ 35.85	2.2
NEVADA RESIDENT EXTRAS:					\$ -			0.0
TOTAL NEVADA LABOR:	35	4,596	\$ 139,643	\$ 25,136	\$ 164,779	\$ 30.38	\$ 35.85	2.2
NON-NV RESIDENT LABOR PERFORMED IN NEVADA:								
ATL NON-NEVADA RESIDENT LABOR:	108	22,050	\$ 1,213,375	\$ 33,818	\$ 1,247,193	\$ 55.03	\$ 56.56	10.6
BTL NON-NEVADA RESIDENT LABOR:	45	10,764	\$ 418,782	\$ 71,871	\$ 490,653	\$ 38.91	\$ 45.58	5.2
TOTAL NON-NEVADA LABOR:	153	32,814	\$ 1,632,157	\$ 105,688	\$ 1,737,845	\$ 49.74	\$ 52.96	15.8
ALL LABOR PERFORMED OUTSIDE OF NEVADA:								
ATL LABOR PERFORMED OUTSIDE OF NEVADA:	3		\$ 114,900	\$ 20,682	\$ 135,582			0.0
BTL LABOR PERFORMED OUTSIDE OF NEVADA:	4		\$ 83,050	\$ 7,929	\$ 90,979			0.0
TOTAL LABOR PERFORMED OUTSIDE OF NEVADA:	7	0	\$ 197,950	\$ 28,611	\$ 226,561			0.0
TOTAL LABOR:	195	37,410	\$ 1,969,750	\$ 159,435	\$ 2,129,185	\$ 52.65	\$ 56.91	18.0

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
COMPENSATION LIMITS**

Instructions: Change cast and crew titles as needed. All producers on the production should be included in the producer subtotals. Include any entity (individual or loan-out) whose wage and fringe total will exceed \$750,000. [1] Include totals only for work performed in Nevada.

Production Company: Pilgrim Operation, LLC

Production Title: Street Outlaws: Fastest In America

Nevada Residents					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
Above the Line					
Executive Producer		750,000	-	-	0.0%
Producer		750,000	-	-	0.0%
Associate Producer		750,000	-	-	0.0%
(additional producers)		750,000	-	-	0.0%
(additional producers)		750,000	-	-	0.0%
Subtotal All Producers	-		-	-	0.0%
Limit on Producers	10.0%	204,670	-	-	
Director		750,000	-	-	
Lead Actor		750,000	-	-	
Supporting Actor		750,000	-	-	
Supporting Actor		750,000	-	-	
(additional items)		750,000	-	-	
(additional items)		750,000	-	-	
(additional items)		750,000	-	-	
Subtotal Other Nevada ATL	-		-	-	
Total Nevada	-		-	-	
Total Nevada Expenditures	2,046,696				

Non-Nevada Residents					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
Above the Line					
Executive Producer		750,000	-	-	0.0%
Producer	127,411	750,000	-	127,411	6.2%
Associate Producer		750,000	-	-	0.0%
(additional producers)		750,000	-	-	0.0%
(additional producers)		750,000	-	-	0.0%
Subtotal All Producers	127,411		-	127,411	6.2%
Limit on Producers	5.0%	102,335	25,076	102,335	
Director		750,000	-	-	
Lead Actor		750,000	-	-	
Supporting Actor		750,000	-	-	
Supporting Actor		750,000	-	-	
(additional items)		750,000	-	-	
(additional items)		750,000	-	-	
(additional items)		750,000	-	-	
Subtotal Other Non-Nevada ATL	-		-	-	
Total Non-Nevada	127,411		25,076	102,335	
Total Nevada Expenditures	2,046,696				

[1] NRS 360.7594(3) For the purposes of calculating qualified direct production expenditures: (a) The compensation payable to all producers who are Nevada residents must not exceed 10 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (b) The compensation payable to all producers who are not Nevada residents must not exceed 5 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed \$750,000.

**STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
SUMMARY**

Instructions: Complete the number of production days. The rest of the form will auto-calculate based on inputs in previous worksheets.

Production Company: Pilgrim Operation, LLC
Production Title: Street Outlaws: Fastest In America - S3

Date:
Fiscal Year Funding: 2022

	Pre-Production	Production	Post-Production	Total	Production days in a rural county
Total days in Nevada	5	12	-	17	
Total days Outside of Nevada				-	
Total Days	5	12	-	17	0%

	Number of Personnel	Expenditure Amount	Disallowed Expenditures	Qualified Expenditures	Incentive Rate	Incentive Amount
Total Nevada Personnel Expenditures (Above the Line) Limit on compensation	-	-	-	-	15%	-
Total Non-Nevada Personnel Expenditures (Above the Line) Limit on compensation	108	1,247,193	25,076	1,222,117	12%	146,654
Total Nevada Personnel Expenditures (Below the Line) Excluding extras	35	164,779		164,779	15%	24,717
Total Nevada Personnel Expenditures (Extras)	-	-		-	15%	-
Percentage of Nevada Personnel (BTL)-for additional 5% [1]	30%					
Total Nevada Personnel Expenditures		164,779	-			
Total Qualified Non-NV Personnel Expenditures incurred in NV		1,247,193	25,076			
Total Personnel Expenditures incurred in NV		1,411,971	25,076			
Total Nevada Direct Production Expenditures		634,725		634,725	15%	95,209
Total Qualified Nevada Expenditures		2,046,696	25,076	2,021,621		
Total Non-Qualified Expenditures		1,201,941		1,201,941		
Total Budget		3,248,637	25,076	3,223,561		
Percentage of NV to Total Qualified Expenditures, must >60% [2]	63%					

Additional Incentives

Additional 5% incentive if >50% of BTL personnel are NV residents [3]	-	5%	-
Additional 5% incentive if >50% filming days occurred in rural county [4]	-	5%	-

Projected Incentive Total [5] **\$ 266,580**
 Effective Incentive Rate **8.2%**

Proof of Funds amount Production Company must show obtained [6]
 (70% of total Budget) **\$ 2,274,046**

[1] NRS 360.7592(3) For the purposes of paragraph (a) of subsection 2: (a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel. (b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

[2] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (d) Provide proof satisfactory to the Office that at least 60 percent of the direct production expenditures for: (1) Preproduction; (2) Production; and (3) If any direct production expenditures for postproduction will be incurred in this State, postproduction; of the qualified production will be incurred in this State as qualified direct production expenditures.

STATE OF NEVADA
INCENTIVE CALCULATION WORKSHEET
SUMMARY

- [3] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (a) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the below-the-line personnel of the qualified production are Nevada residents.
- [4] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than \$10,000,000 of qualified direct production expenditures.
- [5] NRS 360.7594(2) The transferable tax credits issued to any production company for any qualified production pursuant to NRS 360.759: (a) Must not exceed a total amount of \$6,000,000.
- [6] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (c) Provide proof satisfactory to the Office that 70 percent or more of the funding for the qualified production has been obtained.

Street Outlaws: Fastest in America
Season 3

ATTACHMENT 1: SYNOPSIS

Across the United States, drag racing teams compete for street supremacy! In season 3 of *Street Outlaws: Fastest in America*, JJ "Da Boss" will seek out seven of the best small tire race teams from around the country to compete against each other *and* his own team from Memphis. In this bracket-style format, each team will put up two of their members each race night to compete for cash. At the end of nine race nights, whichever team has accumulated the most cash will receive an additional \$100,000 grand prize and be crowned the *Fastest in America!*

ATTACHMENT 2: NEVADA STATE IMPACT

Street Outlaws: Fastest in America will be in production outside of Las Vegas, NV for approximately one month (July/August 2022). During that time, the production will have a significant impact on the local economy through the hiring of local residents, rental of housing/accommodations for non-local members of the crew, and the rental and purchase of gear, food and other support items from Nevada-based businesses. All nine three-hour episodes (27 total content-hours) of the series will be based in Nevada and will highlight the state. The show airs around the world on Discovery/Discovery Plus. The *Street Outlaws* franchise is amongst the most popular family of series on all of Discovery, with a massive global fanbase.