

Anderson, Joshua

From: Vince Holden
Sent: Friday, 6 October 2023 4:21 AM
To: Charles Collier
Cc: Angela Scurrah; Gregor Cameron; The Deb (production legals; Simpsons Solicitors); Angharad Wood; Daisy Woodley; Amanda Ghost
Subject: RE: The Deb - RW Directing and Acting Deals
Attachments: The Deb - Co Production Deal Memo 27 Feb 23 FE.pdf
Categories: Orange category - Wilson legal docs

Charles, the production was able to make payroll this week, just. I had the unfortunate task of speaking with Bunya and telling them funding had stopped because we were in dispute over a number of deal points with your side. Greer was understandably quite upset and angry. We need to all get on a last chance call please.

I've answered some of your points below, and for clarity copied Amnda into this as well. My suggestion is that we bring Rebel into a call now, as we cannot continue with email debate further, we need a final resolution. Quickly.

Vince

From: Charles Collier <[REDACTED]>
Sent: Wednesday, October 4, 2023 12:14 PM
To: Vince Holden <[REDACTED]>
Cc: Angela Scurrah <[REDACTED]>; Gregor Cameron <[REDACTED]>; The Deb (production legals; Simpsons Solicitors) <[REDACTED]>; Angharad Wood <[REDACTED]>; Daisy Woodley <[REDACTED]>
Subject: RE: The Deb - RW Directing and Acting Deals

Hi Vince,

Thank you for your email.

Don't worry about being "brusque". Fine by me – a bit of tough talk needed to clear up these couple of grey areas. All to the good, so long as it's fair and reasonable. I have no doubt that we'll get this sorted quickly.

I'm due to speak to Rebel tomorrow morn her time.

A couple of quick questions for you to answer before I go back to her:

1. Live Stage Rights. A clarification: is your proposal that Rebel retains 100% live stage rights in the original musical, but in so much that there is new material in the film then that new material is owned 50/50? I ask because we need some wording to clarify would constitutes the original musical and what constitutes the film, and it seems to me that the easiest way to articulate this is simply to refer to "new material which is additional to the original musical and which has been created specifically for the film". **I understand Rebel and Amanda have spoken about this directly. No point in me relaying my understanding, I am suggesting we should hear directly from the pair what they want to do about this issue.**
2. The Fees. You say that it is now "50% more" than anticipated in the original offer. Can you explain to me how that is the case? I know it's more than intended. But the deal agreed was 15M and not the budget is just near to 21M. Isn't that 25% rather than 50%? **I think I know why we keep hitting an impasse, you are crap at maths. 25% of \$15m is 3.75m, so 3.75 + 15 = 18.75. Whereas 50% of 15m is 7.5m, 15+7.5=22.5m. The budget is at 21.8m presently, my 50% increase statement is replaced by "a 46% increase". Still a significant increase** At the same time, Rebel has now agreed to be paid significantly less

than set out in the original deal (from a combined actor director fee of USD\$1.45M down to USD\$630K, so it's not as though she isn't also investing back in to film herself by of modification to the original deal to help out with the realities of this increased budget, and I just want to check that you are also willing to acknowledge that also, so it's not lost on Len in your conversations with him. Do you acknowledge this? Please show me where in the deal memo we agreed to pay USD1.45m fee. It's attached, give it a read. The fact you suggested a fee in an email at some point during the negotiation, which we did not agree to by the way, does not make it agreed. Also, for the record, please be clear if you are demanding a combined fee of US\$1.45m with the increase from the budget amount deferred. If you are, please be aware that this would have significant effect on the back end economics for us as investors, in what has become a very different investment proposition than the one originally agreed. I would at that point need to refer upwards to my principal investor (s) and make no representations as to the answer. At this point, I keep falling back on past experience. This is an extremely bold investment in a first-time director at a level I have never encountered before. To suggest this level of fee's on top feels like we are stepping beyond bold.

3. The Fees. We weren't conflating the finance fee with the producer fees. We know the deal is 300K USD to AI as the financing fee and 3% of budget as the producer fees / production fee. Meanwhile Camp Sugar is getting 3% of budget as the producer fees / production fee. The same for each party. It's a 50 / 50 deal. That's the deal we thought we had. Are we somehow mistaken about this? In light of that, here's the question:
- AI fees. Not disputed. \$USD300K is roughly \$AUS510K. All good.
 - Producer Fees. These are disputed. It was never agreed that Gregor and Amanda would get extra EP fees in addition to the 3% production fee / producer fee. And yet without discussing it with Rebel you introduced these into your budget. That's what's upsetting Rebel. Rebel agreed that each party would share 6% on a 50/50 basis. Therefore, 3% of 21M is \$AUS630 to you and 3% to her. That was the deal. And yet - at the moment - you are giving Unigram/Gregor/Amanda a total between them of \$USD1.11M. And yet you cut down Camp Sugar/Rebel to a total of \$AUS510K. That's not 50 / 50. That's not the deal. How can we fix this? Surely the right and proper thing to do, if there are producer fees and exec fees for Gregor/Amanda/Unigram/Camp/Rebel in the current budget to a total of 1.62M, is to split that on the agreed 50/50 deal and write it down at 810K in total for both parties? That doesn't change the costs in the budget. It simply allocates the available fees on the agreed ratio. I think we put down the rationale behind Amanda's fee very clearly, the work that has gone on behind the scenes not just on music production and attracting top class expertise to the project, but clearing up some historical chain of title anomalies as well as bringing in a super deal with Warner Music to me represents real value that Unigram has brought to the project overall.

I think we need to get yourself, Amanda, Rebel and myself on a call to clear through this. The clock has stopped ticking, and I am now waiting for the "boom"

Very best,

Charles

From: Vince Holden <[REDACTED]>
Sent: Tuesday, October 3, 2023 7:23 PM
To: Charles Collier <[REDACTED]>
Cc: Angela Scurrah <[REDACTED]>; Gregor Cameron <[REDACTED]>; The Deb (production legals; Simpsons Solicitors) <[REDACTED]>; Angharad Wood <[REDACTED]>; Daisy Woodley <[REDACTED]>
Subject: RE: The Deb - RW Directing and Acting Deals

Charles,

Not sure what order to deal with all this, but this really is our final position. We have spoken and corresponded to the point where time has run out on us. Having conferred with Len, most notably on the Theatre rights position, he is not happy to proceed unless we can agree the following in that respect.

On the Theatre production, notwithstanding the original clause in the HoT, this ground has shifted significantly. We understand that Camp Sugar intended to reserve the rights for the original Stage Musical, which it can of course, subject to the holdback and finance provision, but we have now developed a substantially different work with new songs and storylines, something which none of us fully appreciated would happen when we originally agreed this deal. Amanda has worked on this changed format of The Deb musical as a Songwriter, dramaturg and music Producer. For comparison Amanda was paid \$1m to produce the music for Moulin Rouge on Broadway and as a Songwriter she charges \$100k per track to write original songs. Amanda is a Grammy, Oscar and Golden Globe nominated Songwriter who is currently working in these capacities for the benefit of the project without a commensurate fee. As we all know the budget of the film has increased substantially alongside the risk and while we appreciate your suggestion Charles of an 'anti embarrassment clause', and Rebel's offer of a 'matching first right of refusal to produce and finance any live stage events based on the underlying rights and or the film (with a budget over \$1m)', we don't think this accurately reflects the current situation; We would propose that any stageplay/musical **of the Film** should also go into the jointly owned SPV. There is no intention to frustrate any exploitation of the Underlying Stageplay, or indeed, any stage musical of the Film, and indeed that is something that AI (and its associated companies) is extremely interested in. We are happy to retain the holdback that is already provided for, and all terms relating to stage rights would be agreed at the SPV level. We are creating a A\$22m Musical for a worldwide audience here, which is a significant step forward from the original one playing to a local audience in Sydney.

Second, with respect to the fees. There is no confusion on my part, the finance fee and Producing fees are totally separate. Ai is financing, Unigram is Producing, you cannot conflate the two. Equally you cannot argue that Unigram has not spent copious man hours producing the film up to this point, and equally you cannot argue that Ai has not stepped up to finance what is now a production 50% MORE expensive than anticipate in the original offer. Holding Ai to a finance fee that was calculated on the basis of a A15m film when in reality we are closer to A\$22m is unfair in the extreme. What I previously proposed (re-stated below) I believe is a very reasonable compromise where all three parties receive the same. AS I mentioned in my previous email, we have had to cap the producing fee at A\$510k each in order to keep the budget below A\$22m. To be clear, Ai will not finance and increase in producing fees to Unigram nor RW.

Here is our final position in respect of fees.

Budget Ref	Description	Ai Film	Unigram	Ghost	Wilson
B11-1	Exec Prod Fee (part Ai Film Finance fee) *	A\$300			
B11-1	Producer Fee (Per Co Pro Deal 6% split 50/50)		A\$510		A\$510
B11-1	Exec Producer Gregor Cameron		A\$300		
B11-1	Exec Music Producer Amanda Ghost			A\$300	
B21-1	Directing Fee - Rebel Wilson				A\$500
E11-0	Acting Fee - Janette - Rebel Wilson				A\$500
Y14	Financing Bank Charges (part due to Ai Film)	A\$210			
		A\$510	A\$810	A\$300	A\$1,510

* Ai Films Finance Fee A4510k split between Finance Bank Charges and Exec Prod Fee in order to maximise QAPE'able costs

Finally, I am hoping that your description below of A\$625k "Development Fee" was a typo on your part and not an attempt to reclassify as a fee. Development costs have been provided by Rebel at \$276k, they have been budgeted and the production will reimburse these on closing.

I'm sorry if this email comes across as a little brusque, but I am now I am feeling the pressure of this continued too and fro, and am now on notice that no more finance will come down the line to production until these points are agreed.

I have spoken to Gregor and Amanda, we are happy to speak on the phone but that must be with your client present, as we have really reached the end of the negotiating line and need a final decision on whether we proceed on this basis or not.

Vince

From: Charles Collier <[REDACTED]>
Sent: Monday, October 2, 2023 11:28 AM
To: Vince Holden <[REDACTED]>
Cc: Angela Scurrah <[REDACTED]>; Gregor Cameron <[REDACTED]>; The Deb (production legals; Simpsons Solicitors) <[REDACTED]>; Angharad Wood <[REDACTED]>; Daisy Woodley <[REDACTED]>
Subject: Re: The Deb - RW Directing and Acting Deals

Dear All,

I hope you had a good weekend.

Looking forward to closing these agreement in the next couple of days.

I spoke to Rebel this weekend about the way forward on the final points. These being Reserved Rights and Fees.

Reserved Rights

Rebel is rightly adamant that the original agreement was clear that all rights in and to any form of live stage event in relation to the material or the film itself would be reserved exclusively and entirely to Camp Sugar. However, she acknowledges the way in which the budget has risen and the excellence of the relationship with the parties, and therefore she's willing to include the provision that AI has a matching first right of refusal to produce and finance any live stage events based on the underlying rights and or the film where such productions are set at a budget which exceeds US\$1M (set at this budget just to make sure that it's easy for Rebel to licence small scale local and amateur productions without needing to seek your approval).

Fees

There is still some confusion about the fees. The original deal allowed that AI would take the following: (a) US\$300K financing fee; (b) a production fee set at 3% of the budget (it being agreed that this would include all fees that would be paid to AI for officers of AI and / or Unigram, to include Gregor, Amanda and Vince); (c) US\$75K for legals. Based on a budget at A\$21M, Rebel is ready to agree the following fees within the Shareholder Deed for AI.

AI Fees:

Finance Fee: A\$470K

Production Fee: A\$630K

Legal Fees: A\$120K

Total = **A\$1.22M**

Meanwhile, Rebel's fees were to be: (a) production fee at 3% of the budget; (b) writer fee A\$1; (c) director fee A\$450K; (d) actor fee A\$1M; (e) development fee up to a max of US\$400K from historical costs and; (f) legal fee A\$40K. Notwithstanding the above and in light of the budget parameters, Rebel's agreed to modify her writing and

acting fees, to A\$500K for acting and A\$500K for directing. In light of this, these are the fee numbers Rebel's currently expecting to be set out in the final fees in the Shareholder Agreement.

Rebel Fees:

Finance Fee: \$0
Production Fee: A\$630K
Legal Fees: A\$40K
Writer Fee: A\$0
Actor Fee: A\$500K
Director Fee: A\$500K
Development Fee: A\$625K
Total = **A\$2.25M**

Very best,

Charles

From: Vince Holden
Sent: Wednesday, September 13, 2023 12:24 PM
To: Charles Collier <[REDACTED]>
Cc: Angela Scurrah <[REDACTED]>; The Deb (production legals; Simpsons Solicitors) <[REDACTED]>; Gregor Cameron <[REDACTED]>; 'Eleanor Johnson' <[REDACTED]>; '[REDACTED]' <[REDACTED]>
Subject: The Deb - RW Directing and Acting Deals

Charles,

Sorry for the delay in responding since our zoom, we are dealing with several fast moving situations on this film all of which are taxing both us and our local producers. In case you hadn't checked in with Rebel in the last few days, we had the shocking news on Monday that A\$1.2m of NSW State funding we had been reliably promised is unlikely to be coming now. This is a massive blow to the production, not least because we chose NSW over Queensland partly for this grant, but also to favour Rebel's preference to be close to her home base in Sydney. This presents us with another USD800k hole in the finance plan. This is terrible news in addition to the on-going attempt to reconcile the writer Hannah Reilly's option and writing fee, which is currently double the budgeted amount. I have given you a short summary of some of the other ABL costs we are facing, just so you can get a flavour of why the budget was previously under so much pressure.

Other ABL Costs

Hannah Reilly option	A\$300
Hannah Reilly Fee	A\$350
Megan Washington	A\$350
Bunya Producer Fee	A\$425
Bunya Overhead	A\$300
Historic Development	A\$547
Ian Eisendrath	A\$338
Rob Ashford	A\$338
	<hr/>
	A\$2,947

Below is a simple table of proposed fees which I've divided up to make it easier to follow. Given the extraordinary increase in both budget and risk, there is an increase in the financing fee (called Financier EP in the budget to enable us to claim Quape tax credit on it) to match off the increased funding we are having to provide and given all that has happened to allow for the possibility of bringing in a third party investor. Even though we are underwriting the entire budget, that third party equity investor will undoubtedly demand a portion of that fee. It will not all go to Ai

Film. Of course, Rebels share of the producing fee has gone up since the original offer too, as it was pegged at 3% of the budget, but we have now crystallised that number in the budget at A\$1.020m which is 3% of the budget excluding ABL, as we simply can't afford for it to grow further.

The Deb A\$21.9m Budget Fees	Ai Film	Unigram	Ghost	Wilson
Financier EP Fee	A\$510			
Producer Fee		A\$510		A\$510
GC EP Fee		A\$300		
AG Music EP			A\$300	
RW Directing				A\$500
RW Acting				A\$500
Financing Costs	A\$325			
	A\$835	A\$810	A\$300	A\$1,510

We hope this table illustrates the fair proportion of fees that we are allocating as partners. We all agree this is a project we all believe in and feel passion about, but we are currently sailing in very choppy waters and we need to try and steady the ship as best we can with a realistic and measured set of numbers here.

Best

Vince

Vince Holden

3rd Floor, 9 Mansfield Street,
 London W1G 9NY
 Tel: [REDACTED]
 Mob: + [REDACTED], Mob: + [REDACTED]

www.ai-film.com

