

renegade pictures presents

Circular Evidence



renegadepictures

Recent Projects

Two of Renegade Picture's recent projects include a documentary made for regional public television and our first feature film.

Vanguard Nights

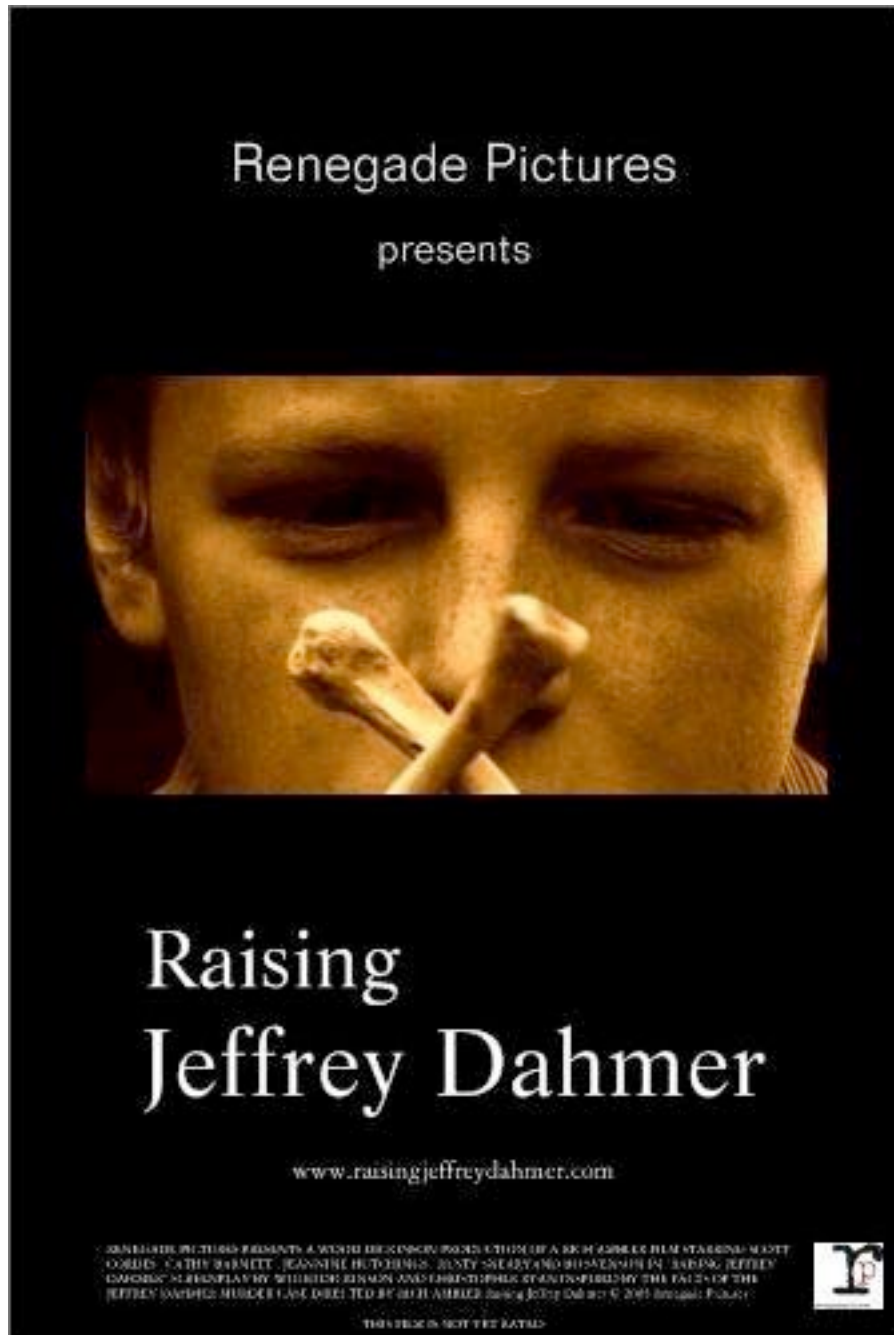
Vanguard Nights chronicles Kansas City legend Danny Cox in words and music. It has aired on PBS station throughout the mid-west.



Danny Cox

Raising Jeffrey Dahmer

Raising Jeffrey Dahmer is Renegade's first feature film and will screen April 13, 2006.



The prospects for the sale of Raising Jeffrey Dahmer are excellent. We have two companies ready to take it direct to video now and three companies wanting to look at it for theatrical distribution. This short list includes some heavy hitters:

William Morris Agency

Sloss Law

The Film Sales Company

We can say this because in 2002 the film *Dahmer* produced domestic revenue of \$6,300,000. This fact is enough for the Direct to video distributors to want the film now.

US Video Rentals

Date	Rank	Weekend/Daily	Gross
20 October 2002	49	\$200,000	\$6,300,000
13 October 2002	44	\$270,000	\$5,800,000
06 October 2002	37	\$380,000	\$5,000,000
29 September 2002	36	\$540,000	\$4,000,000
22 September 2002	34	\$670,000	\$3,500,000
15 September 2002	28	\$890,000	\$2,800,000
08 September 2002	30	\$910,000	\$1,900,000
01 September 2002	31	\$1,030,000	\$1,000,000

Information supplied by IMDBpro.Com

There are two primary reasons for the potential success of *Raising Jeffrey Dahmer*.

1. Selection of a project with audience demand

And

2. Aggressive budget on the production

What's Next?

Project selection is very important to the potential success of a motion picture project. In selecting a project several factors are key:

1. Public interest in the subject.
2. Uniqueness of the project.
3. Selection of a project based on a well known person or already successful property such as a book, play or short story.
4. Attachment of a known writer and/or director and star(s).

To this end, Renegade Pictures has signed an agreement with best selling author Colin Andrews to make a film about his life. Mr. Andrews is the worlds leading authority on the mysterious Crop Circle phenomenon. He started his research into this subject in 1985 after stumbling upon a formation. Mr. Andrews, a successful engineer working for the government of Great Britton, found his life changed forever. Over the course of the next few years he lost his marriage and then his country moving to the United States. A prominent and controversial figure in the Crop Circle world, Mr. Andrews has been an avid seeker of truth in a world where some want to believe in the circles like a religion and others believe all of it is a hoax.

Colin Andrews has received substantial funding from Laurence Rockefeller for his research and acted as a consultant to Hollywood on the movies such as *Signs*. Mr. Andrews offers a world-class figure embroiled in a fascinating phenomenon.

Since executing an option agreement on his life story we have received mail from around the world and been covered in the press both here and in England. All before we have even announced the project.

Colin Andrews is the author of the first book to be published on this topic which became a best seller around the world. The book Circular Evidence is not about Mr. Andrews life but the movie *Circular Evidence* will be. Using a similar approach to the project that was used in bringing *The Mothman Prophecies* to the screen, Renegade Pictures will use creative license to create a dramatic story.

Next Step

Circular Evidence

Currently *Circular Evidence* is in development. Rights have been optioned and the project is moving ahead slowly. With proper capitalization of the development cycle we could attach a writer if needed and two researchers to the project and have the film ready for preproduction in six months.

The budget on this film should be in the \$1,000,000 range. This allows attachment of known actors. This film will require a sound stage, locations here in Kansas City and the mid-west.

The development cost should be \$250,000 of the \$1,000,000. With the funding of development all proper attachments can be made, the story researched, legal work completed and screenplay written.

Schedule – Circular Evidence

Development May – October

Preproduction – Prior to a shoot start date in July 2007

Production – July – August – 2007

Post production – September – January with a finish date in February 2008

Action Plan

Renegade Pictures wants you to participate. With an investment of \$250,000 into the film.

In the event that certain deferrals are granted by crew working on this picture the will become first in line for payment of those deferrals before the investors. If the principle actors have negotiated a bonus to be paid upon sale of the film then they will be paid next. Once deferments and bonuses are paid investors will be paid back 100% of their investment.

The return for investors will be 40% of the net after the above payments are made.

There are significant Federal tax breaks for investments in low budget independent feature film production. All the relevant material is attached in the Appendix.

Appendix



Welcome **WOOD DICKINSON** ([Log out](#))

[Make Variety.com Your Home Page](#)

[Advertise](#) | [Contact Us](#) | [Help](#) | [Link to Us](#) | [Site Index](#)

HOME | **FILM** | TV | INT'L | BUSINESS | MUSIC | HOME ENT | LEGIT | TECHNOLOGY | AWARD CENTRAL | MEDIA JOBS
NEWS | COLUMNS | REVIEWS | CHARTS | BOX OFFICE | EVENTS | V PLUS

Last Updated
March 21, 2006 12:48PM PT

Box Office Film Search Results

Other Box Office Charts

- [Weekend, Weekly, Foreign](#)
- Top performers by:
 - [Opening Weekend](#)
 - [Total Box Office](#)
- [Film opening calendar](#)
- [Weekend B.O. articles](#)
- Have box office news [delivered by email](#)

Choose another date:

OR

Search Film Title:

Domestic data is complete after March 1994. [Read full details.](#)

THE MOTHMAN PROPHECIES (UNITED STATES HISTORY)

SONY PICTURES, 2002
U.S. Cumulative
\$35,228,696

Week	Date Range <small>Click for full weekly BO</small>	# of engagements	Avg per eng.	% change in BO	Rank	Weekly Box Office	Running Total
1	1/25-1/31/2002	2,331	\$5,945		6	\$13,857,629	\$13,857,629
2	2/1-2/7/2002	2,331	\$3,979	-33%	6	\$9,273,939	\$23,131,568
3	2/8-2/14/2002	2,275	\$2,791	-32%	10	\$6,349,832	\$29,481,400
4	2/15-2/21/2002	1,410	\$2,485	-45%	18	\$3,504,085	\$32,985,485
5	2/22-2/28/2002	818	\$1,616	-62%	21	\$1,321,583	\$34,307,068
6	3/1-3/7/2002	524	\$1,231	-51%	25	\$645,088	\$34,952,156
7	3/8-3/14/2002	273	\$833	-65%	38	\$227,536	\$35,179,692
8	3/15-3/21/2002	66	\$742	-78%	53	\$49,004	\$35,228,696

[Read Variety's review of THE MOTHMAN PROPHECIES](#)

[Search Variety archives for "THE MOTHMAN PROPHECIES"](#)

[View THE MOTHMAN PROPHECIES'S B.O. history in other markets](#)

[Click to report questions or problems](#)

* Running Total may not add up to cumulative result.



renegadepictures

Important Announcement

Tax incentive for Investment in Motion Pictures

As of 2004 the Federal GOVERNMENT AMMENDED THE TAX CODE TO HELP INDEPENDENT FILMMAKERS.

Bill HR 4520 (2004) allows us to offer a great tax incentive if you invest in one of our feature film projects. The film budget must be below \$15,000,000. Your investment is 100% tax deductible. This is a code section 181 special election.

The investment can be taken as a deduction the same year that the money is spent making the film.

Example:

If you invest \$100,000 in a \$500,000 budgeted film once the money is spent in the production of that film you can take a \$100,000 off your income tax. It is that simple. If the production spans two years then the portion spent in year one applies to that years taxes and the portion spent in year two applies to those.

Don't pay Uncle Sam invest with Renegade Pictures, LLC.

Future projects include:

C i r c u l a r E v i d e n c e

TAX INFO SUMMARY

H.R.4520

Title: To amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service, and high-technology businesses and workers more competitive and productive both at home and abroad.

Sponsor: [Rep Thomas, William M.](#) [CA-22] (introduced 6/4/2004)
[Cosponsors](#) (40)

Related Bills:

[H.RES.681](#), [H.RES.830](#), [H.R.2896](#), [H.R.5395](#), [S.1637](#), [S.3019](#)

Latest Major Action: Became Public Law No: 108-357 [GPO:
[Text](#), [PDF](#)]

House Reports: [108-548](#) Part 1; Latest Conference Report: [108-755](#)
(in Congressional Record [H8411-8640](#))

Jump to: [Summary](#), [Major Actions](#), [All Actions](#), [Titles](#), [Cosponsors](#),
[Committees](#), [Related Bill Details](#), [Amendments](#), [Summary](#)

SUMMARY AS OF:

10/22/2004--Public Law. (There are 5 [other summaries](#))

Sec. 244) Allows an election until 2009 to expense qualified film or television production costs up to \$15 million (\$20 million for costs incurred in certain low-income or distressed areas).

Defines "qualified production activities income" as the excess (if any) of domestic production gross receipts over the sum of the cost of goods sold allocable to such receipts, other deductions, expenses, or losses directly allocable to such receipts, and a ratable portion of other deductions, expenses, and losses that are not directly allocable to such receipts or another class of income. Includes within the definition of domestic production gross receipts qualifying production property (i.e., tangible personal property, any computer software, and certain sound recordings), any qualified film produced by the taxpayer, electricity, natural gas, or potable water produced by the taxpayer in the United States, construction performed in the United States, or engineering or architectural services for projects in the United States, but excludes the sale of certain food and beverages sold at retail and the transmission or distribution of electricity, natural gas, or potable water.

H.R.4520

Title: To amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service, and high-technology businesses and workers more competitive and productive both at home and abroad.

Sponsor: [Rep Thomas, William M.](#) [CA-22] (introduced 6/4/2004)
[Cosponsors](#) (40)

Related Bills:

[H.RES.681](#), [H.RES.830](#), [H.R.2896](#), [H.R.5395](#), [S.1637](#), [S.3019](#)

Latest Major Action: Became Public Law No: 108-357 [GPO: [Text](#), [PDF](#)]

House Reports: [108-548](#) Part 1; Latest Conference Report: [108-755](#) (in Congressional Record [H8411-8640](#))

Jump to: [Summary](#), [Major Actions](#), [All Actions](#), [Titles](#), [Cosponsors](#), [Committees](#), [Related Bill Details](#), [Amendments](#), [Summary](#)

SUMMARY AS OF:

10/22/2004--Public Law. (There are 5 [other summaries](#))

Sec. 244) Allows an election until 2009 to expense qualified film or television production costs up to \$15 million (\$20 million for costs incurred in certain low-income or distressed areas).

Defines "qualified production activities income" as the excess (if any) of domestic production gross receipts over the sum of the cost of goods sold allocable to such receipts, other deductions, expenses, or losses directly allocable to such receipts, and a ratable portion of other deductions, expenses, and losses that are not directly allocable to such receipts or another class of income. Includes within the definition of domestic production gross receipts qualifying production property (i.e., tangible personal property, any computer software, and certain sound recordings), any qualified film produced by the taxpayer, electricity, natural gas, or potable water produced by the taxpayer in the United States, construction performed in the United States, or engineering or architectural services for projects in the United States, but excludes the sale of certain food and beverages sold at retail and the transmission or distribution of electricity, natural gas, or potable water.

The Domestic Film Production Incentive Program Contained in the 2004 JOBS Act

New Section 181 of the Internal Revenue Code

A Brief Guide to the Tax Provision

Qualifying Film Expenses Immediately Deductible. Investors in qualifying film and television productions may elect to immediately deduct the cost of qualifying film expenditures in the year the expenditure occurs.

- Qualified film and television productions¹ include any production of a motion picture (whether released theatrically or directly to video cassette or any other format); miniseries; scripted, dramatic television episode; or movie of the week. Only the first 44 episodes, including the pilot production, of a scripted dramatic series would be eligible under this Act.
- In the case of a film co-produced by multiple investors, the deduction for qualifying expenditures must be allocated among the owners of the film in a manner that reasonably reflects each owner's proportionate investment and economic interest in the film.
- Qualified films do not include sexually explicit productions as defined in section 2257 of title 18 of the U.S. Code.

Qualifying Expenses Generally Capped at \$15 million. The proposal applies only to qualifying film or television productions the aggregate cost of which does not exceed \$15 million.

- The \$15 million cap applies to each individual episode of the 44 episodes, including the pilot production, of a scripted dramatic series that are eligible under this Act.²
- A higher expenditure cap of \$20 million applies to productions the aggregate costs of which are "significantly incurred" in: a) areas eligible for designation as a low-income community under the New Markets Tax Credit program,³ or b) areas eligible for designation by the Delta Regional Authority as a distressed county or isolated area of distress.

¹ Productions described in section 168(f)(3) of the Internal Revenue Code

² While a recent Joint Tax Committee explanation of the 2004 legislation supports this per episode application of the cap, this still must be clarified in technical corrections legislation that the tax writing committee chairmen will soon introduce.

³ As defined in section 45A of the Internal Revenue Code.

- As defined by the New Markets Tax Credit program, qualifying low-income communities include any census tract if (a) the poverty rate for such tracts is at least 20 percent; or (b) (1) in the case of census tracts not located with a metropolitan area, the median family income for
- the tract does not exceed 80% of statewide median family income, or (2) in the case of a tract located with a metropolitan area, the median family income for the tract does not exceed 80% of the greater of statewide median family income or the metropolitan area median family income. A list of qualifying areas can be found at: <http://www.cdfifund.gov/mapping/mapping.asp>
- A list of areas eligible under the Delta Regional Authority statute as distressed counties or isolated areas of distress can be found at: http://www.dra.gov/dra_coverage_map.html

Qualifying Compensation Rule. To qualify, at least 75 percent of the total compensation expended on the production must be for services performed in the United States.

- Qualifying compensation includes payments for services performed in the United States by actors, directors, producers, and other relevant production personnel. Compensation does not include participations and residuals.⁴

Tax Benefit Duration. This new domestic film production incentive program will be in effect for qualifying productions commencing after 22 October 2004 and before 1 January 2009.

Legislative Note. The provisions of the JOBS Act were signed into law by President Bush on 22 October 2004. While the production incentives portion of the law became fully useable as of that date, certain issues have arisen that require further clarification by Congress and the Treasury Department. The Joint Tax Committee issued its clarifications on 31 May. These are reflected in the forgoing material. Still to come are a “technical corrections” bill that the chairmen of the House Ways and Means and Senate Finance Committee will soon introduce, and regulatory guidance that the Department of Treasury and the Internal Revenue Service will release.

THIS HANDOUT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE VIEWED AS TAX ADVICE WITH RESPECT TO YOUR PRODUCTION ACTIVITIES. FOR SUCH ADVICE, YOU SHOULD CONSULT WITH YOUR TAX ADVISOR.

⁴ As defined in section 167(g)(7(B) of the Internal Revenue Code

2004 JOBS Act Production Incentives Frequently Asked Questions

(1) Q: When do productions need to commence to qualify for the new incentive?

A: The incentive is available for qualified productions commencing after October 22, 2004, and before January 1, 2009.

(2) Q: If a film has started production before and continues through October 22, 2004 can it qualify for this tax incentive?

A: No, only productions **commencing after** October 22, 2004, and before January 1, 2009 can qualify.

(3) Q: Can the immediate write-offs be taken in more than one year?

A: Yes, if an election is made to use the incentive, the immediate deduction takes place in the year the expenditure is incurred. Therefore, if production expenditures are incurred in more than one year, the immediate tax deduction will be taken in more than one year.

(4) Q: When, where, and how does the “election” to immediately deduct the qualifying expenditures apply?

A: The election is to be made on the tax return for the taxable year in which the production costs are first incurred. The election must be made by the due date (including extensions of time) of such return. The manner and form of the election will be determined by the IRS at a later date.

(5) Q: Does it apply to all productions (e.g., big budget productions)?

A: No, the immediate write-off provision does not apply to productions whose aggregate cost exceeds \$15 million (\$20 million in the case of productions in certain low-income and eligible areas of the country). However, all productions including those below and in excess of \$15 million (\$20 million) have other new potential incentives including a new 9% tax deduction for U.S. production activities.

(6) Q: What is the real benefit of this incentive?

A: This is a significant new Federal tax incentive that allows producers of qualifying productions to take a tax deduction for the full costs of a production in the year the cost is incurred (as opposed to having to spread or amortize those costs over a period of years). Deducting the costs up front, while deferring the income from the films until later years when it is incurred will significantly reduce or eliminate taxable income for the film in the early years of exploitation.

(7) Q: How do I determine if it is beneficial to my production?

A: Since the new incentive is elective, producers can run numbers both with and without the new incentive and determine whether or not to elect to immediately expense the production costs in the first year(s).

(8) Q: What tax form do I need to fill out to get the incentive?

A: Currently, there is no specific form to fill out. The IRS is expected to issue further guidance on the incentive. In the absence of specific guidance, the legislative history states that: "deducting qualifying costs on the appropriate tax return shall constitute a valid election." Therefore, deducting the production costs (that would otherwise be capitalized) on your tax return will qualify as electing to take advantage of this incentive.

(9) Q: Is the incentive transferable?

A: No. However, different entity structures such as limited liability corporations, partnerships, and others, should be considered to properly allocate costs that could be immediately expensed.

(10) Q: What happens in the case of a co-production or a film financed by multiple investors?

A: The \$15 million (\$20 million) threshold refers to the qualifying film. Thus, a qualifying film that is co-produced must in total come under the threshold. The benefits of the provision must be allocated among the owners of a film in a manner that reasonably reflects each owner's proportionate investment in and economic interest in the film.

(11) What is considered "aggregate costs" to determine if my aggregate production costs exceed the \$15 million (\$20 million) threshold?

A: The determination of what costs are included in the calculation of the threshold is not specifically addressed in the legislation. These costs should be the costs that would otherwise be capitalized and amortized as part of the production. IRS guidance in the form of Notices or regulations may help clarify this issue.

(12) In order to qualify for the higher (\$20 million) threshold what does it mean to require that a "significant" amount of the expenditures be incurred in an eligible area?

A: The term "significant" is not defined in the new statute, but for Federal tax purposes, it can have a number of meanings. Typically, it means that over 50% of the expenditures would have to be incurred in the eligible area. This is another issue that may be subject to further clarification by IRS guidance.

(13) How will other practical issues related to this new incentive be determined?

A: Like other tax issues, producers should consult with their professional tax advisors on any issues related to this new Federal tax incentive. It is expected that the Treasury Department and the IRS will issue guidance to further interpret the statute.

This guidance may come in the form of Notices and Regulations. A number of groups that worked on this important legislative change are expected to continue working with the Treasury Department and the IRS to ensure the incentive fulfills its objective and provides the industry with meaningful tax relief.

THIS HANDOUT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE VIEWED AS TAX ADVICE WITH RESPECT TO YOUR PRODUCTION ACTIVITIES. FOR SUCH ADVICE, YOU SHOULD CONSULT WITH YOUR TAX ADVISOR.