

VITAL INFORMATION about the recent happenings of this whole issue that are currently going on in our state. Many people don't know about the issue, let alone the urgency surrounding it, and the extreme misinformation that is being released to the public. This misinformation is causing an incredibly warped opinion of the entire matter. Here is the REAL TRUTH behind the matter!

Things are coming to a head and we are dangerously close to losing our film industry here in Iowa! The Governor's film industry tax freeze has gone on much too long and must be lifted immediately or we will not only lose many wonderful projects, long term industry potential, new facilities and training for Iowans, but Iowa's ethical reputation will be damaged forever. There are several key production companies which have signed contracts with the state of Iowa who MUST be given some specific assurances NOW or they will not only be forced to go somewhere else, but will have to sue for damages. Even more pertinent to you Iowans; your very lucrative, exciting industry will be allowed to die on the vine!

Most of the media is printing very few real statistics and is spreading outright misinformation and scare tactics which leads the average uninformed person to panic and not back the film industry.

The only thing left to do is Tweet and Face Off! A grassroots action is required to try to save the film industry! If you are technology savvy, here is what you can do:

Please get on Twitter and Facebook and any other PUBLIC forum TODAY and ask the real questions. If these questions and this real info go viral and the public has the true information, we may be able to put enough pressure on the Governor (and other powers that be) and get this freeze lifted.

Examples of Things to Tweet or Post - Feel free to add your own... and send it to others ASAP!

"Can you stand by and watch one of Iowa's most lucrative, exciting industries die on the vine?"

"Why are Iowa's leaders allowing the few people who acted badly cause the state to be screwed TWICE?"

"Why are we punishing the good guys... the ones who want to train Iowans and build a LONG TERM industry here?"

"If Iowa has at least 3 times the potential revenue coming into the state as it does tax liability for the film incentives, what is the problem?"

"3 production companies currently in limbo due to the film tax freeze could bring in up to 154 MILLION dollars to Iowa. How can we turn our backs on that?"

"There has been NO cash handed out from Iowa coffers! Tax incentives depend upon revenue. NO incentives...no revenue."

"Why can't we audit past projects AND honor our current contracts SILMULTANEOUSLY!!?"

"At a time when the state has the highest unemployment rate since 1986 and is scrambling to create more available unemployment funds, why cause MORE unemployment?"

This is an industry which eventually could employ THOUSANDS of Iowans in long term careers, why is this less legitimate than other established industries which do the same?"

"Do we want Iowa to go global with a cutting edge industry, or be misrepresented as only having pigs and corn?"

" Why would we kill an industry that has brought young and talented people BACK to Iowa and is causing them to STAY here?"

"Help wake Iowa up! SAVE the film industry..it DOESN'T HAVE TO BE a "flyover zone".

In addition, here is a recent email that John Busbee has sent out. He has been very heavily involved with the industry here. Both he and Kimberly Busbee have put in their talent, time, and passion to this industry that is now being DESTROYED!

To key Iowa Decision-makers:

Thank you for taking time to consider the information and perspectives I am including in this. I am certainly trusting that our State will take care of the most pressing part of this business now.

Some time back, when Iowa established the Great Places program, I was truly energized and impressed that Iowa had the incredible foresight to benefit selected communities by having all state departments work together for a common good. Representatives from different departments would work together to overcome challenges in serving the greater good, and there have been and continue to be some excellent anecdotal success stories that have come from the Great Places activities.

Now is time to adopt that same kind of cohesive and decisive action to prioritize, and then respond to the wide range of cases left the wake of the current Iowa film tax incentives program. Stopping everything is not the prudent, fair choice for dealing with this challenge. Yes, there are many things wrong with some past projects, but the State of Iowa cannot and should not stop the highest priority projects because of issues outside of the control of those producers. That is breaking a promise already made, and that is not the Iowa way of doing business.

Here are some facts from key players included in this communication:

Kip Konwiser (multiple Academy Award Winner), Gigapix Studios, including Executive Producer David

Pritchard (The Simpsons) - had proposed an initial plan to develop a permanent sound studio at SouthRidge Mall, a property in a severe decline. This plan included shooting 5 films, each with a budget of \$8-20 million, and developing a local crew base. The initial project, Blackbeard aka Field Trip, needs to move forward. As Kip stated earlier today, "mine is the last finger in the dike. If I leave..."

Chris Milburn, Midsummer Films - had proposed to purchase property and develop long-range filmmaking strategies in Iowa. This included building a local production crew base, and developing a long-range, multiple-project film plan.

Kevin DeWalt, Mindseye Entertainment - wants to begin with piece of large international film here in Iowa. Application included training element for developing Iowa-based crew. Kevin was part of Saskatchewan's film development, which grew in 20 years from nothing to a \$150 million a year industry. He is responsible for training 1000 people in the industry, of whom 900 are still working full time.

Jon Hazell, Burlington, IA-based filmmaker - has 12 projects in various stages of development, from signed contracts to approved applications. His vision is to map out a 5-year strategy to produce this mix of 12 feature films, documentaries and television shows. This would provide many full time jobs in SE Iowa.

Each of these producers has projects which are in a vulnerable stage of development, having been brought this far because of the promises made by the State of Iowa. This is where key departments - Attorney General's office, Iowa Department of Economic Development, and the Governor's office - as well as any others needed to make things happen NOW for these producers must take immediate action.

This does not preclude the necessary due diligence for past projects which need forensic accounting scrutiny to right any and all wrongs. However, these most vulnerable projects need Iowa's support now. Otherwise, I don't like the consequences.

It is truly unfortunate that Central Iowa print media is misrepresenting much of the problem, and selectively reporting through what many consider to be "yellow journalism" or "sensationalistic reporting." Here are some facts:

- There is no money lost. Iowa owes nothing to any producer until at least twice as much has been spent in Iowa.
- The body of all applications and contracts cannot be considered the total liability. There is no liability until money is spent in Iowa...again, at least twice as much as will be paid in tax incentive benefits.
- This industry produces only part-time jobs. This fallacy continues to be perpetuated. In a properly supported industry, film industry professionals can work on a continual basis, similar to how many constructions and trade industries work: project to project. This also is an industry that is immensely appealing to the 20- to 30-something demographic Iowa has always been touting it wants to retain and attract. Here is your chance. Be proactive not only in providing an industry where motivated, intelligent

Iowans can develop their skills into high-paying jobs. Many positions in the film industry can earn \$200-1000/day.

Here are some other facts to consider.

- New Mexico did a study that showed that for every \$1 invested in their film program, they received a return of \$1.65.
- New York also did a study, show a return of \$1.90 for every \$1 invested.
- Wendol Jarvis (founder and first manager of Iowa Film Office) told about visiting on location of a film being shot in a small Iowa town, and the banker came running up to him to tell him that he experienced a 128% increase in deposits from virtually every business in the region.
- While working as Locations Manager for The Crazies shot in and around Lenox IA, after the production company contracted for the 65 available motel rooms in Creston, they proceeded to book housing for the other 100 crew & cast in 12 surrounding communities in a variety of bed-and-breakfasts, hunting lodges and private homes that were empty.

What these producers ask for now is communication. Here are cell phone numbers and email addresses for two of the producers:

Kip Konwiser - 310-567-0415

kip@konwiserbros.com

Kevin DeWalt - 306-536-7388

kdewalt@mindseyepictures.com

Chris Milburn

Chris@midsummerfilms.com

Jon Hazell

jonhazell@hotmail.com

I could continue, but that is not necessary at this time. What is necessary is your immediate attention to putting these projects back on track. When Aviva uncovered a massive embezzlement, the State didn't close down all the insurance companies while this one issue was sorted out. Do not lump all in one category, please. That is not fair and just, especially to business people who trusted Iowa on their signed word, and subsequently invested much in anticipation of completing their projects in Iowa.

If I can answer any other questions, please feel free to call. But, most importantly, contact these four producers and, if there is anyone else in this most immediate category, them, too.

Thank you.

Sincerely,

John Busbee

515-707-1532

Thank you very much for taking the time to read this! I hope that you make the effort to get involved

with this situation right away! It's truly a time sensitive manner! Every single voice that speaks up will assist in putting pressure on our government here in Iowa, which will result in action and change...hopefully in the artist's favor.

PEOPLE TO CALL AND THEIR CONTACT INFORMATION:

If you can talk your friends and family into making calls on behalf of lifting the "freeze" on the Film Tax Incentives Program (and thereby SAVING the film industry in Iowa), the best potential is in calling the following:

And since this is a bona fide emergency, feel free to call them at home.

(1) Governor Culver @ (515) 281-5211

(2) Their own State Senator and Representative; if they don't know who it is, they can simply use this link: <http://www.legis.state.ia.us/FindLeg/>

(3) Senator Thomas G. Courtney, Majority Whip, Vice Chair Government Oversight Committee; thomas.courtney@legis.state.ia.us; 319-753-2684

(4) Representative Vicky S. Lensing; Chair Government Oversight Committee; vicki.lensing@legis.state.ia.us; 319-338-6148

(5) Representative Pat J. Murphy, Speaker; pat.murphy@legis.state.ia.us; 563-582-5922

(6) Representative Kevin M. McCarthy, Majority Leader; kevin.mccarthy@legis.state.ia.us; 515-953-5221

(7) Senator Mike Gronstal, Majority Leader, mike.gronstal@legis.state.ia.us; 712-328-2808

The basic talking points are all of the information above and these:

Audit and reform the program as appropriate, but LIFT THE "FREEZE" IMMEDIATELY so Iowa won't lose the many fine and responsible Film Production Companies already invested here.

Failure to lift the "freeze" won't punish the few who have acted unethically; it will instead KILL the whole program by attrition. No multi-million dollar venture (the film companies who already have contracted to shoot here) with highly specialized staff can survive in a holding pattern. They will have no choice but to take their money and jobs elsewhere in order to complete their projects in a fiscally responsible, timely manner. (Which so many already have done!)

Given Iowa's current economic struggles, we simply CAN'T AFFORD TO LOSE one of our ONLY PROFITABLE INDUSTRIES.

THANKS AGAIN TO ALL!