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From: Kely Lyons [REDACTED] >
Sent: May-07-15 3:27 AM
To: Office of the Legislative Counsel; Finance Minister
Subject: NOVA SCOTIA FILM & TELEVISION TAX CREDIT - SOME PERSPECTIVE
Attachments: Kely Lyons CV2 2015.pdf; Tax Credit Perspective.pdf

Dear Law Amendments Committee Members:

In all the controversy raging around the relative benefits and/or detriments of the Nova Scotia film industry tax credit, there are several critical perspective elements that seem to have been left out of the general discussion.

For starters, to describe the labour tax credit as a “government handout” to the industry, as people like John Risley and others have done, is to betray a complete lack of understanding of the dynamics and workings of the incentive. The labour tax credit is a tool around which a Nova Scotia producer can aggregate the rest of a production’s budget, an incredibly important and useful tool for sure, but one that comes with a complex and stringent set of obligations and requirements - both legal and financial - that must be carried out by the producer.

The government does not “hand” money to a Nova Scotian producer. Long before the labour tax credit becomes a viable part of a project’s financial structure, the producer must raise the core financing for the series, the film, the documentary - whatever the medium - via licenses and presales to broadcasters, distributors, new media outlets, co-production agreements with recognized partner countries, etc. Once that core financing is in place - and by that I mean fully and contractually in place, with legally binding documentation and an accurate and fully detailed budget and financial structure, signed and committed to by all parties - the producer can then apply for tax credit financing. The application process is rigorous, with legal, business and financial requirements that are written into legislation and which are both binding and enforceable; this is, after all, taxpayers’ money, and the provincial film agency has a strict set of parameters under which it is allowed to approve a project’s application. Again, this is the responsibility of the producer, who must satisfy the agency’s requirements - 100% - or be turned down for this crucial piece of financing, a piece that has the absolute power to make or break the producer’s ability to move the project into production. On top of that, once the tax credit has been approved by the agency, the producer doesn’t just get handed a check. He or she must take the estimate document issued by the film agency and bridge-finance it at a proscribed bank. This means two things; the bridge loan generates interest, which must be paid by the production. And - please read this carefully - in addition to corporate guarantees, which includes signing over all the other financing involved in the project to the bank, *the producer must personally guarantee the loan*. Which means that if the terms, conditions and repayment of the loan are not fulfilled for any reason, *the producer is personally liable for every penny*.

This is hardly the definition of an industry-wide pork-barrel style handout, which is what has been implied time and again in articles and interviews by people with no working knowledge of the process, and who haven't bothered to do any research before delivering their apparently unshakable opinions. The process is labour-intensive, costly, rigorous and exacting; again, it bears repeating, the rules and regulations the agency and the producer must follow *are written into provincial legislation*.

Additionally, the government has claimed that it can't afford the \$24 million per year price tag, as if it has to lay all the money out at once. Aside from the fact that - if the spin-off and revenue-generating statistics are looked at accurately - it can't afford *not* to afford it, the reality is that the distribution of the tax credit money, which goes to pay back the production's bridge loan at the bank, occurs between 6 and 24 months after a production is completed and the final accounting revenue engagement report (paid for by the production) has been accepted by both the lending institution and the film agency. Given that production happens on a year-round basis, it is clear that the distribution of the tax credit money is staggered throughout a 6-to-24-month period, a payout schedule that ought to be able to be handled by a proficiently-overseen provincial finance department.

The film, television and new media industry has been a driving force in moving Nova Scotia away from the "traditional", out-moded, ecologically destructive economy of resource-based exploitation, into a new economic era where intellectual property generates clean, green, high paying jobs and spin-off revenue that contributes significantly to the Province's tax base. There is overwhelming statistical evidence that Nova Scotia's film and television tax credit system works; the fact that the current government has seen fit to dismantle it, at exactly the time of year when most productions are gearing up to start, without consultation with the industry that forms a key segment of their constituency, speaks of the kind of back-room deals and cronyism for which the Province was justifiably infamous in the past, and which the new, knowledge-based economy has helped Nova Scotia transition away from.

At this point in the 21st Century, is a return to the "bad old days" of politics – as signified by the devastating blow the Liberals just dealt to a successful and surging part of the new, information-based economy - what Nova Scotians really want? Seriously, is this what the smart, inventive, independent, self-sufficient and forward-thinking people of this Province want themselves dragged back into? If not, then we all have to fight like hell - right now - to reinstate the film industry tax credit before 20+ years of thoughtful, painstaking, "smart" industry-building goes down the drain, the first victim of a self-serving government that regards large segments of its constituency with high-handed disdain, and - as evidenced by the egregious remarks posted on Twitter by Agriculture Minister Keith Colwell's assistant Mark MacPhail - down right contempt. If this government is not called to account, right now, then the dismantling of the film and television industry will be but the first step on a slippery slope that will send the Province back into the crony-and-greed-based political dark ages its citizens have worked tirelessly for decades to emerge from.

My conclusion? Dear Liberal Government, KEEP YOUR PROMISE, AND PUT THE FILM AND TELEVISION CREDIT BACK EXACTLY THE WAY YOU FOUND IT. DO IT NOW, IMMEDIATELY.

Signed,

Kely Lyons

Nova Scotia Producer/Writer/Director



KELY LYONS has worked in international film and television as a writer, director, producer, line producer, production manager, post-production supervisor and executive producer. Her credits encompass feature film, television, documentary and theater projects. She has won a number of writing awards, and was privileged to have had a feature film in Official Competition at the Cannes Film Festival.

An American citizen, Kely has Landed Resident status in Canada and is eligible for full Canadian Content points as per the regulations of CAVCO and the CRTC.

CURRENT FILM & TELEVISION:

2014: PRODUCER - "Love&Justice": Original feature film. Status: In development. Production Company: Truce Films. Cast: TBD.

2013-2014: WRITER/PRODUCER/SHOWRUNNER, HDFilms Los Angeles:

- "If The Shoe Fits" starring Alicia Marie (MSN), 3 episodes;
- "On the Record" starring Sierra Swan, (MSN), 3 episodes;
- "Weekend Ticket" starring Dave Karger (Fandango/NBCUniversal) 17 episodes;
- "Game Talk Live", starring Paul Nyhart and Todd Roy (Twitch.tv) 69 episodes;
- "Slash's House of Screams" starring Slash, Tiffany Smith, Anne Heche, Clancy Brown, James Tupper, Clifton Collins Jr. (Fandango/NBCUniversal) 3 episodes.

FILM

2012: PRODUCTION MANAGER - "Black Moses": Feature documentary. Status: Delivered. Producer: Greg Cayea. Director: Travolta Cooper. Cast: Dennis Haysbert.

2008: SCREENWRITER - "What's Bred in The Bone": feature film adaptation of Robertson Davies trilogy. Producer: Gabriella Martinelli, Capri Films (producer, *Tideland*, *M. Butterfly*, *Romeo + Juliet*). UK/CAN co-pro. Status: In development.

2006: SCREENWRITER – “Hibiscus Coast”: feature film adaptation of novel by NZ author Paula Morris. Producer: Robin Scholes (Touchdown Television). NZ/US co-pro. Status: Unknown.

2005: SCREENWRITER/SCRIPT EDITOR – “River Queen”: original feature screenplay. Producers: Chris Auty (The Works Film Group, UK), Don Reynolds (Silverscreen Films Pty). Directors: Vincent Ward, Alun Bollinger. Cast: Kiefer Sutherland, Samantha Morton, Stephen Rea, Anton Lesser, Cliff Curtis, Tem Morrison. UK/NZ co-pro. Status: Delivered. US Distribution: The Weinstein Company. Released 2007.

1988: SCREENWRITER – “The Navigator, a Medieval Odyssey”: original feature screenplay. Producer: John Maynard. Selected for Official Competition, Cannes 1988. Winner, Best Original Screenplay, Australia/New Zealand “Oscars”. Worldwide distribution, 30 international awards. Widely available on video and DVD. In 1995, named 43rd on UK “Top 100” list of best all-time international science fiction and fantasy films. In 2005, named one of New Zealand’s all time “Top Ten” features.

THEATER

2014: PRODUCER, PRODUCTION MANAGER, CURATOR, “Carpe Noctis” theater festival at The Hollywood Complex. NC 17 Productions LLC.

2014: PRODUCER, Richard Tanner’s “small PARTS”. 1-man show, The Lounge Theater, Hollywood Fringe Festival 2014. Misery Loves Co. Productions. smallpartstheshow.com

2012: LA PRODUCTION MANAGER - “I, CHING”. Original musical, Hong Kong/US co-production. Producer: Cecile Tang - ICG Productions USA Inc. Director: Jacob Yu. Performed at the San Gabriel Mission Theater, San Gabriel, CA, and The Broad Theater, Santa Monica, CA.

TELEVISION

2009: PRODUCER/LINE PRODUCER/SCRIPT Editor - "Believe It": Original half-hour drama for CBC. Executive Producers: Janice Evans, Greg Jones, Creative Atlantic Communications. Status: Delivered.

2008: SCREENWRITER/SCRIPT EDITOR- “Blink”: Original 1-hour x 13 drama series. US/Bulgarian/Russian co-pro. Producers: A. Kolev, Vladimir Bobchev. Status: Unknown.

2007: SCREENWRITER/PRODUCER/SHOWRUNNER – “Alison’s Boneyard”: 13 x 60 minute original television comedy. Producer: Truce Films. Status: In development.

2006: SCREENWRITER – “Crooked Smile”: 90-minute MOW, drama. Adapted from the book “Crooked Smile” by Lainie Cohen. Status: Unknown.

2005: Writer/Director/Line Producer – “Jeri Brown: The Spirit Comes Through”: 1-hour documentary for BRAVO! Producer: Charlie Cahill (New Scotland Pictures – www.newscotlandpictures.ca). Status: Delivered.



2005: Director, documentary segments – “MOCEAN Dance”: Half-hour performance and documentary project for BRAVO! Producer: Charlie Cahill. Status: Delivered.

2001: Screenwriter – “A Walk to School”: original 1-hour drama. Hallmark Television series “War Child”. Producer: Robert E. Altman. Status: Series on hiatus.

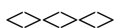
2001: Screenwriter – “The Garden”: original 1-hour drama. Hallmark Television series “War Child”. Producer: Robert E. Altman. Status: Delivered.

2000: Screenwriter – “Rail Against the Machine”: two original 1-hour documentaries. The Discovery Channel. Producer: RAM Productions. Status: Delivered.

1999: Writer, Director, Producer, Line Producer, Post-production Supervisor – “The Millennium Project”: original 1-hour series (KIDS’ PLANET series) special. Encore Media Group/WAM! America’s Kidz Network. Status: Delivered.

1998: Co-executive producer – “December 1917” – original half-hour drama. Global Television. Status: Delivered.

1996-98: Writer, Director, Producer, Line Producer, Post-production Supervisor – “KIDS’ PLANET”: original series (13 half-hour episodes). Encore Media Group/WAM! America’s Kidz Network, TVO, ACCESS Alberta, Knowledge Network, SCN. Winner, 1998 Los Angeles Angel Award for Best New Children’s Television Series. Status: Delivered.



ADDITIONAL INFORMATION

Born and raised in New Jersey, Kely graduated from North Jersey’s Centenary College with an associate degree in literature and theatre. She then completed the two-year professional program at the Stella Adler Theatre Conservatory in New York City, and embarked on a typical NYC apprenticeship in the world of indie film and theatre, working as an executive and personal assistant in advertising, fine art sales, finance, music licensing and politics to support her creative habit. Kely currently resides in Los Angeles.

IMDb Pro listing: <http://pro.imdb.com/name/nm0529099/>

This is a partial list of credits and interests. Further information is available on request. Please send email to [REDACTED]



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