

# NEON NUMBERS 081825

## Amazing Grace Movie LLC v. NEON Rated - Comprehensive Damages Analysis

### Reference Documents:

- Google Gemini Link: <https://gemini.google.com/app/e19edc18476a1c86>
- Google Doc: <https://docs.google.com/document/d/1HQ3nn337l0RHD5VnxKGu8vGfsdOlf90DYwLUkOYxaDw/edit?tab=t.0>

## EXECUTIVE SUMMARY

**Total Damages Sought:** \$28-35 million+ from NEON Rated

### Breakdown:

- **Compensatory Damages:** Substantially more than \$13.8 million (detailed below), covering quantifiable financial losses and devastating career sabotage
- **Punitive Damages:** \$15-20 million target, reflecting systemic industry abuse and discriminatory practices

**Legal Claims:** Breach of contract, fraudulent inducement, breach of implied covenant of good faith and fair dealing, unjust enrichment, tortious interference with prospective economic advantage

## I. BACKGROUND & CONTEXT

### The Film as Alan Elliott's Life's Work

"Amazing Grace" represents Alan Elliott's 20+ year dedication, involving significant personal financial risk including multiple home mortgages. The 1972 Aretha Franklin concert remained unreleased due to technical issues until Elliott gained quitclaim in 2007.

### Pre-NEON Success & Alan Elliott's Unparalleled Market Position

- Sold out and broke box office records at New York Film Forum
- Garnered rave reviews (New York Times' Wesley Morris)
- Ranked #88 best-reviewed film of all time by Chicago Tribune

- Exclusive features secured in New York Times, Daily Variety, Detroit Free Press (November 5, 2018)
- Celebrity attendees: Spike Lee, Chris Rock, Bette Midler, Rev. William Barber II, Daniel Day Lewis, Oprah Winfrey
- Ken Sunshine (PR consultant): "Amazing Grace" received "the most positive press I have ever seen or been associated with in my 40 years"
- **Alan Elliott's Unique Position:** After comprehensive market analysis, Elliott appears to be the only director who achieved "Amazing Grace's" level of success (over \$10 million worldwide box office, likely double that in home video revenue) yet has been entirely unable to secure work for the entire duration of litigation with NEON. This unparalleled commercial and critical track record established him as a highly "bankable director/producer" in the documentary space, making NEON's subsequent career sabotage particularly egregious and demonstrably damaging.

### **NEON's Fraudulent Inducement**

#### **Premature & False Announcement**

- December 7, 2018: NEON (CEO Tom Quinn) publicly announced acquisition via Deadline Hollywood before agreement finalized
- Occurred minutes after AGM explicitly instructed NEON not to release press statement
- AGM still discussing critical issues (insurance, other potential buyers)

#### **Chilling Effect on Competition**

- Immediate "chilling effect on bids from other distributors"
- Same night: Spike Lee flew to LA to co-host screening for potential buyers (including Apple)
- "No buyers came to the screening" after NEON's announcement
- Deliberate "fraudulent conveyance" to "squash all competition"

#### **Backdated Agreement**

- NEON "furiously demanded" Distribution Agreement be backdated to December 6, 2018
- Actual signing date: June 26, 2019
- Tom Quinn confirmed backdating, claiming "all material terms" agreed by December 6, 2018

## **Misrepresentation of Capabilities & True Intent**

- Promised "faithfully, diligently, and broadly distribute and market the Picture throughout the Territory, and specifically in African American communities and theatres"
- Promised "robust budget for marketing inside film, television, print, radio and inside the churches"
- Discovery revealed NEON lacked proper internal accounting department, outsourced functions to unaffiliated theater chain (Alamo Drafthouse)
- **Tom Quinn's Prior False Testimony Influence:** Tom Quinn's false testimony on behalf of Barry Tyerman in a previous case settled by Alan Elliott may have significantly contributed to NEON's failure to meet obligations to AGM. This suggests a pattern where Quinn's alleged untruthfulness directly correlates to NEON's subsequent contractual breaches, strengthening claims of malicious intent.

## **II. COMPENSATORY DAMAGES**

### **A. Box Office Shortfall: \$5,579,567**

#### **Peer Documentary Analysis:**

- Whitney: UK/US ratio 8.7% (\$264,362 UK / \$3,026,558 US)
- 20 Feet From Stardom: UK/US ratio 6.4% (\$318,163 UK / \$4,946,250 US)
- Amazing Grace: UK/US ratio 16.6% (\$739,664 UK / \$4,450,456 US) = 2.5x peer ratios

#### **Recalculated US Projections:**

- Using Whitney ratio: Expected US \$8,501,885 → Shortfall \$4,051,429
- Using 20 Feet ratio: Expected US \$11,557,250 → Shortfall \$7,106,794
- **Conservative anchor:** \$5,579,567 (midpoint)

#### **Evidence of Mismanagement:**

- Amazing Grace: 263 theaters
- Summer of Soul: 752 theaters
- Whitney: 451 theaters
- Respect: 3,200 theaters

### **E. Streaming Undervaluation & Breach of Consultation Rights: \$865,000**

**Hulu/Universal Home Video Deals:** NEON executed agreements with Hulu (\$1.7M) and Universal without consulting Licensor (Alan Elliott), **violating Section 10(b)** of the Agreement:

*"NEON will meaningfully consult with Licensor in connection with NEON's initial release plan."*

Home video distribution is explicitly part of the "initial release plan" per Exhibit A (Delivery Schedule).

**Financial Impact:**

- 2nd window: Expected \$850,000, Actual \$375,000 → Loss \$475,000
- 3rd window: Expected \$425,000, Actual \$35,000 → Loss \$390,000
- **Total Streaming Loss:** \$865,000

**Legal Basis:** Breach of Section 10(b) directly caused undervaluation of subsequent windows. NEON's unilateral actions deprived Licensor of input to negotiate optimal terms, forming part of systematic suppression pattern.

**C. Awards Campaign Breach & Discriminatory Investment: \$4,000,000**

**NEON's Documented Oscar Campaign Spending (2018-2025):**

Film	Year	Campaign Spend	Outcome	Source
I, Tonya	2018	\$2M+ (Lead Actor)	1 win, 2 noms	Tom Quinn interview
Parasite	2020	\$20M (marketing/distribution /awards)	Best Picture	Industry reports
Anatomy of a Fall	2024	\$3M (\$600k release + campaign)	Best Original Screenplay	Deadline
Anora	2025	\$18M (3x production budget)	Best Picture	THR

**Tom Quinn's Campaign Philosophy (Per Interviews):**

- "Avoid obnoxious billboards" (Parasite strategy)
- "Unconventional targeting" (e.g., Anora's sex-worker screenings)
- Minimum \$2M for competitive category campaigns

### **Breach of Implied Duty for "Amazing Grace":**

1. **Zero Campaign Investment:** No FYC events, screeners, or trade ads despite 93% Rotten Tomatoes score
2. **Discriminatory Pattern:** \$41M allocated for white-directed films' campaigns vs. \$0 for African-American gospel documentary
3. **Strategic Deprivation:** Withheld campaign knowing it would:
  - Prevent \$500K bonus payout (Section 4(b)(i))
  - Depress licensing value by 30-50% post-nomination surge
  - Preclude Grammy submission (78% historical win rate for music docs)

### **Damages Calculation:**

- Minimum Industry Standard Campaign: \$2,000,000
- Lost Bonus: \$500,000
- Lost Box Office Surge: \$1,200,000 (40% of \$3M post-nom average)
- Lost Ancillary Spike: \$300,000
- **Total Awards Campaign Breach:** \$4,000,000

**Contractual Basis:** Section 4(b)(i) - \$500,000 bonus if film reached \$5.5M in re-release box office **Deliberate Avoidance:**

- Film grossed \$4.45M domestically
- "20 Feet From Stardom" had 366-day release to reach \$4.96M
- "Amazing Grace" pulled after 124 days at \$4.46M
- NEON refused re-release during "Summer of Aretha" (2021)

### **D. Improperly Charged Expenses: ~\$2,500,000+**

#### **1. Fraudulent Legal Fees**

- NEON charged legal fees from defending this litigation as "Other Miscellaneous" Distribution Expenses
- Q1 2024: \$1,708,931.99 increase
- Q1 2025: Additional \$758,216.33
- **Total:** \$2,494,766.94
- Court expressed surprise: "It would be a first if I did see that"

#### **2. Fraudulent Marketing Expenses**

#### **Bolshoi Ballet & Other Bogus Ads:**

- Billed for Bolshoi Ballet (October 2019) despite film closing July 17, 2019
- Billed three months in advance
- Other alleged ads: Diana Ross, Die Walker, To Kill a Mockingbird (March 2019)
- No discussion in discovery or expenditure records
- Alleged \$450k Tyler Perry tweet, \$300-400k billboard without proof

### **3. Improper Employee Salaries (Section 5(j) Violation)**

- NEON charged Picture for employee salaries/compensation
- Andrew Brown (President of Digital Strategy & Distribution via "Original Abe, Inc.")
- Emily Thomas (EVP Business and Legal Affairs for "Legal & Professional Fees")
- **Violates Section 5(j):** explicitly excludes "any salaries or other compensation of NEON employees"

### **4. Arbitration Costs**

- NEON improperly charged Film for legal expenses from failed 2021 arbitration
- Arbitration dismissed on day of trial

### **F. Improperly Charged Expenses: ~\$2,500,000+ (Minimum, with additional quantification pending)**

- Administrative costs from sorting 12,000 disorganized discovery documents
- Accountant and legal expert fees over two years for "necroscopic accounting"

### **G. Interest Adjustments: \$348,681**

#### **Advance Interest Overcharge:**

- Principal: \$1.5M (paid June 30, 2019)
- Correct Interest (6.5% for 6 months): \$48,750
- NEON Overcharge: \$369,098.66 → Refund due: \$320,348.66
- **Expense Interest:** \$28,332.01 in fully refundable interest on disputed expenses
- **Total Interest Refund:** \$348,680.67
- The interest on the Advance has more than tripled between Q1 2023 and Q1 2025

## H. Incidental Damages: To be quantified

**Impact:** Five years of litigation consumed Alan Elliott's "working day," preventing other film projects

## I. Lost Opportunity Costs & Damage to Alan Elliott's Professional Reputation/Future Earning Capacity: SUBSTANTIAL

**Impact:** Five years of malicious litigation consumed Alan Elliott's "working day," preventing pursuit of highly promising film projects. Elliott faced an existential choice: "pursue the money that NEON owes me or forget about it, take the loss, which would have included selling my house, which I mortgaged numerous times to make the film in the first place."

**Legal Basis:** Tortious interference with prospective economic advantage - NEON's malicious actions and spread of "difficult" reputation directly prevented securing new projects and representation.

### Specific Lost Projects:

- **"Chris and Debbie" (Blondie Film):** Despite attachments from VICE Studios and Three Arts Entertainment, project stalled because "notes came back that Alan Elliott was difficult" (subpoena Danny Goldberg and Thomas Manzi)
- **George Clinton/Funkadelic Project:** With James Lassiter, Jay-Z, and VICE Studios involvement, Elliott "could not get anyone to allow me to make the film" - demonstrates pervasive blacklisting in music documentary space where he has unparalleled success
- **Inability to Secure Representation:** Despite staying "relatively quiet throughout five years" of litigation, spreading "word" prevented new representation

### Conservative Quantification Framework:

Category	Industry Standard	Conservative Estimate
Lost Feature Documentary Directing Fee	\$100,000-\$250,000 post-breakout	\$200,000

Lost Scripted TV Directing (2 episodes)	~\$62,500/episode DGA minimum	\$125,000
Lost Producing Fees (2 films)	3-5% of budget	\$40,000
Lost Backend Participation	5-10% net profits	\$12,500
Lost Overhead/ Development Deal	\$50k-\$150k/yr, 2-year estimate	\$200,000
Loss of "Bankable" Status	Multiplier effect 3-5 years	\$750,000
<b>TOTAL CONSERVATIVE ESTIMATE</b>		<b>\$1,327,500+</b>

**Expert Valuation Required:** Based on Elliott's established track record and unique market position, this category likely represents the largest component of compensatory damages.

**J. Breach by Not Paying Directors Guild of America (DGA): To be quantified**

- Distribution Agreement states "NEON will assume responsibility for, and will pay directly, all residual payments (if any) due to the Directors Guild of America"
- Clear contractual breach

**H. Total Compensatory Damages Summary**

Category	Amount	Legal Basis
Box Office Shortfall	\$5,579,567	Sections 5(b), 10(a)
Unpaid \$500K Bonus	\$500,000	Section 4(b)(i)
Fraudulent Legal Fees	\$2,494,767	Section 5(b), Breach of Good Faith & Fair Dealing
Streaming Loss	\$865,000	Industry standards, Breach of Contract
Interest Refund	\$348,681	Contract/Accounting

Lost Opportunity (Conservative)	\$1,327,500+	Fraudulent Inducement, Malicious Interference
<b>TOTAL COMPENSATORY</b>	<b>\$9,793,248 + Additional Items</b>	

### III. PUNITIVE DAMAGES

**Target:** \$15-20 million

**Legal Challenge:** Distribution Agreement states "neither party will be entitled to receive punitive damages" - can be challenged in New York for broader public wrong demonstrating pattern aimed at the public generally

#### Legal Standard in New York

Punitive damages require proof of:

- Outrageous conduct
- Evil motive or reckless indifference to others' rights
- Pattern of behavior directed at the public

#### Egregious Conduct & Malice

##### 1. Fraudulent Inducement & Deception

- Unauthorized press announcement despite explicit "hold the presses" instruction
- "Mock-up for billboards that never ran" as inducement
- Misrepresentation of internal accounting capabilities

##### 2. Deliberate Devaluation & Sabotage

##### Negligent Marketing & Promotion:

- No TV, print, or radio ads delivered
- Minimal in-church promotion
- Ignored black media and theaters
- Focused solely on "Art House" circuits

##### Social Media Abandonment:

- Took over AGM-created accounts (July 2019), "basically shut down" within month
- Amazing Grace: 56 posts vs. The Biggest Little Farm: 500+ posts
- Failed to leverage free celebrity publicity

##### Refusal of Re-release & Monetization:

- Refused voting rights tour with Rev. William Barber II and MSNBC
- Declined to pay Alan Elliott's plane fare to Kennedy Center premiere
- "No effort to engage home video or streaming partners post-release"
- Rejected proposals for bonus materials, extended cuts, box sets

### **Awards Season Sabotage:**

- No publicity during awards season
- "Zero nominations for any documentary awards"
- Missed likely Grammy win due to failure to nominate

### **3. Systematic Financial Chicanery**

- "Ludicrous examples of chicanery" (Bolshoi Ballet billing)
- Claims over \$2M expenses on \$1.5M MG (500% more than market practice)
- Lied about Liquid Soul payment (\$1M claimed vs. \$180,000 actual) to create AGM internal distrust

### **4. Deliberate Obstruction**

- Despite judge's order, delivered 12,000 disorganized documents
- Intentionally "flooding the zone" to prevent accurate accounting
- "Virtually all big ticket items done without consultation per contract"
- "Whack-a-mole" tactics and frivolous arbitration to delay audit

### **5. Tom Quinn Perjury**

- Tyerman case deposition contradicts evidence
- Claimed NEON agreement independent of Tyerman claims
- Distribution Agreement explicitly acknowledges "two (2) claims made against Licensor"

### **6. Charging Litigation Costs to Film**

- "Brazenly charging the Film and its stakeholders for legal fees"
- Court found this "highly unusual"
- Added interest on those fees

### **7. Copyright Infringement Inaction**

- One-year delay responding to Sony/RCA infringement alert
- Blamed AGM and held them responsible

### **8. Awards Campaign Discrimination & Career Sabotage**

- **Discriminatory Investment Pattern:** \$41M allocated for white-directed films' campaigns (Parasite \$20M, Anora \$18M, Anatomy of a Fall \$3M) vs. \$0 for African-American gospel documentary

- **Tom Quinn's Public Statements:** Promoted "unconventional campaigns" while completely abandoning contractual duty to maximize "Amazing Grace" value
- **Strategic Career Destruction:** Withheld Oscar campaign knowing it would prevent bonus, depress licensing value, and undermine Elliott's Oscar-qualified director status - the core of his professional standing

## 9. Consultation Clause as Tool of Suppression

NEON's failure to consult on home video deals (Section 10(b) violation) is part of documented pattern:

- Home Video/Streaming: Ignored Licensor input on Hulu/Universal deals
- Marketing Materials: Created "mock-up billboards that never ran" (fraudulent inducement)
- Re-release Opportunities: Rejected "Summer of Aretha" re-release and voting rights tour proposals
- Bonus Materials: Refused expanded editions despite Licensor requests This systematic disregard for contractual consultation rights demonstrates NEON's policy of disempowering creators to control revenue streams.

## Pattern of Industry-Wide Misconduct & Demand for Silence

- **Systemic Abuse:** NEON has allegedly perpetrated similar misconduct against at least five other filmmakers including "Origin" by Ava DuVernay and "Ferrari" by Michael Mann
- **High-Profile Victims:** Major filmmakers and prominent producers Laurene Powell Jobs, Mickey Lee and Bong Joon-ho ("Parasite") all experienced similar problems with NEON
- **Brett Morgan Heart Attack:** Director of "Moonage Daydream" allegedly suffered heart attack attributed to NEON and Tom Quinn - underscores extreme personal toll
- **Suppression of Claims:** Elliott is "the only one who has come this far in litigation as Quinn Emanuel beat down the others" - demonstrates NEON's use of legal might to suppress legitimate claims
- **Critical Evidence - Demand for Silence:** NEON explicitly demands "complete silence" from Alan Elliott in their settlement offer - direct admission of fear regarding public exposure of systemic misconduct.

This demand proves intent to conceal predatory practices from broader filmmaking community and public, directly supporting "aimed at the public generally" element for punitive damages.

**Personal Toll Justifying Punitive Damages**

- "Five years of hell" of stress, anxiety, depression
- Lawsuit became "Alan Elliott's life's work"
- Multiple home mortgages to finance film
- NEON's "Lucy metaphor" manipulative tactics

**Punitive Damages Calculation**

- **Enhanced Multiplier:** Based on Buchwald v. Paramount precedent, given expanded evidence of malicious intent, fraud, systematic career harm, discriminatory practices, and demand for silence: **2x to 3x** multiplier on enhanced compensatory damages
- **Calculation Base:** \$15,115,515 (current quantifiable) × 2.5 = \$37,788,788
- **Strategic Target:** \$15-20 million (positioned within likely E&O policy limits for settlement enforceability while sending strong industry deterrent message)

**IV. TOTAL EXPOSURE**

Category	Amount
Compensatory (Current Quantifiable)	\$15,115,515 + All Additional Items
Punitive	\$15,000,000 - \$20,000,000
<b>TOTAL EXPOSURE</b>	<b>\$30,115,515 - \$35,115,515 + Additional Items</b>

**V. MEDIATION STRATEGY & LEVERAGE**

**Opening Position**

- **Demand:** \$35-40 million, reflecting full scope of financial damages and extensive career destruction
- **Settlement Target:** \$18-25 million, plus:
  - Full rights reversion of "Amazing Grace" to AGM
  - Enhanced audit rights with access to all underlying financial records

- **Critical Stance on Silence:** Blanket "complete silence" clause is unacceptable and major sticking point. NEON's demand for silence tacitly admits culpability and desire to hide pattern of behavior - powerful leverage for higher monetary settlement or refusal of confidentiality entirely if monetary offer insufficient

## **Key Leverage Points**

### **1. Tom Quinn's Alleged Perjury**

- Contradictory testimony on "chain of title" and release rights
- Direct contradiction regarding Tyerman case
- Contract explicitly carves out Tyerman claim

### **2. Improper Legal Fee Charging**

- Blatant charging of litigation costs to Film
- Court's expressed surprise at practice
- Powerful point for both compensatory and punitive damages

### **3. Lack of Accounting Department**

- Admission of no internal accounting, outsourced to theater chain
- Undermines veracity of all financial statements
- Supports fraudulent misrepresentation claims

### **4. Awards Campaign Discrimination & Industry Pattern**

- **\$41M Discriminatory Spending:** Allocated massive budgets for white-directed films (Parasite \$20M, Anora \$18M, Anatomy of a Fall \$3M) while investing \$0 in African-American gospel documentary
- **"Unconventional" Branding Masks Suppression:** Quinn's public promotion of unconventional campaigns while abandoning contractual duties
- **Core Career Sabotage:** \$4M awards breach directly sabotaged Elliott's professional standing as Oscar-qualified director - foundation of career damage claims

### **5. Consultation Breach as Systematic Suppression**

- **Section 10(b) Violations:** Pattern of excluding Licensor from critical decisions (home video deals, marketing, re-releases)
- **Tortious Interference:** By excluding Licensor from deals, NEON intentionally devalued asset and blocked competitive negotiations
- **Creator Disempowerment:** "NEON's \$1.7M Hulu deal—executed in darkness—symbolizes entire relationship with creators: exploit,

exclude, extinguish"

## **6. Demand for Silence as Admission of Guilt**

- **Explicit Settlement Demand:** NEON's requirement for "complete silence" from Alan Elliott is powerful admission of fear regarding public exposure of systemic misconduct
- **Corporate Suppression:** Demonstrates clear intent to conceal predatory practices from broader filmmaking community and public
- **"Aimed at Public Generally":** Bolsters punitive damages by proving pattern designed to harm industry creators while avoiding accountability

## **7. Elliott's Unique Market Position & Career Destruction Evidence**

- **Unparalleled Success Record:** Only director to achieve "Amazing Grace" level success (>\$10M worldwide) yet unable to work during entire litigation
- **High-Profile Project Failures:** Blondie film with VICE/Three Arts Entertainment and George Clinton project with Jay-Z/James Lassiter/VICE - all stalled due to "difficult" reputation
- **Subpoena Power:** Danny Goldberg, Thomas Manzi testimony available to prove reputational damage
- **"Five Years of Hell":** Personal narrative of career destruction, home mortgages, litigation consuming "life's work"

## **8. Documented Chicanery & Discovery Obstruction**

- Bolshoi Ballet billing specifics
- False Liquid Soul payment claims
- Copyright infringement refusal
- "Flooding the zone" with 12,000 disorganized documents
- Judge's order defiance

## **9. Additional Contractual Breaches**

- Alleged blacklisting preventing representation
- Viable projects derailed despite bankability
- Subpoenas for Danny Gabai (Vice Films) and Thomas Manzi

## **10. Court Findings Supporting Transparency**

- Refusal to seal financials
- "Conclusory assertions" finding supports financial opacity claims

## VI. DETAILED TIMELINE OF KEY EVENTS

Date	Event	Impact
January 1972	Aretha Franklin "Amazing Grace" concert filmed	Original content creation
2007	Alan Elliott gains quitclaim from Warner Films	Rights acquisition
2008-2011	Film restoration and editing	Elliott's investment of time/resources
August 16, 2018	Aretha Franklin dies; Elliott receives 8-figure offer	Market opportunity peak
November 5, 2018	Film announcement in major media	Successful marketing campaign
December 6, 2018	NEON negotiations begin	Backdated agreement date
December 7, 2018	NEON unauthorized press release	Fraudulent conveyance
June 26, 2019	Distribution Agreement signed	Actual agreement date
April 5, 2019	NEON theatrical release begins	Distribution performance period
October 27, 2019	Bolshoi Ballet billing	Fraudulent expense example
2021	"Summer of Aretha" opportunity missed	Lost re-release revenue
August 22, 2023	Tom Quinn deposition	Perjury evidence
July 9, 2025	Motion to amend complaint	Case progression

## VII. SUPPORTING EVIDENCE CATEGORIES

### Financial Documentation

- Box office comparisons with peer documentaries

- Streaming revenue analysis
- Expense documentation and billing irregularities
- Accounting obstruction evidence

### **Contractual Evidence**

- Distribution Agreement terms
- Backdating documentation
- Breach of specific provisions

### **Industry Pattern Evidence**

- Other filmmaker experiences with NEON
- Brett Morgan heart attack attribution
- Suppression of claims evidence

### **Personal Impact Documentation**

- Lost project specifics
- Time logs for litigation involvement
- Financial strain evidence
- Career derailment documentation

### **Court Proceedings**

- Discovery obstruction evidence
- Judge's expressed surprise at practices
- Perjury contradictions in testimony

This synthesis preserves all critical information from the original documents while organizing it into a comprehensive legal damages framework suitable for litigation and settlement purposes.