

1 NEAL S. SALISIAN, SBN 240277
neal.salisian@salisianlee.com
2 JAY M. LICHTER, SBN 266960
jay.lichter@salisianlee.com
3 **SALISIAN | LEE LLP**
550 South Hope Street, Suite 750
4 Los Angeles, California 90071-2627
Telephone: (213) 622-9100
5 Facsimile: (800) 622-9145

6 Attorneys for Plaintiff
THE MILL GROUP, INC.
7 d/b/a THE MILL

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT

10
11 THE MILL GROUP, INC. d/b/a The Mill, a
New York corporation,

12 Plaintiff,

13 vs.

14 FARADAY & FUTURE, INC., a California
15 corporation; and DOES 1 through 20,
inclusive,

16 Defendants.
17

Case No. **BC 6 4 6 9 5 7**

[Assigned to the Hon. _____, Dept. __]

COMPLAINT FOR:

- 1. BREACH OF IMPLIED CONTRACT;
- 2. QUANTUM MERUIT;
- 3. ACCOUNT STATED; AND
- 4. GOODS/SERVICES RENDERED

[UNLIMITED CIVIL]

**CONFORMED COPY
ORIGINAL FILED**
Superior Court Of California
County Of Los Angeles

JAN 13 2017

Sherri R. Carter, Executive Officer/Clerk
By: Charlie L. Coleman, Deputy

28

1 Plaintiff The Mill Group, Inc. d/b/a The Mill hereby alleges as follows:

2 **GENERAL ALLEGATIONS**

3 1. Plaintiff The Mill Group, Inc. d/b/a The Mill (“The Mill”) is, and at all times
4 herein mentioned was, a New York corporation authorized to do business in the state of
5 California.

6 2. Upon information and belief, defendant Faraday & Future, Inc. (“Faraday”) is, and
7 at all times herein mentioned was, a California corporation with its principal place of business in
8 Los Angeles County.

9 3. The true names and capacities, whether individual, corporate, associate, or
10 otherwise of those defendants named herein as Does 1 through 20, inclusive, are unknown to The
11 Mill at this time, who therefore sues these defendants by such fictitious names. The Mill will
12 amend this Complaint to reflect the true names and capacities of these Doe defendants once this
13 information has been ascertained. Each Doe defendant is in some manner responsible, liable
14 and/or obligated to The Mill in connection with the occurrences, transactions, and obligations
15 alleged herein.

16 4. Each named defendant is, and at all times mentioned herein was, the undisclosed
17 employee and/or agent of each and every other defendant and Doe defendant, and was acting
18 within the purpose and scope of that employment and/or agency in performing the acts and
19 omissions alleged herein. The Mill is also informed and believes, and on that basis alleges, that
20 each defendant ratified, approved, and adopted as its own the acts of each of the other defendants.

21 5. Jurisdiction and venue are proper in this Court because the events described in this
22 complaint took place within the jurisdictional boundaries of the Court.

23 **FIRST CAUSE OF ACTION**

24 **(Breach of Implied Contract)**

25 **(Against all Defendants)**

26 6. The Mill re-alleges and incorporates by reference each and every allegation
27 contained herein above, inclusive, as though each were fully set forth at this point.

28

1 7. Faraday is a start-up technology company focused on the development and sale of
2 electric vehicles. The Mill is a visual FX company specializing in design and digital projects for
3 the advertising, gaming, and music industries.

4 8. In or about August 2016, Faraday reached out to The Mill and requested that The
5 Mill prepare and provide a graphic presentation, with virtual reality, augmented reality, and
6 holographic components, to promote the January 2017 launch of a new electric vehicle developed
7 by Faraday.

8 9. In response, on or about September 9, 2016, The Mill issued an estimate for the
9 value of materials and services to Faraday, identifying a total cost of \$1,822,750.00. The total of
10 \$1,822,750.00 represents the reasonable value of the materials and services contemplated in The
11 Mill's September 9, 2016 Estimate. Attached hereto as Exhibit A is a copy of The Mill's
12 September 9, 2016 Estimate.

13 10. After receiving the estimate, Faraday agreed to pay The Mill the total sum of
14 \$1,822,750.00 in exchange for the materials and services associated with The Mill's graphic
15 presentation. Faraday further agreed to make payments to The Mill pursuant to the following
16 payment schedule:

17

18 Payment No.	19 Payment Amount	20 Due Date
21 1	22 \$455,687.50	23 September 12, 2016
24 2	25 \$455,687.50	26 October 3, 2016
27 3	28 \$911,375.00	October 10, 2016

29 11. On or about September 12, 2016, Faraday issued The Mill a purchase order, which
30 encompassed the agreed-upon payment terms, and confirmed the project deliverables and fee.
31 Attached hereto as Exhibit B is a copy of Faraday's September 12, 2016 Purchase Order.

EXHIBIT "A"

The Mill Estimate (Ball Park)



The Mill
3233 S. La Cienega Blvd
Los Angeles, CA
90016
+1 310 566 3111
www.themill.com

Client **Faraday Future**
Contact **Melissa Mack**
Product **Faraday Future**
Project **AR / VR Experience**
Quote Title **AR / VR Experience v4 w/Hologram**
Estimate Ref **640743**
Mill Contact **Leighton Greer**
Estimate Date **9th Sep 2016**

Dear Melissa,

Thank you for considering The Mill for this project.

Our bid is based on treatment update and discussions as of 8/8.

Our bid is formatted according to the tasks involved along with the corresponding costs for each task. Please read through the tasks to make sure we have not misinterpreted or omitted anything. Below is a review of the number of spots, schedule, production specs and post production notes.

We look forward to the opportunity to work with you.

Sincerely,

Leighton Greer
Bidding Producer

VERSIONS:

1 x :30 - Hologram
1 x 4:00 - Touchscreen Experience
1 x 3:00 - VPA Experience
1 x 5:00 - VR Experience

4k x 2k - 30fps

- All additional adaptations or work will be quoted separately.
- All work to be completed at one aspect ratio e.g. 16:9 FHA at HD and a down convert to SD will later be completed with new legal.
- Estimate includes select estimated hardware costs only where specifically called out. These costs are ballpark costs and will be invoiced separately when final costs are assessed.
- Estimate does not include costs for experience space, spacial design, hardware for experiences except where called out, robotic arms, electrical, audio or any other equipment not specifically noted.

SCHEDULE & CALENDAR SPECS:

Locked Edit: TBD

Telecine: TBD

Key Review Dates: TBD

Final Delivery: Mid Oct.

Ship Date: Mid Oct.

- Currently, it is our understanding that there is no firm rough cut approval date and/or ship-date so we are unable to create a calendar.
- For planning purposes, you might find it useful to know that our job plan requires 50 working days to complete, once we have an approved concept / cut.
- If your schedule contains less than 50 days, it will be necessary to compress the schedule with accelerated schedule fees.

The job is bid as a firm bid. If specs, previously approved work is asked to be revised or the schedule changes, then the Mill will revise the production plan, create a new schedule and an overage.

PRE-PRO & SHOOT SPECS:

- Assumes further meetings with the Director and Director of Photography prior to shoot.
- Please note this bid could change on discussion of final shooting boards.
- Travel costs are an estimate at the time of bidding and may be subject to change pending flight & hotel prices and availability at the time of confirmation.
- The Mill will collect HDRI Lighting Reference from the location.
- Time will be permitted for VFX Supervisor to set tracking markers and collect data.
- This bid does not allow for anamorphic lenses or plates larger than 2K.
- Clean Plates will be required for all VFX Shots.
- If multiple plates are required, all lighting and camera setups will remain consistent. Depending on the camera move, Motion Control or a repeat head may be required.
- Chromakey blue or green screen may be required. Size, color and requirements to be determined on sight of shooting boards prior to shoot.
- We would suggest that wardrobe should be non patterned to aid wire removal.
- All lens information to be provided and slated where possible.

POST SPECS:

- Main post production to begin on receipt of an approved rough cut.
- If Telecine is being completed outside of the Mill graded rushes will be supplied to us on HD CAM SR. Additional conform time will be needed if supplied as a dpx image sequence on a hard drive.
- Any alterations to the cut after post work has commenced will incur additional costs.
- All logos/artwork/titling to be supplied as EPS files in either Photoshop or Illustrator. End Product / Tag Animation will be provided by the agency and client and is not included in this bid. Should this be required, it will be bid for additionally.
- Tape stock, postings, messenger/shipping are included in the bid; however, any amounts beyond what's list in the bid will be billed as used at the conclusion of the job.
- Final Distribution and Deliverables to be bid separately.

TERMS AND CONDITIONS:

A 25% interim will be issued on confirmation of job. This is payable within 7 days. A mid term payment of 25% will be issued upon completion of below outlined mid-term milestones. Final payment of the remaining 50% will be issued upon completion and is payable within 30 days.

Midterm Milestone Definition:

The Configurator Development Implementation progress review milestone, will allow client to see and try the Configurator app in progress. Since CG Car assets are still in progress. The goal of this review is:

- Demonstrate implementation of the app
- Validate app UX
- Get feedback from stakeholders to refine functionality and tune performance

In the review, the MILL will:

- Demonstrate the ability to view and choose various options in each configurable car category (eg 3 x seat layouts, 8 x exterior colors, 2 x wheel). sizes) and preview that configuration.
- Demonstrate submitting that configuration and saving that configuration data.
- Let Stakeholders demo the app themselves, "configure a car" and save their configuration.

Caveats and Assumptions for midterm milestone:

- Some Car elements may be represented by proxy imagery
- The Car elements look/feel not final
- The Environment look/feel not final
- Configurator Interface (UI) look/feel not final
- Some Configurator UI elements may be placeholder but will be functional
- Animation and/or transitions may not be final

VR Experience review milestone will allow the client to review and approve the final route of the vehicle. The goal of this review is to finalize the timing of the progress of the vehicle from start to finish.

In the review, the Mill will:

Show client animated journey of vehicle through environment from start to finish of experience.

Caveats and Assumptions for midterm milestone:

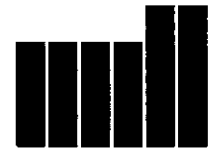
- Car interior will not be final texture / render
- Exterior environment will not be final texture / render
- Car movement / animation will not be final

- Prior to final 50% payment, the scope will be reviewed and will be adjusted to account for any reduction in scope
- Unless otherwise notified by you, it is understood and accepted that The Mill is allowed to use commercial(s) referred to in this estimate in all PR and marketing activities, post air-date.
- All work is carried out in accordance with our Terms and Conditions of Business, a copy of which is available on request and which can also be viewed on The Mill's web-site, <http://www.themill.com>.
- Estimate valid for 60 days.
- No other terms and conditions will be binding upon The Mill unless signed in writing.
- This document contains confidential material of The Mill Group Inc. Copyright The Mill Group Inc 2016.
- **THE ABOVE TERMS AND CONDITIONS HAVE BEEN AGREED FOR THIS PROJECT ONLY AND SUPERSEDE THE BELOW TERMS**

TERMS AND CONDITIONS

- A 50% interim will be issued on confirmation of job. This is payable within 7 days.
- Unless otherwise notified by you, it is understood and accepted that The Mill is allowed to use commercial(s) referred to in this estimate in all PR and marketing activities, post air-date.
- All work is carried out in accordance with our Terms and Conditions of Business, a copy of which is available on request and which can also be viewed on The Mill's web-site <http://www.themill.com>.
- Estimate valid for 60 days.
- No other terms and conditions will be binding upon The Mill unless signed in writing.
- This document contains confidential material of The Mill Group Inc. Copyright The Mill Group Inc 2016.

The Mill Estimate (Ball Park)



Description

Color

Estimate includes 20 hours baselight color correction.

Description	Quantity	Rate	Unit(s)	Total
Data Ingest & Prep	4	800.00	hour(s)	3,200.00
Color Grade	20	1,000.00	hour(s)	20,000.00
Color Render	8	1,000.00	hour(s)	8,000.00
				Sub-total: \$31,200.00

Car Asset

Estimate includes creation of CG Faraday Future car model asset based on CAD data provided by client to be used throughout experiences.

Estimate includes creative director for length of current project schedule.

Description	Quantity	Rate	Unit(s)	Total
CG: Modeling, texturing, rigging	110	1,650.00	day(s)	181,500.00
Creative Director	50	1,650.00	day(s)	82,500.00
				Sub-total: \$264,000.00

Hologram

Estimate includes creation of pre-rendered turntable of the car. Estimate includes 2 versions of car turntable - 1 for the 4 seat and 1 for the 3 seat configuration.

Estimate does not include any interactive component to the hologram.

Estimate includes estimated \$100k for hologram equipment. Estimate is ballpark only and final equipment selected will be invoiced at cost separately.

Description	Quantity	Rate	Unit(s)	Total
Compositor	15	2,750.00	day(s)	41,250.00
CG: R & D	15	1,650.00	day(s)	24,750.00
CG: Light & Rendering	10	1,650.00	day(s)	16,500.00
Hologram Equipment	1	100,000.00	item(s)	100,000.00
				Sub-total: \$182,500.00

Touch Screen Configurator

Estimate assumes 4 mins of interaction time with user and approximately 40 content variations.

Estimate includes animation and lighting of up to 40 car configurations.

Estimate includes CG and digital matte painting of stylized futuristic environment for configurator.

Estimate includes graphic design, animation and user interface for 4 min. piece.

Estimate includes composite of CG and design elements.

Description	Quantity	Rate	Unit(s)	Total
Compositor	45	2,750.00	day(s)	123,750.00
Rotoscoping	1	8,000.00	each(s)	8,000.00
CG: Animation	40	1,650.00	day(s)	66,000.00
CG: Lighting & Rendering	60	1,650.00	day(s)	99,000.00
CG: Tracking	20	1,650.00	day(s)	33,000.00
CG: Matte Painting	40	1,650.00	day(s)	66,000.00
UI Designer	83	1,650.00	day(s)	136,950.00
Design (day)	40	1,650.00	day(s)	66,000.00
After Effects (day)	40	1,650.00	day(s)	66,000.00
				Sub-total: \$664,700.00

VPA Experience

Estimate reflects play back only of preset sequence.

Estimate does not include cost of motion control arm rental or purchase.

Estimate does include programming of motion and timing of robotic arms.

Estimate includes CG animation and lighting for up to 3 min. piece.

Estimate includes R & D for functionality of experience.

Estimate includes estimated \$10k for experience monitor equipment. Estimate is ballpark only and final equipment selected will be invoiced at cost separately.

Description	Quantity	Rate	Unit(s)	Total
Compositor	30	2,750.00	day(s)	82,500.00
CG: Animation	40	1,650.00	day(s)	66,000.00
CG: Lighting & Rendering	50	1,650.00	day(s)	82,500.00
R & D	30	1,650.00	day(s)	49,500.00
Design (day)	10	1,650.00	day(s)	16,500.00
After Effects (day)	20	1,650.00	day(s)	33,000.00
Monitors / Screens	1	10,000.00	item(s)	10,000.00
				Sub-total: \$340,000.00

VR Eperience Film

Estimate includes look development of futuristic environment for car driving route.

Estimate includes modeling, texturing and lighting of CG futuristic environment for car driving route.

Estimate includes animation and lighting of car through futuristic environment for up to 5:00 minutes.

Estimate includes stereoscopic conversion of original mono created 5:00 min experience.

Estimate reflects the concept of collecting peoples earlier selections of car color, music preferences, inheritor set-up, etc. These configurations would then go into a system that selects from many pre-rendered elements and in realtime composite those into the final VR film as it plays back.

Estimate does not reflect a room scale VR experience with user interaction.

Description	Quantity	Rate	Unit(s)	Total
Compositor	75	2,750.00	day(s)	206,250.00
Stereoscopic Conversion	1	100,000.00	each(s)	100,000.00
R & D	18	1,650.00	day(s)	29,700.00
CG: Environment	60	1,650.00	day(s)	99,000.00
CG: Matte Painting	60	1,650.00	day(s)	99,000.00
CG: Lighting & Rendering	150	1,650.00	day(s)	247,500.00
CG: Animation	30	1,650.00	day(s)	49,500.00
CG: FX	30	1,650.00	day(s)	49,500.00
Design / Look Development (day)	30	1,650.00	day(s)	49,500.00
				Sub-total: \$929,950.00

Stock, Deliverables, Postings

Description	Quantity	Rate	Unit(s)	Total
1TB Hard Drive (Client Drive)	2	400.00	item(s)	800.00
Digital Delivery 4K Final Deliverable (4K File for Client)	2	800.00	item(s)	1,600.00
Posting Package	1	5,000.00	item(s)	5,000.00
Meals & Shipping	1	3,000.00	item(s)	3,000.00
				Sub-total: \$10,400.00

TOTAL:	\$2,422,750.00
ONE TIME PROJECT DISCOUNT:	\$-600,000.00
GRAND TOTAL:	\$1,822,750.00

EXHIBIT “B”



18455 S Figueroa St, Gardena, CA 90248



Pre-Requisition # :
 Purchase Order (PO) # : 4300001970
 Purchase Order Date : Sep 12, 2016
 PO REVISION Date : Sep 12, 2016
 Supplier Quote : 640743
 Payment Terms : Net due in 30 days
 INCO Terms : N/A
 Named Place of Delivery :
 Carrier Info. :
 Cost Center or COGS : Marketing
 Program Phase :

Ship From (Origin)

Supplier Name : The Mill Group Inc.
 Supplier Address : 451 Broadway, 5th Floor, New York, New York, 10013, USA
 Supplier Contact : Leighton Greer
 Supplier Phone : +1 323 793 1323
 Supplier E-mail : leighton@themill.com
 Supplier ID Code : 3000065
 Supplier Ship from ID Code : 3000065 (The Mill Group Inc.)

Ship To (Destination)

Destination name : Gardena HQ
 Address : 18455 S Figueroa St, Gardena, California, 90248, USA
 Faraday Buyer : Teja Annadatha
 Faraday Requestor : MELISSA MACK
 Ship to Code : 1001

Bill To

Faraday & Future Inc.
 E-mail all invoices to: invoicing@ff.com
 or mail to:
 Attn: A/P
 18455 S Figueroa St
 Gardena, CA
 90248
 USA

VR. The Mill and Faraday Future will continue to work and define the SOW with a final mid-term and Completion deliverables.

Item #	Faraday Part #	Mfg. Name	Manufacturer Part #	Model #	Description	Qty	JoM	Due Date	Unit Price	Total Price
00010					PMT 1 - Kickoff - 25% - NET0 - 9/12	1	AU	Sep 12, 2016	455687.50 USD	455687.50 USD
00020					PMT 2 - Midterm - 25% - NET0 - Date TBD	1	AU	Oct 3, 2016	455687.50 USD	455687.50 USD
00030					PMT 3 - Completion -50%-NET30 - Date TBD	1	AU	Oct 10, 2016	911375.00 USD	911375.00 USD

Total Value : 1822750.00 USD