



Alec Peters Strikes Deal with Studio Landlord, Moving Out

Axanar Continues Foundering Indiegogo Campaign Despite Loss of Costly Studio That Was Its Centerpiece

By  [Carlos Pedraza](#)

PERHAPS IT SHOULD have been announced as “moving *out* at warp speed.”

In emails to his supporters on April 7, 2017, CEO [Alec Peters](#) announced Axanar Productions would be vacating the warehouse facility it had struggled mightily to convert to a working studio to produce the *Axanar* feature film.

See also: [Axanar's Abandoned Former Studio Continues to Flail](#)

The message, titled “Moving at Warp Speed,” was an effort to put a positive spin on the loss of the facility to which Peters had devoted nearly three-quarters of a million dollars in donations from Star Trek fans instead of producing *Axanar*.

Peters told donors — many newly disgruntled — that Axanar would be moving out at the end of the month, leaving many details unresolved.

Table of Contents

- [Foundering Studio](#)
 - [Landlord's Deal](#)
 - [Winner and Loser](#)
 - [‘The Studio is the Endgame’](#)
 - [Moving Out at Warp Speed](#)
- [Silencing Dissent](#)
 - [Sanitized](#)
- [‘Axanar: The Deception’](#)
- [Uptick in Donations](#)
- [Next Steps](#)
 - [Axanar Sets](#)
 - [Future of Indiegogo Funds?](#)
 - [Offering Refunds](#)
 - [Nonprofit Status in Question](#)
 - [‘Not Registered’](#)
 - [Attorney General Complaints](#)



WINNER Building owner **Danny Luh**.

Foundering Studio

The deal came after a meeting with landlord Danny Luh as Peters' [Indiegogo campaign](#) had ground to a near-halt, failing to convince more than a couple hundred donors to pay for the studio's rent and utilities. Rent and refurbishing of the as-yet uncompleted, unsoundproofed soundstage had thoroughly drained what remained of the \$1.4 million Peters had convinced donors would go to produce the *Axanar* feature film.

Peters' [announcement](#) tried to put a positive spin on abandoning the expensive studio ("This doesn't alter our mission or what we set out to do in this campaign, but it does relieve us of the expense of the sound stage"¹⁾), even though paying for the studio's operational expenses was the [entire point](#) of the crowdfunding campaign.

« The studio is the endgame. The idea is we create a studio that we can then [use to] produce our own original content, our own movies. » — *Alec Peters, Axanar Productions CEO, September 2015*

Landlord's Deal

According to Peters, the deal with Luh, owner of the warehouse leased by Axanar at more than \$12,000 a month in a three year-lease, stipulates:

- Peters can vacate the premises at the end of the month.
- The lease is terminated nine months early without penalty in exchange for Luh inheriting the building improvements donors paid for, including:
 - Power system upgrades.
 - Installation of a green screen cyclorama.
 - Office facilities, including new carpet.
 - A lighting grid for hanging studio lights.



Axanar CEO Alec Peters

Peters said Luh planned to keep the infrastructure build-out donors paid for and continuing to use the “Industry Studios name, website and even some of the personnel for on-site management,” available to commercial and non-commercial productions as a “boutique studio.”

Winner and Loser

Luh, who lives in Santa Clarita, is a partner in ownership of several commercial properties in the same Valencia, Calif., neighborhood as Axanar’s Industry Studios, itself named after the street on which it is located, Industry Drive.

He emerged as the clear winner in the deal, having gained hundreds of thousands of dollars worth of improvements to his property, and avoiding legal proceedings if Peters had proved incapable of paying the rent through the end of the lease at the end of 2017.

Though the Indiegogo campaign’s stated goal was \$60,000, Peters actually needed at least \$100,000 to keep the studio open through the end of the year. That “main goal,” as initially stated in the campaign, was later changed to a “stretch goal.”

‘The Studio is the Endgame’

Meanwhile, the landlord deal brought to an end Peters’ dream of establishing a fan-funded movie studio in Los Angeles, what he once described as “the endgame” of Axanar’s efforts.²⁾ Constrained from making a direct profit from production of *Axanar*, Peters told the Chicks Who Script podcast in 2015:

The studio is the endgame. The idea is we create a studio that we can then [use to] produce our own original content, our own movies. ... The idea is to produce our own original content.³⁾



UNFINISHED SETS Escaping its costly lease solved one problem but created another — what to do with the sets created for *Axanar*.

Moving Out at Warp Speed

Peters said it was possible that pulling up stakes from the Valencia facility at the end of April would end up with Axanar Productions relocating somewhere else in the country:

The most important need for Axanar is a place to keep our sets while we work towards shooting *Axanar* and other Star Trek and genre projects that will use these sets. And so we have to make a decision quickly, either put the sets in storage, get a new, much less expensive facility elsewhere, or some combination of the two. We are considering options all over the country right now and we expect the decision-making process to happen quickly.⁴⁾

Silencing Dissent

While Peters and his PR director, Mike Bawden, portrayed the deal as a win for Axanar, for many supporters it was the final straw in Axanar's troubled history, which included a [copyright infringement lawsuit](#) whose resolution was a settlement that reduced the *Axanar* feature-length project to two 15-minute episodes.

On the Axanar Facebook page, this was a typical complaint lodged by supporters of the project:

So the studio is being vacated by Axanar Productions, which used donor money to pay the rent. ... Those of us who donated to Axanar get no opportunity for a refund as the money was spent on rent for a studio that will never be used for Axanar, on assets that will be provided to the landlord, and on sets that will be moved somewhere else.⁵⁾

« If you are going to say something incredibly stupid, like we achieved nothing, or Alec scammed everyone, then you are a moron and will be banned. » — *Alec Peters, Axanar Facebook Group*

And another:

This is pure B.S. I, like thousands of others, fully supported this project and event at an early stage. ... Millions of [dollars] raised, and even in the face of a realistically just lawsuit from CBS, so many of us still supported the cause. Even knowing that the project was severely doomed. But yet we supported. Many of us were called idiots and fools. ... And what did we get? Some cheap trinkets, and total destruction of the Star Trek fan film genre.⁶⁾

That Axanar supporter, Len Le, pointed to one of the central issues fans have long had with Peters' management of Axanar's social media — [silencing dissent](#):

Whenever anyone questioned anything, they were immediately attacked and kicked out of the group. Well now, all of those people have been proven correct.⁷⁾

One supporter, Carl C. Norman, called such censorship "a cowardly and disgusting practice committed by people with something to hide," adding, "the lack of transparency being demonstrated is appalling."⁸⁾

Another supporter, Paul van der Heu, complained:

The problem I have with all this is that had Axanar done what they set out to do and make the film *none* of the current events would have happened. Alec & co. decided to take a chance with how far they could overreach and got their hands cut off. ... We know by now that Axanar has been spinning events to appear not as bad as they seem and so the eviction from the studio premises is just the final nail. The sets will be 'stored' and the movie will go away. It's over, folks. Those who donated gambled and lost, [in my opinion] mostly because those who got the pile of cash thought they could do something that realistically was never really on the table.⁹⁾

« This is pure B.S. I, like thousands of others, fully supported this project ... even knowing that the project was severely doomed. But yet we supported. Many of us were called

idiots and fools. » — *Axanar supporter Len Le*

Sanitized

Twenty-four hours later, all those comments had been scrubbed from the Axanar Facebook page, and Norman himself had been banned from that page and the private Axanar Donors' Group on Facebook. The post at the top of the thread now called Norman, van der Heu and others "morons":



Axanar People, if you haven't followed all of our progress the past three years, if you are going to say something incredibly stupid, like we achieved nothing, or Alec scammed everyone, then you are a moron and will be banned. There are attorneys, business professionals, industry professionals and CPAs who have all worked on Axanar, seen the books, and made sure things have been done correctly. If you are ignorant, then keep it to yourself. If you believe everything you read online, then you are the problem with this country. We have a comprehensive website with all of the work we have done the past three years. Spend some time reading and learning before spouting off your ignorance.

That post had been written in response to this comment by Tre Tynder:

You can sit up all night deleting comments like a child all you want. The bottom line is you scammed people out of \$1.4 million not counting this latest crowd fund, and you're being evicted from the studio you were paying for with donor funds.¹⁰⁾

The comment was, of course, deleted by Peters.

'Axanar: The Deception'

Meanwhile, Peters' spin on losing the studio motivated TrekZone Spotlight's Matt Miller, editor of the Australian Star Trek news site, to post a [video editorial](#) about which he said, "Alec Peters has constantly proved himself wrong by his actions (rather, his inactions). So this is my point of view."¹¹⁾



TrekZone Spotlight Editorial

Uptick in Donations

The news Axanar was losing its studio seemed to inspire a few more donations on Industry Studios' Indiegogo page, with another \$818 from 12 backers on the day of Peters' announcement. While that appeared to be a promising bump after days of single-digit donor numbers, BackerKit's [algorithm](#) still predicted a low final take for the campaign at \$24,138, far short of even the low-balled \$60,000 goal.

Next Steps

With a move-out date now looming, Peters hinted Axanar Productions may move out of California, possibly to his former home of Atlanta. That city was Peters' base of operations for his earlier, now-defunct companies ScreamingSports and Marketworks.

It's also where his attorney and longtime friend [Sheldon Friedman](#) had already set up two LLCs whose names mirrored Peters' California operations — Valkyrie Studios LLC and Industry Studios LLC.

'Axanar's Indiegogo makes it seem it's well on its way to obtaining charitable status, but it remains unregistered in California.' — 'Unregistered Charity'

Axanar Sets

Losing the Valencia warehouse meant Peters had to find a new home for the partially completed sets for *Axanar*. That task would cost money for transportation and storage, and it wasn't immediately clear where that money would come from.

Future of Indiegogo Funds?

Peters seemed to indicate that the nearly \$20,000 raised from this newest Indiegogo effort might go toward saving the Axanar sets but that might present problems complying with the funding restrictions imposed by his copyright lawsuit settlement with [CBS](#) and [Paramount Pictures](#).

The settlement prohibited Peters from [seeking crowdfunding](#) to pay for the *Axanar* short film. Indeed, the Indiegogo campaign was specifically described as an effort to benefit other independent and fan productions rather than *Axanar*.



UNFULFILLED DREAM With Alec Peters’ exit, landlord Danny Luh inherits hundreds of thousands of donors’ dollars-worth of improvements to convert his warehouse into a soundstage.

But the loss of his studio and what to do with the *Axanar* sets prompted Peters to offer an alternative justification for using Indiegogo donations to pay for the sets:

All donations now go to a new Axanar studio space and preserving the sets so we can finish them and use them.¹²⁾

Offering Refunds

The email sent to donors on April 7 offered “full, no-questions-asked refunds” to any contributors in the Industry Studios Indiegogo effort but despite the complete change in the campaign’s goal, given his loss of the studio, Peters continued the effort to raise money:

[Relieved of] of the expense of the sound stage, we will be modifying this Indiegogo to reflect how we will use the donations to continue our mission of making outstanding content and finish, preserve, and use the amazing sets we built for Axanar. These modifications to this campaign will be done by Saturday, April 8th and if you donated to this campaign, and you don’t like what we are doing, you will be given a 100% refund.¹³⁾

However, by Sunday morning, April 9, other than that brief update, neither perks nor campaign objectives had yet been updated.



UNREGISTERED CHARITY Axanar’s Indiegogo makes it seem it’s well on its way to obtaining charitable status, but it remains unregistered in California.

Nonprofit Status in Question

Peters' announcement made a point of updating donors on the status of Axanar's application for tax-exempt nonprofit status from the Internal Revenue Service. That application had not yet been made, however. But Peters claimed, "The State of California's Secretary of State's office accepted our request to be listed as a domestic non-profit entity."

However, what the secretary of state's office accepted was only Axanar's *application* for registration as a nonprofit, itself only the first step in a months-long process to seek the all-important federal tax-exempt status.

'Not Registered'


Acceptance of Axanar's paperwork by the Secretary of State's office merely sent the application forward to the California Attorney General's Office, which had not yet cleared Axanar for nonprofit status. The [Attorney General's registry](#) of charitable organizations listed Axanar Productions as having applied but "not registered."

This is a status assigned by the Attorney General's office to an unregistered organization for which it has only received notice from the Secretary of State that the entity is incorporated in California. The database showed only an applicant number for Axanar, and no registration number.

Attorney General Complaints

Axanar has been the subject of a number of [complaints](#) filed with the attorney general regarding its portrayal as a nonprofit organization while it solicited funding from the public, in possible violation of the California Nonprofit Integrity Act of 2004.

The Secretary of State's acceptance of Axanar's application to be listed as a California nonprofit is meaningless without the registration being completed by the attorney general's office, the entity responsible for the state's registry of [charitable organizations](#).

And as of April 9, 2017, Axanar remained unregistered, meaning the public had no access to its articles of incorporation, annual information returns, registration forms and other "valuable information about the charitable organization and its programs."¹⁴ 



COMMENTS

Discuss this article in [fAxaMonitor's Facebook group](#).

Keywords

[nonprofit](#), [studio](#), [commercial](#), [crowdfunding](#), [indiegogo](#)

1) 13)

[Industry Studios Indiegogo campaign](#), updated 4/8/17.

2) 3)

[Chicks Who Script Podcast](#), 9/28/15.

4)

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5) 8)

Carl C. Norman post, Axanar Facebook page, 4/7/17.

6) 7)

Len Le post, Axanar Facebook page, 4/7/17.

9)

Paul van der Heu post, Axanar Facebook page, 4/7/17.

10)

Tre Tynder post, Axanar Facebook group, 4/7/17.

11)

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