

Chasing Shadows

Investment Proposal

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Chasing Shadows

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"Chasing Shadows is a story driven suspenseful thriller filled with murder, love and organized crime which will leave the audience in complete rapture yearning for more"



Executive Summary

In today's entertainment market, independent films are becoming increasingly more important. After the success of independent films in the last decade, Hollywood has had to reevaluate their own marketability and movie integrity, as well as total cost to return. With movies like "Memento" and "The Blair Witch Project" grossing over \$50 million dollars worldwide and winning academy awards, it is apparent the public is also noticing these films. Audiences are searching for movies that are driven by story, not over inflated budgets. It is with these principals that we seek to bring the romantic and suspenseful thriller "Chasing Shadows" to the audiences.

The proposal seeks financing for an independent feature film budgeted at \$200 thousand dollars.

"Chasing shadows" is a romantic and suspenseful story of what happens when a man falls in love with a mysterious woman, and finds himself drawn into her dark world of decadent nights, organized crime and mysterious murders where anyone could be the killer.

As a story, it will appeal to a wide demographic of consumers from young to old. The thrilling, fast paced story will draw the younger generation where the sophisticated feel, romantic drama and classic mob setting offers appeal to the older generation.

Through our independent film we can provide a means of low cost investment to create a high end product with the possibility of a 20% or greater return on investment. With strategic product placement and exposure, we can also use various companies to supplement investment and create an entertainment product. The unique nature of film allows for a broad range of market exposure. A feature not only reaches audiences throughout the United States, but the world, and in so doing will continue to promote your product, and provide returns, for the life of the film. The average film, in its initial release, garners over 150 million viewers (compared to only \$25 million dollars for top rated television shows), a number that cannot be ignored, especially when compared to the relative ease and low cost of investment on an independent film.

Strengthening our ability to provide a sound investment is the highly competent nature of our staff. Through a mixture of both professionals and students, we have amassed a team with the knowledge of the newest techniques, equipment and special effects, along with practical experience. In this way we can offer a higher caliber of effects and digital skill not usually found in independent films, allowing us to create a truly high-quality film. We strongly believe that this will be the defining factor in creating our success.

"According to industry statistics, the sudden growth and popularity of independent films is years in the making"



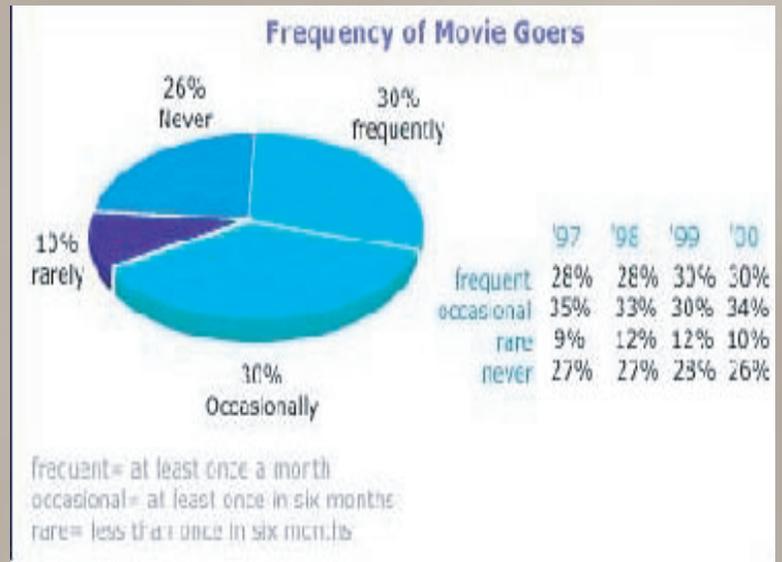
Overview

The Value of Film Media

The major obstacles to investing are finding investments at low cost with high return as well as finding broad groups of consumers who will be interested in your investment. When dealing with most investment scenarios it is difficult to judge who will identify with your product. As with all investments there is also the question of risk.

Research has shown that the film medium reaches perhaps the largest audience of consumers. Films are distributed on both domestic and foreign markets. This same research has shown in recent years, that even if a film does moderate to poor in a theater market, the home viewing audience always brings a higher revenue margin than the box office. This means that no matter the scenario your investment stands to be seen by not just thousands, but also literally hundreds of thousands and possibly millions around the world. In fact, the 18-34 year consumers alone boasted 51,938,116 moviegoers in 1992. Since then

movie attendance has only increased with the 18-24 and 25-34 year old groups, bringing in the largest percentages of moviegoers and money spent at the movies.



"When looking at the US population by age group adults 18+ accounted for 86% of all movie admissions in 2000"

Current movies have created an extremely successful bond between investment and film. Movies like "Memento" have created unexpected results with marketing, and investments providing proof of the possibility of successful investing through film. "The Blair Witch Project" still stands as the investors dream. This movie has sparked a trend in independent films made at lower cost with extremely high returns. In many cases these story driven high return phenomenans have almost become common place as the audience seeks higher quality films. In each of these films their success could be followed back to investments made to ensure artistic freedom and creativeness that Hollywood often lacks. The financial support given in these movies was directly mirrored by the notice the audience took on the investment. Independent film investment immediately creates a level of integrity that exceeds that of normal Hollywood produced films with the chance for higher returns than what could normally be expected in conventional movie investment.



The Expansion of Foreign Markets

The expansion of foreign markets add an entirely new aspect to the profits and success as already seen in the American film market. In 1996 alone, English-language films collected a record breaking \$1.656 billion dollars at the international box office, and this number was only expected to grow. In addition to this \$918 million dollars was grossed from foreign theaters and video, accounting for fifty-five percent of foreign movie sales (1996).

Foreign markets are playing an increasingly important role in both product advertising and film distribution. In recent years, English-language films have seen their acceptance grow within foreign markets, creating an extremely profitable market. Not only are the films grossing more income due to foreign markets, but products depicted within them are being seen by larger audiences, and are thus being marketed overseas as well as within the United States. In this way films can provide a broader base of successful investment.

Foreign markets have expanded to accept films foreign to them, to a greater degree than ever before. Beyond this, foreign audiences often hunger for English-language films that differ so greatly from those within their own country. Common logic would support that films marketed overseas easily attain a level of success and larger audiences than those marketed strictly within the English-speaking world.

In 1998 alone many foreign countries grossed hundreds of millions of dollars in their box offices. Germany and France both grossed over \$900 million, with the UK running closely behind at \$825 million. Japan and the United States however were by far the world leaders with over \$1 billion (\$1.5 for Japan, and \$1.7 for the US). In total the world grossed over \$17, billion through the various box offices. Even on smaller markets hundreds of millions of dollars have been grossed in film in 1998.

The State of Independant Film Industry

In recent years, the independent film industry has boomed severely. Traditionally, independent films have always been the means for directors, artists and students to expose themselves within a large market. Today, the purpose, while remaining largely the same, has branched out. Independent films are now also becoming the films that we see up-and-coming in the market. It isn't unheard of for an independent film to be bought by a major company and distributed through them. In fact, many current success stories in film were actually independent films. In addition, independent films can now be tailored just as expensive "Hollywood" films are, for half the cost. Because a broader market is now seeing independent films, there are also greater gains to be seen in the industry.

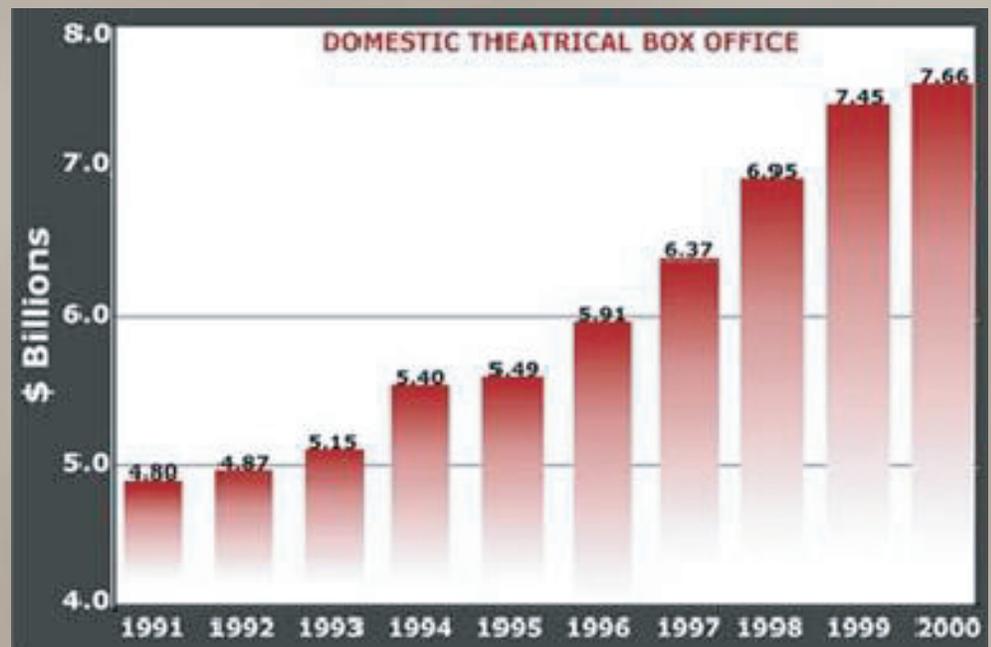
"From 1986 - 1994
Americas films' share of
European markets rose
from 56% to 76%



Many recent independent films have grossed well more than was expected "Pulp Fiction", which only cost \$8.2 million to produce, grossed over \$200 million dollars at the box office. "The Usual Suspects" cost \$6.0 million, grossing \$51 million. The box office gain for independent films is often great, seeing as their cost to produce is generally extremely lower than that of high-budget industry movies.

Other films, such as "The Blair Witch Project" completely took the market by storm, grossing greatly over the cost of its production. This phenomenon, while being most unexpected in this case, is not as unheard of as one might think. Independent films make up a fair amount of the top grossing films, because they are made at such a nominal cost. Then these films are bought and distributed by larger studios.

Independent films usually begin their marketing process through film festivals. It is at these festivals that films not only gain public notoriety and box office sales, but are also seen by distributors, studio executives and journalists who will help in continuing the output of the film. It is through this medium that these films are either picked up by larger studios or moved on to greater markets so that they may gross more income.



"In 2000, the domestic gross box office posted a new high for the ninth consecutive year, as receipts reached a record \$7.66 billion dollars"

It is films like these that are the examples of the dramatic change in the Independent film industry over the last five years. Where the industry was once semi-obscure, it has now become the center of much attention. This phenomenon is strongly due to privately funded films being bought outright by major studios. The margin of growth and possible capital made by independent movies has increased so greatly over the past decade that many studios have created divisions specifically for seeking out new talent. In this way, larger studios buy out smaller scale films and are able to give exposure to both the films and the talents that create them.



Project

The Target Audience

35-54 and 18-25 age groups are "Chasing Shadows" target audience.

According to research done by sectional readings of the script and music, the main groups that the film will appeal to are both the younger adult audiences as well as people of middle age.

Percent of Total Admissions					
Age Group	1996	1997	1998	1999	2000
12-15	11%	9%	10%	11%	10%
16-20	15%	17%	13%	20%	17%
21-24	11%	11%	9%	10%	11%
25-29	11%	12%	10%	12%	12%
30-39	13%	19%	17%	18%	18%
40-49	15%	15%	15%	14%	14%
50-59	8%	9%	11%	7%	10%
60+	8%	9%	9%	8%	8%

Who will want to watch the film?

The main interest in the film is expected to come from the middle age range; the largest segment of the population. They are educated, but seeking a relaxing change. They also make up the largest range of frequent moviegoers. The film's story is both compelling and driving, and has enough plot twists and turns to keep this audience block captivated and gives them the feeling of rejuvenation they strive to find.

The second audience is the young adult range (18-34). who will be drawn to the film for the love story and intense action. They will identify with the main characters' trials and tribulations as he is drawn into a world he neither understands nor wants to belong to.

The overlaying theme of love will be a strong draw. Teenagers look for it and will find it compelling and still have enough action to draw them in. The older end of this generational curve will also find solace in the love story, which is brought about in a mature nature. This same generation that grew up on happy endings and urban culture will find this movie pleasantly appealing to both their youth and their search for stronger, emotion driven plot lines.

The following is a list of the percentage of audience members for each age group that generally attend movies. Please note that these numbers were gathered in 1997, and include only American moviegoers and no foreign market data.

Over 65% of both males and females over the age of 12 consider themselves frequent movie goers



Age Group Percent of Group # of Moviegoers

18-24	☐ 82%	☐☐	21,924,916
25-34	☐ 70%	☐☐	30,013,200
35-44	☐ 68%	☐☐	26,705,640
45-54	☐ 58%	☐☐	14,629,390
55-64	☐ 40%	☐☐	8,459,169
65-74	☐ 34%	☐☐	6,156,230
75-96	☐ 19%	☐☐	2,495,702

Project Aspects - A Calendar of The Project 2002 Schedule

March, 2002

- * Advertising of project to distributors and investors
- * Gaining needed contracts and permits

April, 2002

- * Meeting with all persons involved in film
- * Interviews of candidates for open staff positions
- * Finalizing screenplay and re-writes
- * Planning movie website

May, 2002

- * Hiring of further project staff members
- * Preparation of two-minute trailer to gain distribution
- * Casting calls to take place in Chicago
- * Website released

June, 2002

- * Pre-production and story boarding
- * Procuring distribution and highly sought after name talent
- * Collection of final data on needs for shooting
- * Recruitment/selection of minor acting position
- * Director's and cast meeting held in Fort Lauderdale to review principal shooting

July, 2002

- * Hiring of foreign distribution Rep for distribution pre-sales
- * Hiring of promotions agent to further movie exposure
- * Key investors gained to further shooting budget
- * Preparations made for principle cast and directors meeting
- * Screenplay submission for copyright approval.

August, 2002

- * Storyboard finalized and key frames advertised on website
- * Hiring of marketing analyst to further project earnings

September, 2002

- * Location research done by security team
- * Safety and security review

"By setting up two shooting schedules we allow ourselves ample time to both market and perfect our project"



2002 Schedule Continued

October, 2002

- * Pre-production in Michigan
- * Assembly editing

November, 2002

- * Pre-production meeting in Michigan

December, 2002

- * Principal shooting of all cold scenes
- * Choreography layout
- * Assembly editing
- * Principal photography for marketing

2003 Schedule

January, 2003

- * First shooting assembly completed
- * Fine cut editing
- * Special effects added

February, 2003

- * Computer Animation laid out
- * Sound editing
- * Score composed
- * Music track recorded
- * Recording effects

March, 2003

- * Second Pre-production in Michigan
- * Assembly editing
- * Second Pre-production meeting in Michigan
- * Sound track laid out and synced

April, 2003

- * Second principal shooting
- * Choreography layout
- * Assembly editing
- * Principal photography for marketing

May, 2003

- * Second shooting assembly completed
- * Fine cut editing
- * Special effects added
- * Sound mix added

June, 2003

- * Computer animation finalized

"Through careful planning and research, this project's goals will be further realized"



"Film festival attendance is crucial to the marketing and distribution of independent film"

2003 Schedule Continued

July, 2003

- * Transfer HDV to High 35mm
- * HDV film look conversion process

August, 2003

- * Florida director's meeting and screening
- * Trailer created

September, 2003

- * Marketing materials

October - December, 2003

- * Distribution deals
- * Sundance prep
- * Continued Marketing
- * Attendance at the American film institute film festival to raise movie buzz

January, 2004

- * Sundance film festival premier
- * Distribution deals

February, 2004

- * Sundance film attendance review
- * L.A. Film festival preparation

March, 2004

- * Cannes Film preparations made
- * Publicity Gears up

April, 2004

- * L.A. film Festival premier
- * American Distribution deals closed

May, 2004

- * Cannes film festival premier
- * International film distribution deals

June, 2004

- * International film distribution deals
- * Publicity Drive

August, 2004

- * U.S. theatrical release

September-October, 2004

- * European theatrical release
- * World theatrical release



Progress to Date

Script

- * Script written and edited in it's fourth stage
- * Audience tested script through sectional readings
- * Script was turned over to professional scriptwriter Ryan Ferricelli to be co-written and collaborated on
- * Storyboards have been started by directing and photography team

Production/Staff Selection

- * Key directors hired
- * Production Managers have been hired to ensure completion and budgeting upheld
- * Communication lines have been made to ensure constant awareness
- * Interview of new staff members
- * Compiling of effects teams and specific teams
- * Meeting in Chicago for all staff to discuss script, marketing strategy, actual production and contracts
- * Crew contract signing
- * Arrangements for filming facilities and sets
- * Final decisions on filming locations
- * Location owners have agreed to usage
- * Bi-weekly production meetings held to ensure constant work ethic and gage productivity

Acting/Music staff selection

- * Research for the hiring of S.A.G. actors
- * Casting begun
- * 25% of key actors found
- * Selection of possible artists for soundtrack

Corporation Creation

- * Fund raising for proper permits and corporation started
- * Business plan creation
- * Corporation executives and directors have been elected
- * Monthly progress reports made by directors to Production Managers to gage productivity

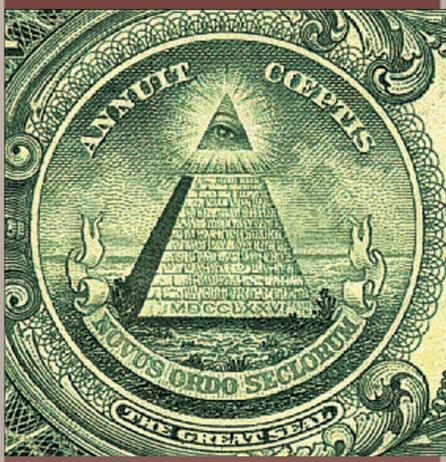
Marketing/Investment

- * Investor research
- * Initial contacts for marketing interest
- * Meeting with newspaper for interview
- * Arrangement of interview for local 'island' newspapers to gain prospective investors
- * Website created to further marketing
- * Marketing to various companies for endorsement

Miscellaneous

Costume mach ups have been created
Owner of Chicago Aveda salon has agreed to work on project

"Individuals dream of success,
but it takes the dreams of all
the individuals to create that
success"



Budget

Summary Budget "Chasing Shadows"

Sound Equipment	111	0	0	0	0	5,600
Camera Equipment	0	0	0	0	0	35,350
Lighting Equipment	0	0	0	0	0	3,000
Car Rental	0	0	0	0	0	1,167
Club Rental	0	0	0	0	0	5,000
Hair & Makeup supplies	0	0	0	0	0	2,880
Costuming	0	0	0	0	0	1,200
Actors	0	0	0	0	0	21,000
Music	0	0	0	0	0	2,500
Lodging & Food	0	0	0	0	0	22,950
Travel Expenses	0	0	0	0	0	4,470
Computers	0	0	0	0	0	10,799
Film Copying and Labeling	0	0	0	0	0	15,000
Effects And Editing Software	0	0	0	0	0	17,920
Insurance	0	0	0	0	0	6,500
Legal Fees	0	0	0	0	0	5,775
Total Cost	0	0	0	0	0	161,111

"With a budget under \$500,000 our film is able to produce a high quality production at the fraction of the normal Hollywood cost"



Distribution Approach

While our film cost is a fraction of the average Hollywood film, we expect that the look and feel of it will exceed that of other films of its class and cost. With the team we have assembled, made up of experienced and trained professionals, we expect that we will be able to inexpensively produce what would generally cost a studio greatly. Our choice of location, timeframe, and utilization of existing resources will allow us to produce a high quality, exciting film, without an over-the-top budget.

Before the film's creation and final editing even take place, we plan to create an excited air about the film. We have already started marketing our film through various media. Print media have shown interest and we are utilizing the web to stir up buzz about the film. In addition, networking and word of mouth within the industry have met with great success. In our attempt to promote and insure the success of this film, we have team members dedicated solely to the purpose of promotion. We want this film to be the buzz on the lips of every studio head's lip and every distributor's must get list. All of these marketing ventures help not only in securing distribution after the film's shooting, but open the possibility for pre-distribution.

The second phase of marketing, aimed at distribution of the movie is entrance into well-known film festivals such as Sundance and Cannes. In it's running at these festivals, our film will be seen by numerous distributors who will have an interest in its' worldwide marketing. Through these distributors we will license the film for advances that will not only recoup our investors, but also produce a profit.

These festivals draw numerous types of distributors. These range from large U.S. studios, like Disney, Warner and Fox, to smaller U.S. distributors like Miramax, New Line, MGM/UA and Trimark. In addition, there are always foreign distributors who attend in efforts to buy films. It is in this setting that independent producer's endeavor to sell their film to the highest bidder. Generally, as a rule of thumb, the distributor who offers the most amount of money is also the distributor who will market it to the largest number audience. This once again reinforces the intent to show your investment to the largest number of target audiences. We fully expect to license our film to the best bidder, both foreign and domestic, to insure not only a profit, but also a large, worldwide exposure to the investment.

"We intend to distribute our film to both U.S. and foreign distributors to best suit all involved"



Production Team

In our efforts to produce a successful independent film, we have amassed a professional, talented team, with the skills necessary to generate a high-quality film. We have kept a mixture of both students and professionals, allowing for a successful blending of knowledge of the newest techniques and equipment, along with the practical, hands-on experience to produce a superior film. The following are brief credentials as to the quality and capabilities of our staff.

Producer / Script Writer

As a C.E.O of his own multi media production company, he has the working experience of business on which to draw and build his foundation to produce this film. He attended the Art Institute of Fort Lauderdale, studying Commercial Art and Computer Animation. After which time he attended Columbia to finish his B.A. in Film, focusing in Producing. In addition to his educational qualifications he is also a published author, with work in, among other publications; "Tales From the South Loop", for which he won an award for his writing. He is also a talented artist, having earned many awards, including best painting in the central Michigan art exhibit, with works featured in the Optical gallery of Stuart. His business background, education and hands on experience make him a talented scriptwriter and gifted producer.

Associate Producer

A Graduate of the Art Institute of Fort Lauderdale with a Bachelor of Media Arts and Animation, she is a talented artist with a creative vision. Her multi-faceted talents include an extensive understanding of the rights of copyright under federal law as they apply to film and associated media.

Directors

This team has finished their degrees at the Art Institute of Fort Lauderdale. Both of these young women have achieved numerous successes as both students and entrepreneurs by going into business themselves, freelancing their skills in both commercial and video. It is believed that this combined team will bring a heightened level of success and vision to the strong script already in place.

Script Writer / Chicago Unit Production Manager

An experienced scriptwriter, he has written several scripts, three of which are copyrighted under US law and awaiting production. In addition he has also edited numerous scripts for fellow writers. His talent has been refined through his time at Columbia College for Film, where he focused his degree to Screenwriting.

"Our film and effects staff include numerous professionals and experienced individuals"



"Unlike many independent films, ours has the benefit of having an experienced special effects team"

Florida Unit Production Manager

While currently finishing his Bachelor of Arts in Computer Animation. He has been a key factor in the success of this film thus far. He has a motivating attitude paired with his ever-expanding knowledge of the field. His warm personality allows him to interact well with the staff and his "can-do" approach is an asset to the film.

Special Effects Director

He has achieved a Bachelor of Media Arts and Animation, this includes knowledge of high-end software, currently used in the industry. He is also knowledgeable in storyboarding, design, and other aspects of overall production.

Score Composer

A professional musician with experience in composition as well as classical scores creation. He boasts the ability to play twelve instruments and has toured the country playing with various groups and singing with nationally renowned choirs.

Security Director

Has worked in security for the past three years. He is certified First Response in addition to being fully knowledgeable of various security techniques. He has worked on commercials, movies and television shows. He has been trained to fully understand the security precautions and procedures needed to ensure the safety of all persons on set.

Art Director

Received a B.A. in graphic arts and has had her works displayed in the city of Flint, Michigan where she also attended college. She has won various art shows and currently holds a managerial position within a multi-million dollar corporation, where she is applying her degree to further use.

Music / Sound Director

He has run and owned his own independent record label. Currently he is touring with his musical group across the U.S. He has recorded and produced various CDs. He is also versed in all aspects of mixing and the tools needed to do so.

* All persons working on the film have prior working knowledge of film and its respective medias



The Investment Return

The income is returned to the corporate investor over the "Life" of the film, which could stretch for a decade or more. However, about 80% of the film's revenues are expected in the first three years, which is what is projected in the tables herein. These are the income projections from all the markets worldwide, over a three-year period. Excluded are merchandising and television syndication. In addition, it is possible to obtain better deals from distributors than are indicated here, such as 25% or 30% home video royalty rather than 20%. Instead of making high projections, we have taken a more conservative approach in regards to the available distribution markets and more favorable deal structures. Here is an explanation rationale for the "low," "medium" and High income. Projections on the previous page;

US Distribution

We assume that \$3.7 million is generated by the box office (the quote is the average income for an independent film released in theatres in 1998 as generated statistically by James R. Jaeger II All Rights Reserved owner of Matrix films) A distributor will deduct 30% as a distribution fee and then what they have spent for film prints and advertising. Ideally, as a film rolls out, the distributor will spend less and less on marketing in relationship to gross revenues brought in. That is why-at the "high projection-a distributor spends \$11 million to net \$14.8 million dollars in film rentals.

Non-Theatrical Rentals

These are the revenues collected by the distributor from film rentals to universities, colleges, and other institutions. There is minimal income for these markets.

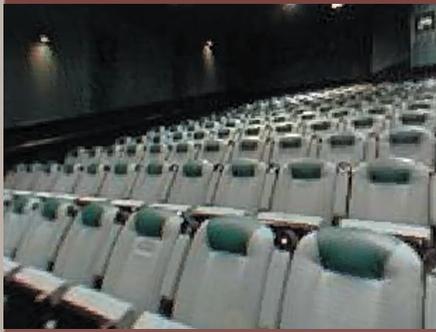
Pay / Cable

A U.S. pay cable network, such as Showtime, The Movie Channel, HBO or Cinemax will license the film for broadcast following the theatrical and home video release of the film. The better the film does at the box office, the greater pre-exposure and worth to a pay television buyer.

Television and Syndication

The final ancillary is licensing to network television and syndication. Sales are not shown in these projections because they occur well after the three-year period projected here.

"Through our film, we can offer low cost investment with potential for large margins"



The Investment Return (Cont.)

Home Video

For a finished, independent film, the distributor is not entitled to a distribution fee from home video. A royalty of 20% (or more) will be paid directly to the producer. Sometimes a large portion of the anticipated royalty is paid out as an advance prior to distribution and before actual sales are made. Assuming a retail sale price of \$100, and a wholesale price of \$12 dollars per unit. In the "break even model" a sale of 58,333 units (at 20% royalty) would generate \$700,000 dollars in revenues. Usually the better the theatrical release the better the home video sales, but not always.

Sound track royalties

Similar to a home video advance, a record company would pay an "advance against royalties" for the rights to distribute the motion picture sound track on CD or audiocassette. Assuming a retail price of \$15.00 dollars and wholesale price of \$9.00, a royalty of 10% (\$.90 per unit) on sales of 77,000 would generate \$70,000 a sale of \$444,444 would generate \$400,000. The sales of the sound track to foreign record companies have not been projected.

Foreign Distribution

A foreign distributor will license the rights in each media (theatrical, home video, TV and pay cable) to the territories throughout the world. Often these are "advances " from which the distributor will deduct 35% distribution fee.

Foreign Film Rental

These are the revenues generated by theatrical exhibition of the film worldwide. Foreign theatrical markets may return revenues equal to or greater than, the U.S. box office rentals. Conservatively, we have projected that the foreign film rental is either equal to or less than the U.S. box office rentals.

Foreign Television License Fees

These are the net license fees for the foreign television rights.

Foreign Home Video Royalty

These are the net license fees for the foreign home video rights.

Foreign Pay/Cable

These are the net fees for the foreign pay television and syndication rights.

"In 1998 alone many foreign countries grossed hundreds of millions of dollars in their box offices."

U.S. Box Office. \$3,700,000

	Low	Medium	High
U.S. Distribution			
U.S. Film Rental	1,850,000.00	3,500,000.00	6,700,000.00
Nontheatrical Rental	30,000.00	57,000.00	100,000.00
Pay/Cable	150,000.00	280,000.00	540,000.00
	2,030,000.00	3,837,000.00	7,340,000.00
Less Distribution fees 30%	-555,000.00	-1,151,100.00	-2,020,000.00
Less Prints and Advertising	-1,000,000.00	-2,000,000.00	-4,000,000.00

Revenue 475,000.00 685,900.00 1,320,000.00

Home Video Royalty			
No distribution fee	300,000.00	500,000.00	900,000.00
Soundtrack Royalties			
No distribution fee	35,000.00	65,000.00	125,000.00

Foreign Distribution			
Foreign Flim Rental	1,500,000.00	2,800,000.00	5,400,000.00
Foreign Television Liscence	200,000.00	375,000.00	725,000.00
Foreign Home Video Royalty	350,000.00	650,000.00	125,000.00
Foreign Pay/Cable	200,000.00	700,000.00	130,000.00

Gross Foreign Revenue 2,250,000.00 4,525,000.00 6,380,000.00

Less foreign distrubtion fee 35% -525,000.00 -1,357,500.00 -1,914,000.00

Net Foreign Revenue 1,725,000.00 3,167,500.00 4,466,000.00

Gross revenues to partnerhip	2,535,000.00	4,418,400.00	6,811,000.00
Film cost	200,000.00	200,000.00	200,000.00
Deferments	0.00	0.00	0.00
Net profit to partnership	2,335,000.00	4,218,400.00	6,611,000.00
investor's Share	1,167,500.00	2,109,200.00	3,305,500.00
Return on investment	583.75%	1054.60%	1652.75%



Q&A

1. Can you complete the film?

Although an independent film does not include a completion bond, every effort has been made to ensure completion of the film. While there are many factors involved in the completion of the film, there are two main factors we feel are most important to a successful filming.

First, the crew has been hand selected, and will be paid by the producer directly for time worked. Anyone unwilling or unable to meet the criteria for participating in this film has been released from the project to ensure that their position could be filled immediately with a qualified person with the dedication the project deserves.

Secondly, the shooting dates have been spread out over two periods. This allows for greater assurance that the film will have the utmost integrity, as well as the strongest chance of completion. With two shooting dates, you ensure that all the team members can participate, and it also allows the producer and director to handpick scenes that involve SAG actors to bring down the cost of shooting.

2. Will it return my investment? When?

While there is no investment with a 100% guarantee of return, we feel our film can offer a probability of return on investment and profit. One of the key factors is the low cost of investment against the projected average returns on a film. The low cost of production offers many opportunities for the film.

First, the lower production cost reduces the average cost per SAG actor, adding to the overall integrity of the film as more well known actors can be brought into the project.

Secondly, it allows the film to be displayed as experimental in many film festivals. This translates to a greater opportunity for exposure due to the low number of films in this category, which further leads to a higher probability of being picked up by a major studio, and thus a higher chance of a large return on investment.

We have supplied further information into how the investment will be returned in prior pages. Although a film's income can be spread out over a decade, most of its initial returns will come in the first three years through distribution advances and advances from Foreign Distribution Representatives.

"Utilizing the skills of our staff, our film is able to be made with a budget that is less than 3% of the standard budget for hollywood."



(Q&A Continued)

3. Will it make money?

A detailed breakdown of cost vs. return is provided in the prior pages. However, a note on the numbers presented there; the projected profits are based on the lowest paid box office released independent film of 1998. It was felt that taking the lowest possibility was the correct approach in this. The actual profits may be higher or lower, but we felt this was a good "worst case" scenario to present.

4. Why produce?

I began this project over a year ago and it was a decision I did not make lightly. When I first sought to produce a movie, I reviewed and considered script after script without finding one that met my vision and goal. I then decided to use my skills as a published author to write a script myself. Understanding that my writing was not tailored into screenplays, I hired a published screenwriter to review, edit and revise the script before production.

The project has been presented to record labels for soundtrack assistance and various companies for possible marketing endorsement. Although the film is not yet completely funded, the potential of the work has secured a national recording artist and commitments for location and clothing.

Many people have been hired who have both the drive and ambition to see this project flourish. From persons already in the field to students recently graduated, there is no lack of sincerity or integrity involved with this project.

5. What are the social/spiritual values of the film?

Unlike most traditional stories told by Hollywood, this movie is not clearly defined by a singular hero, instead the audience will find themselves drawn to multiple characters. It is a story about people. It is a story about love, life and the struggles to survive in an ever-changing world. While some aspects of the movie would not be found in the average persons life, the greater theme of a constantly changing world will appeal to the audience. We are faced day in and day out with new and sometimes horrifying experiences. As in life, the movie shows us that often times it is only by reaching out to others and accepting that which is offered that we find solace and happiness again. The value of the film lies in the fact that it is a moving story that the audience can relate too.

6. How can I participate?

In most investment scenarios, an investor puts forward money and/or a product, with very little interaction with the project they are supporting. They leave their investment open to those involved in producing the product. While this approach is most often the case, we wish to encourage participation in the project. If we are going to ask you to forward moneys into our project we feel it important for you to not only know what's going on within your investment, but also know who is involved and where the project stands at any given time.

"If we are going to ask you to forward moneys into our project, we feel it important for you to not only know what's going on within your investment, but also know who is involved and where the project stands at any given time."



(Q&A Continued)

7. Is there a market for your genre of film?

This is a simple question in which there is only one answer, "Yes!" Even Hollywood has had to change their style of movie making to accommodate the interest of the viewer. Movies with all action no longer hold the appeal they once did. In today's busy and sophisticated world, people no longer accept that guns don't need to be reloaded. The viewer also has become jaded; they want to see drama that has true feeling, not drama for the sake of drama. Our independent film brings the viewer to that place with a sincere and honest plot.

8. Do you have a competent, reputable distributor?

As we are still in the stages of pre-production on an independent film it is difficult to sustain a pre-distribution deal without a final product, but not impossible. We have scheduled a pre-trailer to be shot and distributed to select distributors before we begin principle shooting. Your investment will help in producing this distribution device. The pre-trailer will be a two minute piece highlighting key sequences selected by the director and producer which we feel will be the strongest points to secure a distribution deal.

9. Is your budget adequate?

The budget listed in the investment proposal was measured against the budget resources found in the book "Film Budgets" by Michael Weise, area rental house prices, location shooting costs and internet research. The total cost of production falls just short of our \$200,000 dollar mark, but we felt it best to budget slightly above cost to cover any unforeseen events.

We have taken every realistic step to keep the cost of production down without sacrificing the overall integrity and quality of the film. Some key ways in which we have done this is through the use of professionals who are working for a reduced fee, or none at all, because of their belief in potential of the project. We are also actively marketing the project to companies for endorsements and comps, which will reduce the cost needed for materials and thus, the overall cost of production.

10. Will you succeed?

There is no sure map for a success, but there is a road to failure: making unrealistic deadlines and lack of planning. While we cannot guarantee success, we can guarantee we are taking every possible step to avoid failure. This project has been over a year in the making, with every step planned out and prepared for. While no one can predict the future, we feel our dedicated staff, the value of our script and our hard work will result in a high quality and successful film.

"While no one can predict the future we feel our dedicated staff, the value of our script and our hard work will result in a high quality and successful film."



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"Film is the only medium
with the capability to reach
so many people, for
minimal cost."