

MOVIE TITLE

AN INDEPENDENT  
MOTION PICTURE PROPOSAL

Written  
by  
A VERY TALENTED WRITER

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SAMPLE

BUSINESS PLAN

Date

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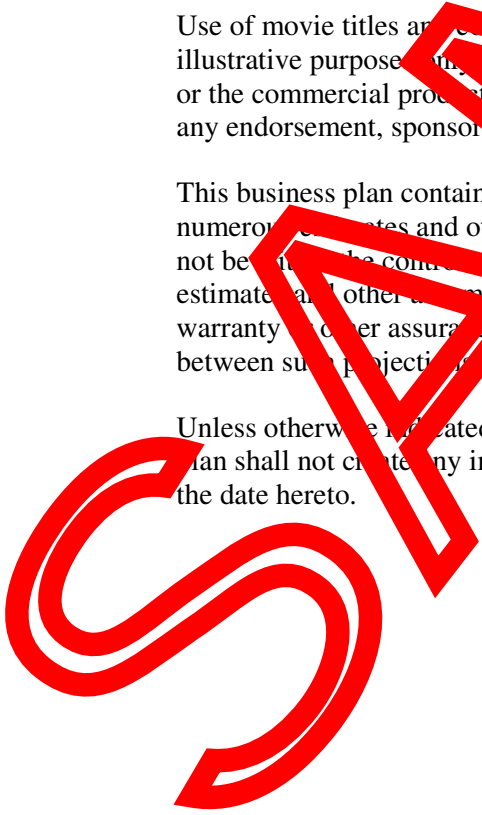
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Market data and certain industry forecasts used throughout this business plan were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research while believed to be reliable, have not been independently verified by the Company, and no representations as to the accuracy of such information is being made.

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Unless otherwise indicated, this business plan speaks as of the date hereof. Delivery of this business plan shall not create any implication that there has been no change in the affairs of the Company after the date hereto.



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SAMPLE

## I. EXECUTIVE SUMMARY

“Companies engaged in production are conservative and cautious both in investment and budget, while studios are looking to partners for finance and product. It’s a time of great opportunity, where doors and minds are open to new ways of doing business, making and exploiting movies. Indeed, for independents, entrepreneurs and foreign investors, Hollywood has never been so full of opportunity.”

---SCREEN DAILY, July 3, 2011

### THE FILM

Short Pitch regarding the Film.

### THE COMPANY

The Management Team will create a single feature entity Company Name, LLC as a startup enterprise with the purpose of financing and producing a single feature length motion picture entitled *Movie*. The Company is seeking \$1,000,000 dollars in capital to fund the production and early marketing of the Film.

### THE MANAGEMENT

The Company is headed by \_\_\_\_\_ Together, they bring decades of successful experience in the motion picture industry and investment financing to the project. The principals also possess established relationships with a team of industry veterans to assist with the business development, production and distribution outlets on an as needed basis.

### THE GOALS OF THE COMPANY

Company Name is committed to creating and successfully producing **Movie Title**, a light-hearted and fun film.

The Project is scheduled to begin production during the Spring of 2012 and be released in Fall 2012.

### MARKETING AND DISTRIBUTION

The most important element in any commercial film project is the audience for which the film is being made. This is the source of the film’s income and all decisions have to be made with the audience in mind. The target audience can encompass a number of broad age demographic categories as well as various niche audiences within and across these categories. This film is targeted towards the following audiences:

Male & Female 18 - 55 years olds

- This demographic is attracted to films such as **Julie & Julia**, **Devil Wears Prada** and **The Blind Side** (See Appendix B. Comparables). All are based on true stories in the lives of well-known celebrities; and all are charming, witty and filled with humor.
- All these movies did breakout box office due not only to content but star power attached. Although we will be much more modest film without heavyweights in the lead, we do believe we have the opportunity to achieve those numbers.

## SECURING DISTRIBUTION

The motion picture industry is highly competitive; the success of a film is directly related to the skills of the distributor's marketing strategy. The production team is committed to making the film an attractive product to theatrical, home video and other ancillary and international markets. The Company intends to negotiate with U.S. and foreign distributors before commencing production. Our goal is to secure some form of distribution prior to or during production.

## INVESTMENT OPPORTUNITY & FINANCIAL HIGHLIGHTS

The Company is seeking an equity investment of \$7,700,000 for full production and early marketing of the film tentatively titled **Movie Title**. After the Investors have received 125% of their contributions, the Investors and Company Name will then split 50/50 all additional distributable revenues based on their pro-rata share of common equity ownership in Company Name, LLC. This 50/50 split is based on 100% of budget funding by the investors.

## RISK MITIGATION

The company will implement several proven strategies to mitigate risk to investors, including state and federal tax credits and rebates, incorporating the early marketing budget into the production budget, setting up a collection account with distributors, and casting 1 or 2 marketable actors with name recognition.

## THE PERKS

Investing in and/or joining the venture capitalist or product with the Company for the production of **Movie Title** affords unique opportunities. This applies not only to the nature of the venture capitalist's investment but in the exposure of their brand or business to a global audience.

## II. THE FILM

### THE PRODUCTION PROCESS

*Movie Title* will be produced as an independent film.

When you talk about independent film, there is more than meets the eye. Did you know that **The King's Speech**, **Lost In Translation**, **Juno**, **Slum Dog Millionaire**, and **Little Miss Sunshine** are all independent films?

More than half of the "Best Picture" Academy Award® winners since 1980 were produced and distributed by independent, international distributors - typically all members of IFTA (International Film & Television Alliance).



What made these films independent is that they were not financed through established studios but rather individually through equity and non-equity sources. Each one reflects the creativity that is the hallmark of the global independent film industry.

There are five key phases to producing a film:

- **Packaging:** During this stage, the Company will "package" the film (i.e., attach actors, key production personnel, and other talent). The initial marketing campaign is planned and prepped for a later date.
- **Preproduction:** During this period (the eight weeks prior to the start of production), the Company will open a production office; hire all crew; engage a locations scout to secure the locations where shooting will occur; secure rentals for camera and lighting packages; prepare shooting schedules, etc. At this time, all actors will be cast and media releases are prepped and media contact lists are finalized.
- **Production:** The production period (less than 30 days) will be the time that the principal photography will be shot. After this time, all of the scenes for the movie will be completed or "in the can"! Press releases are sent out at the beginning of the production phase. At the end of principal photography we launch the online marketing campaign.
- **Postproduction:** During the postproduction period (approximately four to five months), the director and editor will select the best "takes" of the various scenes and edit those takes into an assembly of the entire film. Once the film has a "locked picture", the project moves into various departments for finalizing the feature film. Example: Music, Visual Effects, Sound Design, Color Correction and final sound mix.
- **Distribution:** This encompasses all potential exploitation and sales of the film product. The theatrical release, DVD/Blu-ray sales and rentals, the various television outlets, soundtrack/merchandise sales, and all other revenue sources constitute a film's distribution.

## KEYS TO A SUCCESSFUL FILM

The basic elements for a successful film project are:

- Start with a **great story** - and deliver it with conviction and a sound vision. A well-crafted screenplay is vital and is the basis for all successful films.
- Know your **target audience**.
- **Marketable Content** aimed at your target audience.
- **Controlling Costs** - realistic budget, responsible managing and oversight.

### Start with a Great Story

Brief sales pitch of the story.

### Know your target audience

The most important element in any successful film project is the audience for which the film is being made. This is the source of the film's income, and all decisions have to be made with the target audience in mind. The target audience can encompass a number of broad, age demographic categories, as well as various niche audiences within and across these categories.

The age demographic categories utilized in the film industry are kids, young adults, and adults. The adult category can subsequently be broken down into various age groups and as well as by male and female.

The target audience categories for *Movie Title* would be the same audience that went in droves to see *Little Miss Sunshine*, Males and Females 18 – 55.

### Marketable Content

Our movie will be rated PG-13, which will broaden the field from our target 18-55 audiences by appealing to their families as well.

### Controlling Costs

There are several factors that are important to consider for controlling costs:

- A Realistic Budget
- The budget for *Movie Title* is set at approximately \$7,000,000. The budget top sheet is attached hereto as [Appendix A](#).

Because the creative team behind the project has extensive experience within the industry, the Company plans to utilize their contacts and resources available to produce the film at a much lower cost than what a similar film would cost if produced inside the studio system.

- By having independent status, the Company can reap the benefits available to independent productions, such as discounts in locations, camera packages and Special FX rates, while still allowing to maintain the highest production values. This means the investors will benefit from a film that has the appearance of costing more than it actually does.
- We will be fully bonded and include an overage contingency within our budget to protect our investors.
- State Tax Credits and Rebates
  - *Movie Title has been* is Pre-Qualified for 30% State Tax Credit Incentive for filming in Connecticut, where shooting is scheduled to take place. (See [Appendix D](#)).
  - It is estimated that approximately 75-90% of the budget will be paid back to the investor(s) in the form of tax incentives.
- Federal Tax Incentives - Section 181 of IRS Tax Code
  - The short version is that “Accredited Investors” could be eligible for a 35% tax relief in accordance with Section 181 of the American Jobs Creation Act, 2001. The entire investment could be written off against passive income at the time of investment or it could also be spread out over multiple years if that investor will see more value in doing so.  
  
\*Recipients of this business plan are urged to consult their own tax advisors with respect to federal, state and local tax matters.
- Responsible Financing – The final budget will be reviewed and finalized by the entire production team before any funds are released to the production company to insure that sufficient financing is available to complete the film.
- Oversight – The Company will provide oversight on every line item of the budget and will require approval of any contingency expenditure to ensure the film is completed on budget and on schedule.

## SYNOPSIS

A one page synopsis of the film.

## CASTING

CAST WITH LETTERS OF INTENT:

ROLE OF \_\_\_\_\_:

GLENN CLOSE



Five time Academy Award nominee Glenn Close was born and raised in Greenwich, Connecticut. She was often seen on Broadway until 1982 when she was cast in her Oscar winning role as Jenny Fields in The World According to Garp (1982) alongside Robin Williams. For this role, a breakthrough film for Close, she later went on to receive an Academy Award Nomination for Best Supporting Actress.

The following year she was cast in the hit comedy The Big Chill for which she received a second Oscar nomination once again for Supporting Actress in the role of Sarah Cogger. In her third film Close portrayed Iris Gaines a former lover of baseball player Roy Hobbs portrayed by Robert Redford, in one of the greatest sports films of all time The Natural. For a third and final time Close was Nominated for the Academy Award for Best Supporting Actress.

Close went on to star in The Story of a Boy, Maxie, and Jagged Edge. In 1987 Close was cast in the box office movie She's Got to Be the One for which she was nominated for the Academy Award and Golden Globe for Best Actress. The following year Close starred in the Oscar Winning Drama Dangerous Liaisons. For this role she was nominated once again for the Academy Award and BAFTA Film Award for Best Actress. Close was favored to win the coveted statue but lost to Jodie Foster for The Accused.

Close currently stars in the hit TV series Damages for which she has won **Golden Globe Award** and **two Emmy Awards**. In her career Close has been **Oscar nominated five times, won three Tonys, an Critics Choice Emmys, two Golden Globes, and a Screen Actors Guild Award**.



in the work

## PROPOSED SUPPORTING CAST

ROLE OF \_\_\_\_\_:

### DREW BARRYMORE



Charming, free-spirited and - above all - talented, Drew Barrymore has come a long way since her big-screen breakout in E.T.: The Extra Terrestrial (1982). Despite a troubled and much-publicized adolescence during which she appeared in only a handful of films, Barrymore's star was officially on the rise during the mid-90s with notable appearances in Poison Ivy, Bad Girls, Boys on the Side, Batman Forever, Woody Allen's Everyone Says I Love You, and Wes Craven's Scream.

Turns in The Wedding Singer, Ever After: A Cinderella Story, Never Been Kissed, Charlie's Angels, Riding in Cars with Boys and Donnie Darko followed, proving to once-cynical audiences that Barrymore was not only a capable leading lady, but also a gifted and versatile actor. Recent projects have included 50 First Dates, Fever Pitch, Music and Lyrics, Lucky You and Grey Gardens.

Barrymore was named Ambassador for World Hunger for the UN World Food Programme (WFP). Since then, she has donated over US \$1 million to the program. In 2010, she was awarded the **Screen Actors Guild Award** and the **Golden Globe Award** for Best Actress in a Miniseries or Television Film for her portrayal of Little Edie in Grey Gardens.



### GWYNETH PALTROW



The daughter of noted film director Bruce Paltrow and Tony Award-winning actress Blythe Danner, Gwyneth was born in Los Angeles.

When Gwyneth was 11, the family moved to Massachusetts where she received her early acting training under the tutelage of her parents. In 1991, she quit the University and began to actively pursue a career in acting. She made her film debut with a small part in Shout; and for the next 5 years had featured roles in a mixed bag of film fare that included Flesh and Bone, Mrs. Parker and the Vicious Circle, Se7en, Thomson in Paris, Moonlight and Valentino, and The Pallbearer.

It was her performance in the title role of Emma Woodhouse in Emma that led to her being offered the role of Viola in Shakespeare in Love, for which she won the **Academy Award**.



## CHRISTINA APPLIGATE



Christina made her acting debut at age five months, when her mother got her in a commercial for Playtex Nurers. Her first on-screen appearance followed at age 7 when she was seen in the 1979 film Jaws of Satan (a.k.a. King Cobra), followed by 1981's Little.

She debuted in a television movie as young Grace Kelly in the biopic, Grace Kelly and appeared on her first TV series in Showtime's political comedy, Washington, in which she played a Congressman's daughter. She was also spotted as a guest in the shows, Father Murphy, Charles in Charge, and Silver Spoons.

In 1986, Applegate won the role of Robin Kennedy, a policeman's daughter, on the police drama series Heart of the City. Meanwhile, she was seen guest-starring in the sitcoms All is Forgiven, Still the Beaver, Amazing Stories, and Family Ties.

Applegate eventually scored her most memorable role of dizzy Kelly Bundy in Fox's comedy series, Married... with Children. She portrayed her character for ten

Since then, she has established a film and television career, winning a Primetime Emmy and earning Tony and Golden Globe nominations. She has had major roles in several films including Don't Tell Mom the Babysitter's Dead, The Big Hit, The Sweetest Thing, Anchorman, Farce of the Partys, Alvin and the Chipmunks: The Squeakquel and Hall Pass. She has also starred in numerous Broadway theatre productions such as the 2005 revival of the musical Sweet Charity. As of May 2011, she is set to star in NBC's comedy Up All Night.



ROLE OF \_\_\_\_\_

## HARRY HAMLIN



Harry Hamlin graduated from Yale University with a BA in Drama and Psychology in 1974. Hamlin then attended the American Conservatory Theatre's Advanced Actor Training Program from which he was subsequently awarded a Master of Fine Arts degree in acting.

Hamlin appeared in the 1976 television production of Taming of the Shrew and also had the title role in the 1979 television mini-series Swords of Lonigan. He had a role in Movie Movie, but his big-screen break was a starring role in the 1981 Greek mythology fantasy epic Clash of the Titans. Afterwards, his career faltered somewhat with such box office flops such as Major Love and Blue Skies Again. He returned to television appearing in the mini-series Master of the Game in 1984 and Space (based on the novel by James A. Michener) in 1985.

Following this, Hamlin's popularity skyrocketed when he starred on the highly popular NBC TV drama *L.A. Law*, during which time he was voted as *People* magazine's "Sexiest Man Alive" in 1987.

In 2001 he starred in the television comedy *Bratty Babies*, and in 2002 he reprised the role of Michael Kuzak in an *L.A. Law* reunion television movie. In 2004, Hamlin had a recurring role on the television series *Veronica Mars*. In 2006, Hamlin took part in the third season of *Dancing with the Stars*, but was voted off the show in the third week.

In June 2010, Hamlin guest-starred in an episode of *Army Wives*, and has since become a recurring cast member. He also starred in the Hallmark movie *You Lucky Dog*; and published a book "Full Frontal Nudity: The Making of an Accidental Actor" wherein he shares stories of his career as an actor.

## ADAM ARKIN



**Adam Arkin**, the son of Oscar winning actor Alan Arkin, played the role of Aaron Shutt on *Chicago Hope*. He has been nominated for numerous awards, including a Tony Award (Best Actor, 1991, "I Hate Hamlet") as well as 3 primetime Emmys, 4 SAG Awards (Ensemble, *Chicago Hope*) and a DGA Award (*My Louisiana Sky*). He is also one of the three actors to portray Dan "The Whale" Biederbeck on *Monk*.

Arkin has appeared on various television series such as *Northern Exposure*, *Chicago Hope*, two *Law & Order* episodes, *Picket Fences*, *The West Wing*, *Frasier*, *Boston Legal*, *Arrested Development*, *Bob*, *Monk* and *8 Simple Rules for Dating My Teenage Daughter* and *The Closer*. He starred in the NBC drama *Life*, and he portrayed a white supremacist on the FX original series *Sons of Anarchy*.

His film appearances include *Crash* and *Halloween H20: 20 Years Later*. Arkin is also a theatre actor where he has performed in Broadway, Off-Broadway and regional theatre productions, including most recently with the South Coast Repertory world premiere and Broadway production of "Brooklyn Boy". In addition he is known for his directing work, having directed episodes of *Grey's Anatomy*, *Boston Legal*, *The Riches*, *Dirt*, *Ally McBeal*, *Sons of Anarchy* and *Arrested*. He won an Emmy for directing the Showtime television film *My Louisiana Sky*. He recently played the part of a divorce lawyer in the film *A Serious Man* directed by Ethan and Joel Coen.



### III. MARKETING

“In 2009, we saw two movie-making extremes. On the one end, we got *Avatar* for a reported half-billion dollars in production and marketing expenses and *The Transformers* for not too much less. And both of those made out okay financially. At the other end was *Paranormal Activity*, reportedly made for \$15,000 and raking in more than \$100 million. The former outcome has been the norm for a while; the latter phenomenon tends to be rarer. But in 2010, largely thanks to the pervasive use of social networks and an increase in paid digital distribution channels, we look forward to seeing more low and micro budget films attaining a higher degree of financial success.”

STEPHEN VAUGHAN – Predictions for 2010

Regardless of the eventual distribution method, the Company will be responsible for early efforts to market and build awareness for *Movie Title* to two specific groups: Distributors and End Users (our target audience). Engaging the end user from the beginning is key to building and establishing a fan base to help bring awareness to the project. This approach gives the company more negotiating power in securing traditional distribution. The Company has devised a comprehensive marketing strategy that utilizes a coordinated effort directed at creating a synergy between the distributor and audience, engaging both groups at the same time.

*Movie Title* will be marketed early on by social networking, blogs, and viral video. In addition to our new media efforts, several film festivals will be targeted to gain additional media coverage.

The Company's marketing plan will drive people to our website and offer exclusive interactive content in exchange for their email address and zip code. We will allow the fans to express themselves and get rewarded and recognized for their efforts. This will build a list of end users and marketers that we can use in. Using this information the Company will be able to market directly to the end user and keep them engaged with content.

The Company has included a budget of \$ 125,000 for the initial marketing of the film through its production within its \$1,000,000 capitalization. By understanding the importance of marketing and building a strategy for it from the outset, it is easier to manage, maintain and adapt to trends rather than waiting until the completion of postproduction. We will also make to market the film through the Film's blog and social networking sites. Local media and nationally recognized websites (AintItCoolnews.com, CHUD.com, JoBlo.com) will create further awareness for the project.

#### PRE-RELEASE MARKETING

Pre-release marketing will be entirely online including Viral Video, Social Media, and a project Website/Blog.

- **Viral Video**

Several short videos and from the “editing room floor” clips will be produced to provide back-story on the characters, history and production team. They will be syndicated to UGC sites (User Generated Content) and communities.

- **Social Media**

A vast majority of our intended audience participates heavily in social networking, and so they are particularly marketable via the medium. Social media provides an easy way for word-of-mouth to spread very quickly when the audience responds well to the film. While we will use a wide range of social sites, our primary efforts will focus on the major social networking sites MySpace and Facebook, as well as the social micro-blogging site Twitter.

- **Websites:**

[www.movietitle.com](http://www.movietitle.com)

**Movie Title** website will contain bios on the Company and production team, links to other work by the team members, as well as a blog maintained by the team. The blog will be production oriented, focused on the processes and challenges of making the film itself. Posts will be a detailed account of day to day set operations and post production work. We will also have a large number of video interviews with cast and crew as we progress through production and post, inviting the audience to be as familiar with the process and personnel as possible. This sort of link with the audience builds a sense of connectedness to the project and will invest audience members in spreading the word about the film.

**FILM WEBSITES UNDER CONSTRUCTION:**

List of websites related to the project.

**ALL THE RE CONNECTIONS TO: TWITTER- FACEBOOK - BLOG**

**FILM FESTIVALS**

The major festivals open to this kind of film are Berlin, Sundance, Toronto, and SXSW. Acceptance at this level of festival is extremely competitive. The goal is to get the most media coverage for our screenings as possible. The focus is to get reviewers to cover the film. A festival screening may be seen by one or two hundred people, but a review from a festival may be seen by thousands or tens of thousands. Therefore, we will explicitly reach out to reviewers to cover the film at these screenings.

## **MARKETING**

Once a Domestic Distributor is obtained, marketing strategies will be discussed and decided. If a limited theatrical opening is in order, information gathered during the pre-release marketing will provide us with geographic locations that can be referenced.

**SAMPLE**

## IV. SECURING DISTRIBUTION

### RISK

The business of producing and exploiting low-budget films is highly speculative, with many risks uncommon to other businesses. No assurances can be given of the commercial success of any motion picture. The revenues derived from production and distribution of a motion picture depends primarily on its acceptance by the public, which cannot be predicted. In addition, the competitive nature of the film industry, the possible box office failure of a motion picture, and the potential inability of a distributor to distribute the motion picture properly, collect distribution revenues, or remit funds properly to the producers, make the successful distribution of any motion picture subject to substantial risk. The commercial success of a motion picture also depends on general economic factors and other tangible and intangible factors, none of which can be predicted with any certainty.

### DISTRIBUTION MODEL

Securing distribution is the most important factor in the financial success of any film. The primary distribution goal for **Movie Title** is a U.S. theatrical release, which has the most significant impact on the film's ability to maximize its potential for profits in other markets worldwide. The secondary distribution goal is a U.S. DVD/Blu-ray/VOD release, with the Company possibly using this as a vehicle for self-distribution models.

### THEATRICAL

Wide or limited theatrical distribution is possible with the involvement of a U.S. distributor that has preexisting relationships with exhibitors (theatre owners) guaranteeing screens for a film and therefore has the potential to reach the widest audience possible. Another theatrical option is "four-wall" where the Company, after determining a market's interest, would pay an exhibitor directly for the right to use a theatre where the company then, in effect, becomes the distributor. This is the most limited theatrical approach but with the right demographic mix, expansion could lead to expansion in other markets. This release also functions as a stepping board to a successful home entertainment release.

### DVD/BLU-RAY

Audiences are becoming used to viewing more direct-to-DVD/BluRay media. Years ago if a product went direct to home market it was assumed to be of a lower quality. As technology and tools have become more readily available to filmmakers the production quality and freedom to tell less studio friendly stories has led to a new understanding and acceptance of direct to home market films.

## **VOD / SVOD / IPTV**

(Video on Demand / Subscription Video on Demand / Internet Protocol TV)

Currently 40% of Netflix users take advantage of the digital download option offered. With more ways to watch downloaded content and new product being offered all the time, it is becoming a largely effective way to reach an audience. Market trends show that this is the way technology is pushing media. From Xbox to iPhones, we are already seeing content with major stars premiering as downloadable content across many platforms. Apple's iTunes platform is the premiere example of this growing trend. This specific technology allows users to rent or purchase a title at the click of a mouse.

## **STRATEGY**

The management team plans to enter into negotiations with certain distributors and companies while still in the packaging phase of production. Our goal is to receive a domestic distribution commitment and/or foreign sales agreement commitment prior to commencing principal photography.

By working in collaboration with these distributor companies during pre-production, and throughout production and post-production, the Management team can take advantage of these distributor's knowledge and experience in a constantly changing marketplace. Through these relationships, the Company can be assured the product we produce will have as much commercial appeal as possible to our target audiences, which translates into financial success at the box office and beyond.

A satisfactory distribution commitment can come in a variety of forms including but not limited to:

- A commitment for a domestic theatrical release in the form of committed Print and Advertising dollars or a guaranteed release in a certain number of markets.
- A foreign sales representative
- A commitment for DVD/Blu-ray release
- A commitment for VOD release

The Company will consider a satisfactory distribution agreement to be one that provides a viable and reasonable avenue for the investors to recoup their capital contribution.

## **REVENUE STREAMS**

In order to understand how a film recoups its costs, it is important to have a basic understanding of what fees and expenses are deducted from a film's gross receipts before net profits are finally distributed within the Company. Here is a quick overview of the fees and expenses that are typically deducted before investors recoup and net profits are paid out.

- Theatrical
  - Film Rental – Exhibitors (i.e. theatre owners) of the film typically retain 50% - 60% of Gross Box Office and remit 40%-50% to the distributor (negotiable depending on the strength of the distributor and the performance of the film)
  - Distribution Fees – Distributors fees for releasing the film, typically between 15% - 25%.
  - Distribution Expenses – Costs of prints and advertising for the film recoupable by the distributor
- Home Entertainment (DVD, Blu-Ray)
  - Distribution Fees
  - Manufacturing & Marketing Expenses
- Foreign Sales
  - Foreign Sales Fees, typically 15%-25%
  - Market Costs – the costs for attending the international sales markets such as Cannes, AFM, Berlin, typically capped at \$50,000
  - Ads, trailers, posters, and other miscellaneous marketing costs recouped at cost.
- Ancillary Markets
  - All the other ancillary markets also have costs and fees associated unless they are sold outright for a flat fee.

Because the costs for prints and advertising for theatrical release are so high, when combined with the Distribution Fees, films often do not recoup any net profits from the theatrical receipts. The main sources for profits for the film usually come from DVD sales and rentals and the other ancillary and trans-media markets. Some of these other ancillary markets include:

- Television – PPV, Cable, Free, Syndication
- Internet – Video On Demand (VOD), Streaming Video on Demand (SVOD), IPTV
- Soundtrack
- Non-theatrical – airline, cruise ships, air carriers, schools, libraries, military

- Product Placement & Branding Tie-ins
- Video Game
  - iApp

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## V. INVESTMENT OPPORTUNITY

The revenue models contained in this document are based on certain assumptions and are presented for illustrative purposes only and do not represent a forecast or the anticipated results of the Company's operations. Potential investors must recognize that the projections are only estimates, are not guaranteed, and should not be relied upon by any investor in connection with the Company. No independent audit or review of the financial projections or assumptions has been performed.

### FINANCING PLAN

The Company proposes to secure the majority or all production financing from equity partners. With production funding in place from independent investors, the Company will seek to attach a quality foreign sales agent or some form of U.S. distributor, such as a studio specialty division or smaller independent distributor, for theatrical or streaming DVD/Blu-ray distributor. If a satisfactory deal cannot be made, Company can choose to wait until principal photography has commenced so that distributors will be able to view the professional quality of the film. This strategy will allow the maximum flexibility in a rapidly changing marketplace where the availability of product is in constant flux.

Many factors affect the financial projections for a film. The commercial appeal is the most important factor in determining financial success, followed closely by the agreement with the distributor(s). Being able to self finance the production of a film puts the Company in the strongest position to control the quality and costs of the film, along with striking the best financial arrangements with the various distribution channels.

The independent film producer must secure the best distribution deal for the film, with a distributor who will commit financial resources and secure a favorable distribution release pattern. This is key to a film's success because when a distributor commits funds to the prints and advertising budget of a film, it is strongly motivated to see the film become successful and make a profit. As with any business, when revenue exceeds cost, profits are realized.

### RETURN ON INVESTMENT

The Company is confident that it will create a motion picture that audiences will enjoy, thereby reaping the financial rewards from that success. The Company cannot guarantee that the film will be profitable, or that it will even earn back its budget, but will stand behind its commitment to ensure that the most reasonable distribution deal(s) possible will be sought and executed.

The Company proposes to pay back the investor partners who invest in the Film in the following order:

- (a) From the Producer's Gross Income, the Company will pay any and all outstanding production expenses not covered by the production budget, such as deferred pay of talent salaries, residuals, and other such costs.
- (b) After deducting any deferred fees or outstanding expenses, 100% of the Producer's Gross Income will go directly to the investor partners pro rata to each partner's investment until they have recouped 125% of their investment. Accounting statements from distribution companies are usually handled on a quarterly basis for the first two years of the distribution agreement and semi-annually thereafter for a period of two years. Generally, the distribution company is responsible for providing statements and paying any sums due to the production company within sixty days after the end of each accounting period. The Company will provide the investor partners with accounting statements and payments due and owing, if any, within sixty days of the receipt of those statements and moneys from the distributor.
- (c) After each investor partner has recouped his/her investment, any additional moneys earned will be divided between the producer and the investor partners on a 50/50 basis. Producers will pay talent profits due to talent out of their 50% share.

See Film Comparables: APPENDIX B & Financial Projections APPENDIX C

Such projections are based on numerous estimates and other assumptions about future events and circumstances, many of which will not be within the control of the Company and its management. No representation, warranty, or other assurance is given that such projections will be realized. There may be variances between such projections and actual events and results of which variations may be material.

## VI. RISK MITIGATION FACTORS

The management team for **Movie Title** has made every effort, where possible, to mitigate the risks involved with an investment in film. We have employed strategies that cover a variety of areas throughout the film's life cycle to ensure a completed product is efficiently produced, and that a viable avenue for distribution will be available to exhibit the film for profit.

The Company will implement several proven strategies to mitigate risk to investors, including state & Federal tax credits and rebates, incorporating the marketing budget into the production budget, setting up a collection account with distributors, and casting 1 or 2 marketable actors with name recognition.

Several key factors will be utilized to mitigate the equity investor's risk:

- Control Costs – realistic budget planning, responsible financing and oversight.
- Distribution Commitments – The Company will seek quality U.S. and foreign distribution commitments prior to commencing principal photography.
- Foreign Pre-Sales – During pre-production and production, key international territories and/or domestic rights may be pre-sold.
- Collection Agency – It is anticipated that a collection account manager will be secured to protect all investor interests. It is equally important to monitor the collection process, the allocation and payment of revenue, and the exploitation of all potential revenue streams. The exploitation of film generates numerous revenue streams from various countries which are to be allocated and paid to financiers, producers, sales agents and other parties. The Collection Account Manager computes revenue streams, provides the relevant parties with regular reports and splits revenue between each party in accordance with their contractually agreed entitlement.

Each step of the way, every decision will be made with investor's interests foremost in mind, to reduce risk and provide every opportunity for success and profitability for the film, the investors and the Company.

## VII. THE PERKS

Investing in and/or aligning with the Company for the production of **Movie Title** affords unique opportunities not only in the nature of your investment but with the following Perks:

- Exposure of your company's brand or business with product placement and/or brand tie-ins to a global audience.
- Based upon the level of investment you could receive credit on the film.  
Executive Producer - \$2,000,000 investment or greater
- VIP access to the set.
- First priority tickets to all premieres, parties, and screenings.

Access to the producers for discussions about family/friends being involved in the process, either as an intern (if student) or observer. Many extras will be needed and a handful will be featured. If a family member or a friend is studying film, for example, or acting, or considering getting involved in the film business, they will be welcome on the set to observe and participate.

We will make an important commercial film. It will be exciting. You will be proud of the final product.

## VIII. THE MANAGEMENT TEAM

PARTNER / PRODUCER 1

One Page Bio

PARTNER #2

One Page Bio

ALL OTHER MANAGEMENT TEAM MEMBERS

SAMPLE

Variety, Posted Tue., Mar. 1, 2011

## Success raises indie finance hopes

Big returns for 'Speech,' 'Swan'

By ANTHONY KAUFMAN

Call it the "Black Swan" ripple. Or "The King's Speech" effect.

After two years of doom and gloom in the independent sector, the box office and award-season success of those two independently financed dramas is giving renewed energy to producers and financiers working in the non-studio trenches.

"Over the last two years, it was near impossible to get indie finance," said Manly Vision president Celine Rattray, a producer on "The King's Speech." "Now, for the first time ever, I'm getting calls from incoming investors, saying, 'What's next for you?'"

The payoff from these successful films is steadily funneling directly into other indie projects. DRO Entertainment's Peter J. Fruchtman said the positive outcome of his investment in "Black Swan" has expanded his and his investors' focus primarily in senior debt and mezzanine finance and given them "more confidence that equity can make sense."

"Black Swan's" backers, in particular, are seeing positive financial results. Cross Creek Pictures proxy Brian Oliver says an initial fund aimed at \$500 million has been sunsetted in favor of a \$300 million fund.

"Independent film got scary for a couple years, but now it's coming back," Oliver said. "I definitely think those two movies doing probably over \$250 million worldwide helps invigorate people's belief that independent films is a moneymaking proposition," he added.

While many producers say they're still waiting for the "Indie Film Investment Deluge," to borrow the title from a recent blog post by producer Ted Hope, there are positive signs.

"I look at a number of big and sophisticated commercial movies that have been put together recently," said William Morris Endeavor's Graham Taylor, "and I think that's been helped by audience interest and demand, the credit markets coming back and the return of equity investors."

Ben Browning of Mayfare Entertainment, backers of "Sanctum," said the successes of "Black Swan" and "The King's Speech" could be more the exception than the rule, with both films clearly benefiting from movie star names and effective worldwide distribution. But while they haven't necessarily lowered the barriers to entry," he continued, "they act as proof of success. Technical and financial success is still possible in a fluctuating marketplace."

Browning also cites, in particular, the films' strong performance overseas as cause for confidence that will specifically help indie financiers mount similar projects because international distributors have enjoyed such success with them and are now looking for similar content and are willing to buy up front," he said.

And it's not just "Black Swan" or "The King's Speech" but a whole slew of recent indie successes that have bolstered the spirits of those working outside Hollywood.

Taylor suggests it's the very range of films that have achieved success that's encouraging. "Beyond the obvious juggernauts, the reality is that '127 Hours,' which was co-financed by indie money; 'Blue Valentine'; 'Winter's Bone'; and 'The Kids Are All Right' are all financially successful," he said.

Producers are also upbeat because they see fewer studio films -- particularly those aimed at a sophisticated audience -- getting made, freeing up more top directors and talent for smartly budgeted indies.

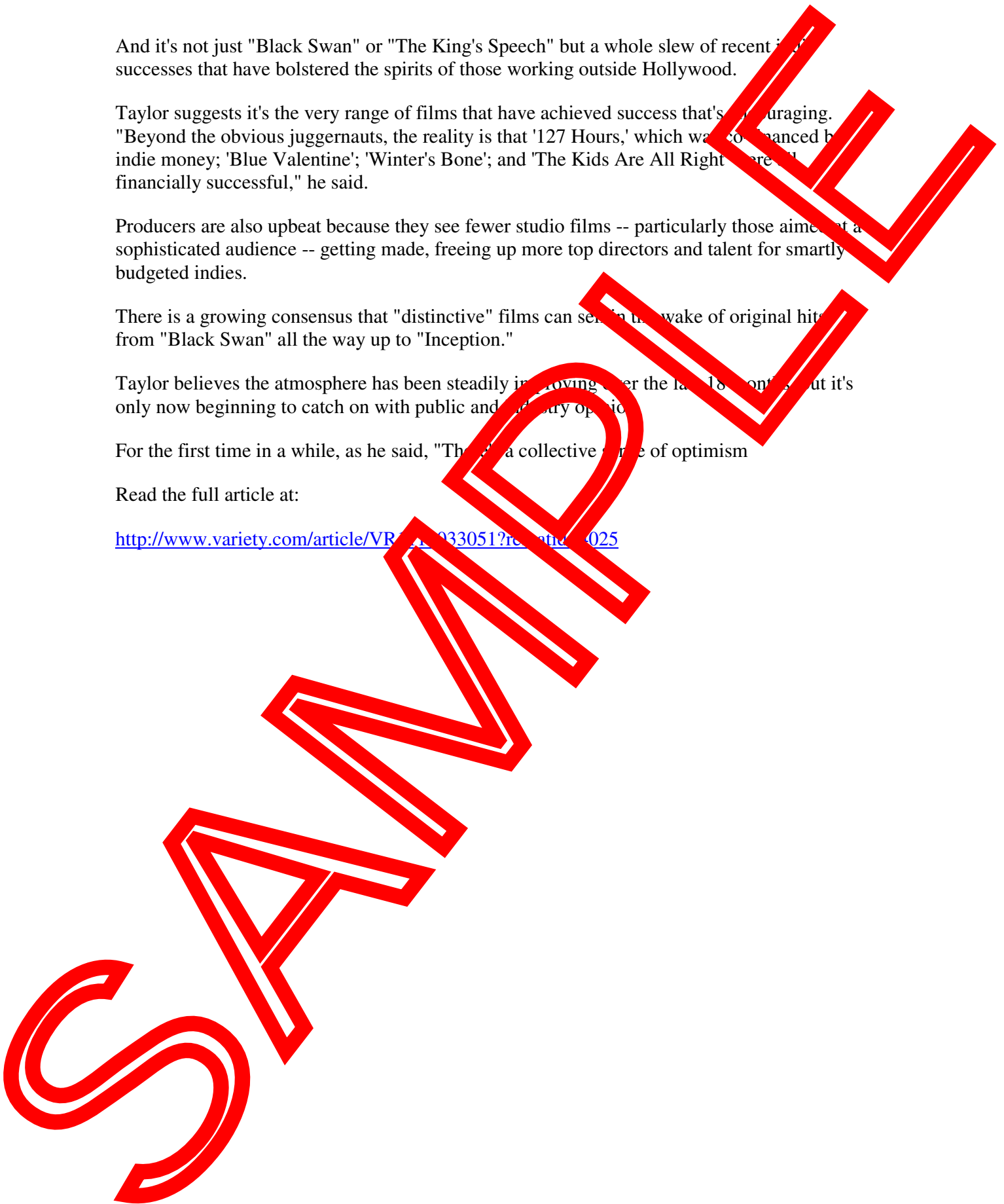
There is a growing consensus that "distinctive" films can sell in the wake of original hits, from "Black Swan" all the way up to "Inception."

Taylor believes the atmosphere has been steadily improving over the last 18 months, but it's only now beginning to catch on with public and industry opinion.

For the first time in a while, as he said, "There's a collective sense of optimism."

Read the full article at:

[http://www.variety.com/article/VR111933051?ref=article\\_025](http://www.variety.com/article/VR111933051?ref=article_025)



## IX. APPENDICES

### A. BUDGET TOP SHEET

MOVIE TITLE

Producer :  
 Director :  
 Location :  
 Prepared By :

Schedule: Prep 6 Weeks / Shoot 29 Weeks / Post 12 Weeks /  
 Digital Shoot: Locations: CT / Stage 1 / Days: 100  
 Post: Edit 15 weeks / Mix: 5 Weeks /  
 IA Tier 2 / DGA / SAG / Teamsters

Acct#	Category Description	Page	Total
1100	STORY, RIGHTS, CONTINUITY	1	238,456
1200	PRODUCERS UNIT		467,097
1300	DIRECTOR		219,975
1400	CAST	4	926,395
<b>Total Above-The-Line</b>			<b>1,851,923</b>
2000	PRODUCTION STAFF	9	488,875
2100	EXTRA TALENT	12	118,445
2200	SET DESIGN	14	114,329
2300	SET CONSTRUCTION	15	258,341
2400	SET STRIKING	16	4,909
2500	SET OPERATIONS	16	346,827
2600	SPECIAL EFFECTS	19	13,886
2700	SET DRESSING	20	227,844
2800	PROPERTY	22	91,372
2900	WARDROBE	23	166,528
3000	PICTURE VEHICLES & ANIMALS	24	5,900
3100	MAKE-UP & HAIR STYLING	24	96,778
3200	LIGHTING	26	235,846
3300	CAMERA	28	286,543
3400	PRODUCTION SOUND	30	82,725
3500	TRANSPORTATION	31	608,269
3600	LOCATION	36	221,084
3700	PRODUCTION FILM & LAB	43	43,428
3800	VIDEO TAPES / TRANSCRIPTION	44	9,369
4100	TEXT	44	10,000
4200	STAGE RENTAL	44	19,150
<b>Total Below-The-Line Production</b>			<b>3,450,448</b>
4400	PICTURE DELIVERY	45	404,578
4550	VISUAL EFFECTS	46	12,000
4600	MUSIC	46	147,056
4700	POST PRODUCTION SOUND	47	200,245
4800	FILM LAB	48	42,840
4900	DIGITAL INTERMEDIATE	48	141,654
5000	STOCK	49	7,500
5100	TITLES	49	21,000
5350	DELIVERY COSTS	49	40,210
5400	PREVIOUS COSTS	49	51,400
<b>Total Below-The-Line Post</b>			<b>1,068,484</b>
6500	MISCELLANEOUS CHARGES	51	244,116
6600	PUBLICITY	51	125,000

Acct#	Category Description	Page	Total
6700	INSURANCE	51	99,655
<b>Total Below-The-Line Other</b>			<b>1,771</b>
	Contingency : 5.0%		341,981
	Completion Bond (Exdclude Writing, Insurance, Legal, Finance) : 2.5%		155,150
<b>Total Above-The-Line</b>			<b>497,131</b>
<b>Total Below-The-Line</b>			<b>1,771</b>
<b>Total Above and Below-The-Line</b>			<b>6,526</b>
<b>Grand Total</b>			<b>7,336,758</b>
6900	Connecticut Tax Credit		(758,231)
<b>Net Total</b>			<b>6,578,527</b>

A COMPLETE BUDGET AND SHOOTING SCHEDULE ARE AVAILABLE UPON REQUEST.

SAMPLE

**B. FILM COMPARABLES**

We feel the film **Juno**, highlighted below, is most comparable to **Movie Title**. Its budget is similar and we also will have a Best Cast. We will also most likely have a similar distribution plan starting in limited release and then opening wide.

Title	Year	Company/ Distributor	Rating	Genre	Cast	Budget	Worldwide	USA	Non USA	Domestic %	Opening Weekend	% of Total Gross
Julie & Julia	2009	Columbia	PG-13	Bio Com/Drm	A-List	40,000,000	121,953,426	41,200,126	80,000,000	72.7%	17,000,000	21.3%
My One and Only	2009	Independent/ FreeStyle	PG-13	Bio Comedy	B List	10,000,000	1,026,272	2,400,900	546,700	85%	57,700	2.4%
Little Miss Sunshine	2006	Fox Searchlight	R	Comedy	B List	8,000,000	100,703,181	40,000,000	40,632,083	59.6%	370,998	9.4%
Lost In Translation	2003	Focus/ Universal HV	R	Comedy	A-List	7,000,000	119,000,000	44,585,453	75,138,403	37.2%	925,087	9.3%
King's Speech	2010	Independent/ Weinsteins	R	Bio Drama	A-List	10,000,000	414,211,500	138,797,449	25,414,100	33.5%	4,484,352	3.3%
Juno	2007	Fox Searchlight	R	Comedy Drama	B List	7,500,000	131,011,584	49,495,265	87,916,319	62.0%	413,869	7.4%
127 Hours	2010	Independent/ Fox Searchlight	R	Bio Drama	B List	18,000,000	60,700,000	18,335,230	42,403,567	30.2%	264,851	11.7%
The Devil Wears Prada	2006	Fox	PG-13	Bio Comedy	A-List	5,000,000	326,551,094	124,740,460	201,810,634	38.2%	27,537,244	22.1%
Soul Surfer	2011	Independent/ Sony	PG	Bio Sports Drama	B List	18,000,000	444,268,170	43,853,424	414,746	99.1%	10,601,862	24.2%
The Blind Side	2009	Independent/ Warner	PG-13	Bio Sports Drama	B List	29,000,000	309,208,309	255,959,475	53,248,834	82.8%	34,119,372	13.3%
A Good Year	2006	Fox 20	PG-13	Bio Romance	C-B List	35,000,000	42,064,105	7,459,300	34,604,805	17.7%	3,721,526	49.9%
The Firm						184,500,000	2,131,588,238	926,259,250	555,325,420		98,775,335	
AVERAGE						16,772,727	193,780,749	84,205,386	50,484,129	56%	8,979,576	16%

### C. FINANCIAL PROJECTIONS

The Below graph shows different scenarios for the return on investment. All three scenarios figures far better than the average of the movies in our comparable charts as well as the lowest grossing movie. It also show Scenario 3 with average score of all movies on our chart. Note that the average budget is well more than twice that of the lowest grossing movie.

SAMPLE

Scenario	1	2	3	One & One	Average
Domestic Box Office	\$11,000,000	\$27,000,000	\$60,000,000	\$27,700,000	\$84,205,386
Rental Rate	41.0%	44.0%	48.0%	48.0%	48.0%
Theatrical Rentals	\$4,510,000	\$11,880,000	\$28,800,000	\$11,880,000	\$40,418,585
<b>Revenues</b>					
Theatrical Rentals	\$4,510,000	\$11,880,000	\$28,800,000	\$11,880,000	\$40,418,585
Non-Theatrical Rentals	\$330,000	\$810,000	\$1,800,000	\$740,000	\$2,520,000
DVD Revenues	\$7,480,000	\$17,820,000	\$37,800,000	\$1,683,660	\$20,673,993
Pay Television	\$2,090,000	\$4,050,000	\$8,640,000	\$470,434	\$12,255,576
Pay-Per-View / Internet	\$770,000	\$1,890,000	\$4,200,000	\$173,318	\$5,894,377
FTV Broadcast / Basic Cable	\$1,100,000	\$2,700,000	\$6,000,000	\$247,597	\$8,420,539
International Sales / Pre-Sales	\$3,587,500	\$3,587,500	\$3,587,500	\$1,500,000	\$3,587,500
International Overages		\$6,600,000	\$21,600,000		\$21,600,000
<b>TOTAL REVENUES</b>	<b>\$19,867,500</b>	<b>\$49,337,500</b>	<b>\$124,227,500</b>	<b>\$53,377,744</b>	<b>\$147,622,131</b>
<b>Distribution Fees</b>					
Domestic (20%)	\$3,256,000	\$7,150,000	\$12,448,000	\$767,551	\$24,486,926
International (20%)	\$717,500	\$1,037,500	\$3,037,500	\$300,000	\$5,037,500
<b>TOTAL DISTRIBUTION FEES</b>	<b>\$3,973,500</b>	<b>\$8,187,500</b>	<b>\$22,485,500</b>	<b>\$1,067,551</b>	<b>\$29,524,426</b>
<b>DISTRIBUTION COSTS</b>					
Print and Advertising	\$6,600,000	\$13,500,000	\$30,000,000	\$2,000,000	\$40,000,000
DVD Costs (35%)	\$2,618,000	\$6,285,000	\$13,230,000	\$589,281	\$18,567,288
International Costs (3%)	\$107,625	\$355,625	\$755,625	\$45,000	\$755,625
Pay-Per-View (4%)	\$30,800	\$75,600	\$168,000	\$6,933	\$235,775
Television Distribution Costs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Residuals	\$1,214,444	\$2,180,718	\$4,969,296	\$235,929	\$6,524,898
Participations - Gross	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DISTRIBUTION COSTS</b>	<b>\$10,618,869</b>	<b>\$22,141,943</b>	<b>\$52,172,921</b>	<b>\$2,927,142</b>	<b>\$66,133,586</b>
<b>Production Budget</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$10,000,000</b>	<b>\$16,772,727</b>
Production Budget / Fee	\$1,507,990	\$1,507,990	\$1,507,990	\$1,507,990	\$1,507,990
<b>TOTAL PRODUCTION COSTS</b>	<b>\$8,507,990</b>	<b>\$8,507,990</b>	<b>\$8,507,990</b>	<b>\$11,507,990</b>	<b>\$18,280,717</b>
<b>NET RECEIPTS</b>	<b>\$11,359,510</b>	<b>\$10,309,048</b>	<b>\$32,277,070</b>	<b>(\$7,148,949)</b>	<b>\$36,699,382</b>
<b>RETURN OF INVESTMENT</b>	<b>\$7,117,422</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$2,851,051</b>	<b>\$16,772,727</b>
TIER 1 (95%)	\$0	\$1,750,000	\$1,750,000	\$0	\$4,193,182
TIER 2 SPLIT	\$0	\$4,279,524	\$15,263,535	\$0	\$16,253,100
<b>TOTAL INVESTOR RETURN</b>	<b>\$7,117,422</b>	<b>\$13,029,524</b>	<b>\$24,013,535</b>	<b>\$2,851,051</b>	<b>\$37,219,009</b>
<b>ROI (Return on Investment)</b>	<b>1.7%</b>	<b>86.1%</b>	<b>243.1%</b>	<b>(71.5%)</b>	<b>121.9%</b>