"Chasing Blue Skies"
Feature Film Production Business Plan

April 18th, 2000 -

New Sky Park
P I C T U R E S

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INITIAL DRAFT OF ONE-SHEET POSTER FOR "CHASING BLUE SKIES"

VARIETY ARTICLES

THE PROJECT - *Chasing Blue Skies*

New Sky Park Pictures (NSPP) will produce the screenplay, *"Chasing Blue Skies*"**,** written by Jennifer Barlow and Lee Grodsky, as a full-length, theatrical feature film. The project was selected, developed, scheduled and budgeted from a pool of projects NSPP currently has in various stages of development.

LOG LINE

Two long-lost sisters pull a series of petty cons across the Western United States during an exciting attempt to flee the country.

SYNOPSIS

Set against the diverse landscape of some of America's most scenic highways, and magnified with heartfelt hit songs, this is an action-adventure story of two young female outlaws. 25 year-old Melinda is the fragile, ex-prom queen turned suburban housewife. Jet is 21 going on 30; a rambling street-smart "grifter." The two are long-separated sisters, recently reunited after twenty years. On the fateful day of their reunion, the girls are forced to run for their lives, when they're falsely implicated in the murder of Melinda's abusive husband. The actual killer is Nathan Greer, a local cop gone bad. He takes it upon himself to become their self-appointed bounty hunter, intending to prevent the truth from surfacing, <u>and</u> to settle a long-time, score with his ex-classmate, Melinda.

On the lamb with only a handful of change and a tank of gas, Melinda and Jet find they have absolutely nothing in common. After a few rough starts, Jet convinces Melinda to assist with a series of petty cons, in order to raise enough cash to escape to the Caribbean... "where the skies are always blue." Between statelines, sunsets, scams and laughs, Melinda learns to let down her hair, and "take a hold of life." Jet learns that trust and honor are not make-believe values from some old, forgotten fairy-tale. Just when they're about to reach their goal, Nathan Greer and the law get too close... and once again Melinda and Jet are forced to run for their lives. This time, they're not only penniless, but they've lost their truck as well. Out on a rainy highway, in the heat of an long overdo confrontation, the sisters almost lose each other.

Finally, with nowhere else to turn, the girls seek out their estranged father for help. After a shaky reunion between the selfish gambler... the younger daughter he's been lying to... and the older daughter he abandoned twenty years ago; Frank, Jet and Melinda, learn to forgive and forget, and, they discover the <u>real</u> importance of family. The three grifters come together to plan a final sting... one that will either do them in, or clear their names forever!

MARKETING PLAN SUMMARY

Utilizing the "on the road" nature of the story as a marketing thread, NSPP intends to weave an intricate publicity and marketing plan via the Internet. Sometime, before the start of Production, NSPP will launch a website which will publicize and market the film to its core audience of young teenagers and the general movie-going public. The Internet site will follow the exploits of the two sisters on their "run" across the Western United States. The site will provide the daily Internet updates as "news flashes," "news articles" and "broadcast video reports". The actors will frequent the site's chat rooms to interact with the public online. Various marketing ploys such as contests (guessing where they are now and what route the girls will take next), scavenger hunts for clues, on-screen, multiple-player games and "eyewitness reports" from the film's locations will be used to raise the awareness and visibility of the project. The low-budget film, "The Blair Witch Project" used this approach to reach a domestic box office gross of over $160 million! The website will need a small investment to start up, but will be maintained financially through sale of advertising, sponsorships and merchandising. NSPP will raise the necessary capital independently from the film's financing.

If we get the expected "high buzz" response from the broad, teenage demographic we have targeted, it could reasonably result in generating great coverage on all of MTV's cable channels (including the Nickelodeon and VH1 channels) and other teenage entertainment/gossip media outlets, such as; radio, network TV, magazines, newspapers and other Internet sites that follow young teens' entertainment interests. Thereby, generating millions of dollars of awareness and visibility to our core audience for a relatively small investment. The teenage audience is the demographic with the highest "repeat viewing" rating in the industry. This fact will ensure that whatever level of success the film does attain, the box-office potential will be efficiently maximized.

MARKETPLACE

With a modest budget and Hollywood "name" talent interested in the film, NSPP feels "Chasing Blue Skies" has an excellent possibility to receive successful theatrical distribution and to be a profitable venture for all the parties involved. Audience demographics range from young teens through the baby boomers. The film's probable MPAA Rating would be PG-13.

Demographically, ages 12-24 account to 39% of movie admissions, those 25-39 make up 30%, and 40 and over comprise 31%.

After extensive analysis of the current film marketplace, NSPP has decided to go with one or more young, "up-and-coming" stars for the roles of Melinda, Jet, and Greer (the villain). The addition of a known "indie" director and a big-star cameo for the role of Frank (the father) will complete the package. This combination of elements coupled with the "girls-on-the-run" story can produce a winning formula which has excellent potential for full-tier North American theatrical distribution. This positioning in the marketplace allows for the highest potential of sales in network TV, cable & satellite TV, pay-per-view, DVD, home video, Internet, as well as international theatrical and television release, and all other worldwide ancillary markets such as in-flight, military installations, cruise lines, etc. The selection of music which unites the young cast with their peers world-wide is a careful consideration which packaged properly will be another solid revenue and marketing tool.

FAVORABLE MARKET REALITIES

NSPP considers a number of market realities to be generally favorable to independent producers and long-term in nature. They include:

1. The steady growth of worldwide cable television and satellite networks with money to spend on programming and technology for reaching a commercially meaningful audience. This is adding new sources of demand to the total market for motion pictures and TV shows every year.

2. An ample supply of great stories available for commercial development. The motion picture/television rights to many such stories are either severely undervalued by the marketplace, or are completely free and in the public domain.

3. The availability of talented motion picture and television professionals, many of whom have expressed a clear interest in working with NSPP, and, who will do so at fees well below those paid by Hollywood studios.

4. The wider availability of private equity capital for small-growth companies, and bank guarantees in film production. These funds come from either individuals who are beneficiaries; of corporate buyouts or mergers, IPO's, the rising stock markets, or from various other institutions. A number of banks, and even government agencies such as the Small Business Administration and the American Export Bank have set up units specifically for financing and guaranteeing loans to independent producers.

5. NSPP's current ownership of outstanding projects include completed screenplays, MOW's, and Sit-Coms in a wide range of genres with strong stories and character driven plots.

TALENT ACQUISITION

The following casting information is of a confidential and proprietary nature. Please use the utmost discretion in its circulation to qualified investors.

Our current representation by the William Morris agency will be utilized for "Chasing Blue Skies" as follows:

Steve Wiess - NSPP negotiations for casting and director.
Kassian Elway - Independent feature packaging
Various other agents within the agency who are supplying NSPP with salary requirements and scheduling availability for directors and talent.

We also have extensive contacts with the Creative Artists Agency, the other top packaging agency.

PROPOSED CAST

The proposed cast will be subject to contract fee quotes and talent availability.

<u>Melinda McCluen- Lead</u>

Reading offer - based on an 8 week contract

Claire Danes *(U-Turn, the Rainmaker, The Mod Squad*) Private Contact ($200,000)
Ashly Judd (*Where the Heart Is, Norma Jean & Marilyn*) William Morris Agency ($500,000)
Angelina Jolie (*the Bone Collector, Pushing Tin, Gia*) Private Contact (500,000)
Kirstin Dunst (Dick, Drop Dead Gorgeous, The Virgin Suicide) Lois Burton (750,000-1,000,000)
Alicia Silverstone (*Love's Labor Lost, Blast from the Past, Clueless*)Private Contact ($500,000-750,000)
Jennifer Jason Leigh (*Single Whit Female, The Hudsucker Proxy, Georgia*) Private Contact ($350,000)
Heather Graham (*Boogie Nights, Austin Powers, Bowfinger*) Private Contact ($500,000)
Rosanna Arquette (*The Whole Nine Yards, White Lies, Pulp Fiction*) The Gersh Agency ($200,000)
Jennifer Lopez International Creative Management ($750,000)
Chloe Sevigny (*Boys Don't Cry*) William Morris Agency ($350,000)
Jennifer Love Hewitt *(I Know What You Did Last Summer, Bunny*) William Morris Agency ($200,000)
Parker Posey (You've Got Mail, SubUrbia, Waiting for Guffman) The Endeavor Agency ($200,000)
Calista Flockhart (*Ally Mcbeal, A Midsummer Night's Dream, the Birdcage*) Private Contact ($350,000)
Liv Tyler (*Lord of the Rings, Cookie's Fortune, Armageddon*)Creative Artists Agency ($100,000)
Mira Sorvino (*Mimic,Romy and Michelle's High School Reunion*)Private Contact ($500,000)
Faith Hill (Recording artist) Management Contact ($100,000)
Shania Twain (Recording artist) Management Contact ($100,000)
Alyssa Milano (*Where the Day Takes You, Melrose Place, Buying the Cow*) Endeavor Agency
Brittany Spears (Recording artist) Management Contact ($100,000)
Gena Lee Nolan (Bay Watch) Private Contact ($80,000)

<u>Jeanette "Jet" McCluen- Lead</u>

Reading offer - Based on an 8 week contract

Reese Witherspoon (*Cruel Intentions, Election*) International Creative Management $500,000-1 million)
Christina Ricci (*Adams Family*) (ICM) $400,000
Patricia Arquette (*Little Nicky, Stigmata, Ed Wood*)Private Contact ($400,000)
Chistina Aguilera (recording artist) Private Contact ($100,000)
Allison Hannigan (Buffy the Vampire Slayer, American Pie) ($250,000)
Dominique Swain (*Lolita, Girl, The Smokers*) Private Contact ($100,000)
Selma Hyatt - Private Contact ($200,000)
Lacey Chabert (*Lost in Space, Hercules, Tart*)($80,000)
Keegan Conner Tracy (*Beggars and Choosers*) Bonnie Black Agency($80,000)

Drew Barrymore ($500,000 - 1 Million)

Frank McCluen- Cameo

Reading offer - Based on a one week contract

Bruce Willis *(The Whole Nine Yards, The Sixth Sense, Armageddon*) William Morris Agency ($250,000)
Billy Bob Thornton (*Sling Blade, Primary Colors, Pushing Tin)* Private Contact ($100,000)
Woody Harrelson (*The Spy who Shagged me, The Thin Red Line*) Creative Artists Agency ($150,000)
Tommy Lee Jones (*Space Cowboys, Men in Black, U.S. Marshals*) Private Contact ($200,000)
Jeff Bridges (*The Contender, Arlington Road, The Big Lobowski*) Creative Artists Agency ($150,000)
Kurt Russell (*Soldier, Breakdown, Stargate*) Creative Artists Agency($100,000)
Burt Reynolds (*Boogie Nights,Tthe Player*) International Creative Management ($50,000- $100,000)
Eric Roberts (*Luck of the Draw, Lansky, Best of the Best*) Innovative Talent ($50,000)
Rob Lowe (*Under Pressure, Atomic Train, Contact*) Private Contact ($50,000)
Michael Madsen (*Luck of the Draw, the Alternate, Species II*) Private Contact ($50,000)
Sean Penn (*the Thin Red Line, Hurlyburly, The Game*) Private Contact ($100,000)
Gary Oldman (*Dracula, Airforce One, Lost in Space*) ($100,000)
Aaron Eckhart (*Erin Brockovich, Any Given Sunday, In the Company of Men*) Private Contact ($25,000)

Nathan Greer- Lead

Reading offer - Based on an 8 week contract

Giovanni Ribisi (*Boiler Room, Mod Squad, The Other Sister*) William Morris Agency ($350,000)
Chris Penn (*Kiss Kiss Bang Bang, Cement, The Boy's Club*) William Morris Agency ($200,000)
Eddie Kay Thomas (*Brutally Normal, American Pie, Drop Back Ten*) United Talent Agency ($150,000)

Ranger Roger - Cameo

Reading offer - Based on 1 week contract

James Earl Jones (*Field of Dreams, Patriot Games, When Willows Touch*) ($25,000)

PROPOSED CASTING DIRECTORS

Our potential list of casting directors with whom we have relationships include:

Bonnie Timmerman (*The Insider, Armageddon, Six Days Seven Nights*)
Gail Salus (*Better Then Ever, Cure for Boredom, Acting on Impulse*)
Rick Pagano (*The Astronauts Wife, Phoenix, Strange Days*)
Cathy Henderson (*Shadow Hours, Civility, Wishmaster*)

PROPOSED DIRECTORS

The following is a selection of directors who we feel would contribute artistically and combine homogeneously with the level of talent envisioned for *Chasing Blue Skies*. NSPP is currently reviewing several other talented director's sample reels, resumes and references and will continually update the list of possible candidates.

Peter O' Fallon ($300,000 - $500,000) Private Contact
Peter O' Fallon began directing television with *thirtysomething* and continued through the nineties with *Party of Five, American Gothic, Profiler, Prey,* and *Cupid.* His first feature, *Suicide Kings* has received critical acclaim worldwide. We recently had the privilege of screening his latest Film, *A Rumor of Angels,* a warm character study, beautifully shot and acted. Mr. O' Fallon's ability to focus peak performances from star talent make him an excellent, cost-effective choice for C*hasing Blue Skies*.

Martha Coolidge ($300,000 - $500,000) William Morris Agency
Martha Coolidge acted in a small acting group in Cheshire, Ct., in the 1960's called Blackfriars. She made a few short films in the 60's and 70's. Martha Coolidge is a veteran director with a proven track record. From her work with the successes of *Valley Girl* and *Ramblin' Rose* to her latest works with HBO, *Introducing Dorothy Dandridge.* Ms. Coolidge has solid feel for comedy and a natural ability to get strong performances from her actors. We feel her female perspective would compliment, *Chasing Blue Skies.*

Valerie McCaffrey (150,000 - 300,000) Personal Contact
The veteran, head of casting for New Line Cinema, Valerie just directed her first feature *Wish You Were Dead* starring Christopher Lloyd, Mary Steenburgen, Billy Ray Cyrus and Gene Simmons. It's a comedy to be released this summer by New Line Cinema. She currently has a three-picture deal at New Line, a two-picture deal at New Castle and a deal with Icon Pictures (Mel Gibson' production company). We have a personal and inside connection to her.

PRODUCTION PLAN

The current budget is based on a 48 day shooting schedule. The casting directors, production companies, and agencies we are in contact with have given us some basic figures for the directors and talent listed.

The producers will focus on 8-weeks of pre-production, during which we will attach a reputable director and name talent. During this time, we will also bring all the elements together - cast, crew, and locations. Most department heads will be hired with two weeks of preparation time. We will then embark on the 8-week shoot through Wyoming, Utah, Arizona, Nevada and Northern and Southern California. All practical (real) locations will be used. The film will begin to be edited on the second day of principal photography. The film will continue to be edited for another six weeks following principal photography, with post-production sound and music production being finalized over another six weeks. Once the final sound mix is finished, we will strike an answer print and screen the film for test audiences. All finishing decisions will be made on the initial packaging and presentation materials, and then, it will be screened for potential domestic and international distributors.

During the filming of the movie, there will be several screenings of projected dailies to insure the highest possible production quality. There will be a still photographer shooting pictures daily and uploading them to the "*Chasing Blue Skies*" website, so that we can create a daily, ongoing "buzz" with the Internet youth audience for the life of the production and distribution cycle. Utilizing the young stars visibility and the media opportunities that go with them, we will create a "street buzz" and "word-of-mouth" which will increase both audience anticipation and public awareness of our film project, "*Chasing Blue Skies.*"

The Budget Top Sheet and Summary follows below:

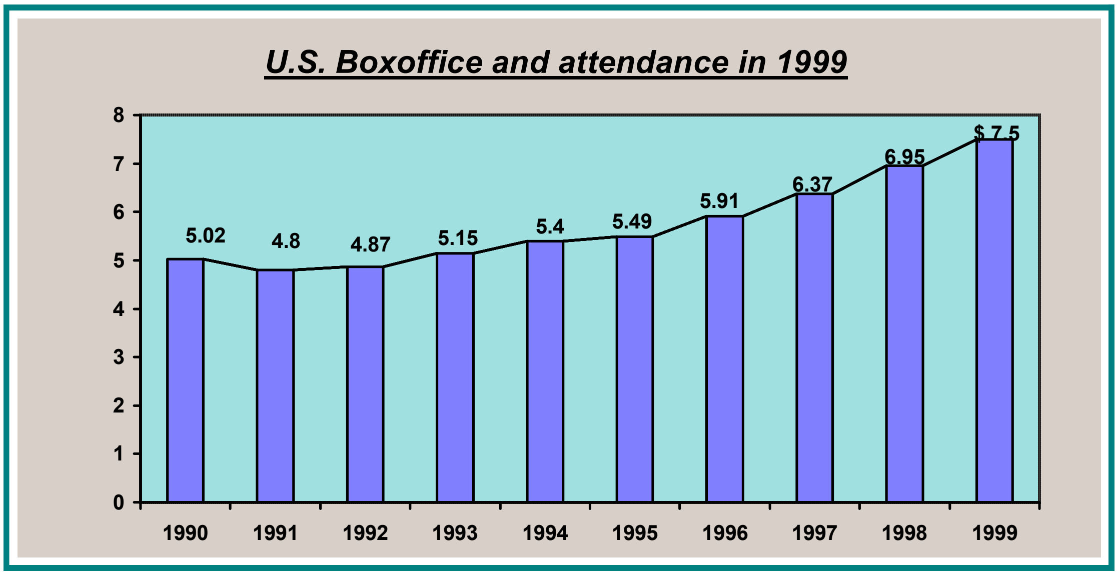
BOX OFFICE DATA

in 1999, the national box office grew by nearly 8% from the previous year as grosses vaulted to new high of $7.5 billion, surpassing the $7 billion mark for the first. The average negative cost for a film was $51.5 million dollars, down 2% from 1998, while the average cost for P&A --- which was down for the first time in more than 20 years --- dipped 3% to $24.5 million dollars.

Overall, the average cost for an MPAA member company to make and market a film dropped by nearly 3% to $76 million dollars, from all-time high of 1998's $78 million. This total includes overhead but excludes negative pick-ups.

There were 17 films that broke the $100 million dollar barrier by year's end in 1999, a new record. Since the end of the year, two more 1999 releases have surpassed that mark with one more set to do so this week, bringing the total count to a new high of 20 films over the $100 million dollar mark. *—–Hollywood Reporter March 8, 2000*

THE ATTENDANCE INCREASE FROM 1990-1999 IN BILLIONS OF U.S. DOLLARS



—–Hollywood Reporter March 8, 2000

COMPARABLE FILMS

"Film rental (distributor revenue) has increased 8% over the last 10 years. This while admissions have decreased due to inconsistent product. Theatrical revenue in the U.S. accounts for only 12%-18% of a film's total revenue. Many films are released theatrically only to act as a springboard for video, pay TV, and foreign distribution."
---Brian Fridley Vice President, buyer and booker R.L. Fridley --- Box Office Magazine April 2000

The following charts display examples of a film's potential for recouping its production costs and reaching profitability **<u>solely from domestic distribution</u>**. A considerable amount of additional **Distributor Revenue** (film rentals) **72%-82%** would then come from the areas of; *foreign distribution, pay TV, home video, DVD's, music soundtracks network/cable/satellite television licensing fees, merchandising, etc.*

The first chart is comprised of films with one or more of the following elements, similar to Chasing Blue Skies.

a.) Road picture

b.) Outlaw

c.) Con artist

These particular themes prove to have great success over and over again throughout history. *Easy Rider* was one of the biggest success stories of all time. When *Thelma and Louise* was sold to television, it was the highest Network sale ever, at that time. Road pictures also tend to do extremely well in the foreign market, because the "visual adventure" translates well in all languages, as opposed to comedies or "talky" films.

DOMESTIC REVENUE FROM FILMS WITH SIMILAR THEMES

FILM	GENRE	DISTRIBUTOR	DATE	BUDGET	DOMESTIC B.O.
Easy Rider	Road	Columbia	Jun-69	0.34	126
Butch Cassidy & the Sundance Kid	Road/Outlaw	Fox	Sep-69	18	97
The Sting	Con Artist	Universal	Apr-73	6	150
Smokey & the Bandit	Road/Outlaw	Universal	May-77	8	127
Smokey & the Bandit II	Road/Outlaw	Universal	Aug-80	N/A	97
Any Which Way You Can	Road	WB	Dec-80	N/A	81
Cannonball Run	Road	Fox	Jun-81	N/A	70
The Outsiders	Outlaw	WB	Mar-83	N/A	26
Desparately Seeking Susan	Road	Orion	Mar-85	est. 7.5	27
Every Which Way But Loose	Road	WB	Jun-85	N/A	52
Midnight Run	Road/Outlaw	Universal	Jul-88	N/A	37
A Fish Called Wanda	Con Artist	MGM	Jul-88	N/A	60
Dirty Rotten Scoundrels	Con Artist	Orion	Dec-88	N/A	41
Wild at Heart	Road/Outlaw	Goldwyn	Aug-90	N/A	15
The Grifters	Con Artist	Miramax	Dec-90	9	13
Thelma & Louise	Road/Outlaw	MGM	May-91	17	43
The Fugitive	Road/Outlaw	WB	Aug-93	44	184
True Romance	Road/Outlaw	WB	Sep-93	N/A	38
Natural Born Killers	Road/Outlaw	WB	Aug-94	N/A	50
Jackie Brown	Con Artist	Miramax	Dec-97	N/A	40
Rounders	Con Artist	Miramax	Sep-98	7	23

*All Numbers are in Millions of US Dollars - Grosses are US/Canada Theatrical Box Office Only
Figures provided by inhollywood.com, Hollywood Reporter, Internet Movie Database

FOREIGN DISTRIBUTION REVENUE

On January 10,2000, the Hollywood Reporter published the following breakdown of foreign distribution grosses over the last 3 years. Figures are in millions of dollars.

FOREIGN GROSSES FOR US DISTRIBUTION COMPANIES

DISTRIBUTOR	1999	1998	1997
BVI	$1,320	$1,253	$1,091
Universal	$1,777	$683	$910
Warner Bros.	$1,070	$760	$675
Fox	$1,020	$1,950	$1,000
Columbia TriStar	$574	$781	$1,070
Paramount	$310	$491	$280
MGM	$295	$323	$107
New Line	$280	$270	$130
Miramax	$251	$325	$330
DreamWorks	$225		
UIP pickups*	$55	$59	$75

Figures in millions; UIP (total $1.68 billion) is joint overseas distributor of Universal, Paramount, and MGM. It totaled $1.56 billion in 1998 and $1.37 billion in 1997
Figures provided by The Hollywood Reporter

The following chart outlines **independent and studio films** of a comparable budget that were released within the last twelve years, and produced in the United States.

INDEPENDENT & STUDIO DOMESTIC GROSSES FOR COMPARABLE BUDGETS

TITLE	DISTRIBUTOR	DATE	BUDGET	DOMESTIC B.O.
Big Night	Goldwyn	Sep-96	$ 4,000,000	$ 11,900,000
Dazed & Confused	Gramercy	Sep-93	$ 5,000,000	$ 8,000,000
Do the Right Thing	Universal	Jun-89	$ 6,000,000	$ 26,000,000
Fargo	Gramercy	Aug-96	$ 7,000,000	$ 24,500,000
Fire in the Sky	Paramount	Mar-93	$ 4,000,000	$ 20,000,000
Flirting with Disaster	Miramax	Mar-96	$ 3,500,000	$ 14,900,000
The Full Monte	Fox Searchlight	Aug-97	$ 3,000,000	$ 45,900,000
Hoosiers	Orion	Nov-86	$ 7,000,000	$ 28,600,000
Lone Star	Sony Classics	Jun-96	$ 5,000,000	$ 13,300,000
Mystic Pizza	Goldwyn	Oct-88	$ 3,000,000	$ 12,700,000
Pulp Fiction	Orion	Oct-94	$ 8,000,000	$ 108,000,000
The Omega Code	Providence	Oct-99	$ 8,000,000	$ 12,580,000
The Spitfire Grill	Columbia	Aug-96	$ 6,500,000	$ 12,700,000

THE GROWING MARKET

The market for motion pictures is dominated by major studios/distributors, with each producing and distributing 15 to 25 movies of their own each year; they also distribute a select group of independently produced movies suitable for wide release. Alternatively, films by independent producers can also receive distribution by independent distributors, who usually provide a narrower initial release pattern that serves more select market niches. Most independent films are released in this manner.

Independents are cornering a greater share of the market and can strive for the foreseeable investment horizon. In 1996, independently produced films claimed over $700 million in gross box office receipts. Total export revenue from independent distributors for that year was 1.66 billion, according to the American Film Marketing Association. Research from Film Source states, 189 independent films grossed $750 million at the domestic box office for the first half of 1997. A stellar example of a small independent film's worldwide performance is the fact that since August of 1997, *The Full Monty* (which cost $4 million to produce), had a worldwide box office gross of $230 million after 10 months of release.

The market for independent producers began its latest pickup in the early 1990s. Independents are benefiting from several market forces which appear long-term in nature, and self-reinforcing. They include growing worldwide demand at the box office for quality motion pictures; the proliferation of cable and satellite TV channels worldwide with a huge appetite for programming, and the other emerging new media outlets for distribution of motion pictures that include, VOD (Video-on-Demand) for satellite and cable services, Internet streaming of films, and the merchandising websites. Equally important is the good availability of private sources of equity capital for new high-growth companies combined with; the availability of a wide variety of commercial story ideas for development into motion pictures, the surplus of U.S. trained production personnel and talent who are willing to work for fees lower than those paid by Hollywood studios, and the lower cost of today's new production and business technology.

The following is a list of Academy Award nominations in the eight major categories for the years 1998 and Golden Globe 2000 Winners.

RECENT ACADEMY AWARD WINNING INDEPENDENT FILMS

* Represents a nomination for an independent film. **For the years listed, <u>64% of the nominations</u> and <u>56% of the winners</u> in the eight major categories went to independent films.** Winners are in bold.

Winners of the 1998 Academy Awards

Category	Winner	Distributor	Gross ($M)
Picture	**Shakespeare in Love**	Miramax/Universal	73.2
Director	Steven Spielberg, **Saving Private Ryan**	DreamWorks & Paramount	210.2
*Actor	Roberto Benigni, **Life is Beautiful**	Miramax	36.0
Actress	Gwenyth Paltrow, **Shakespeare in Love**	Miramax/Universal	73.2
*Supporting Actor	James Coburn, **Affliction**	Lions Gate	4.8
Supporting Actress	Judi Dench, **Shakespeare in Love**	Miramax/Universal	73.2
Original Screenplay	**Shakespeare in Love**	Miramax/Universal	73.2
*Adapted Screenplay	**Gods and Monsters**	Lions Gate	4.7
Art Direction	**Shakespeare in Love**	Miramax/Universal	73.2
Cinematography	**Saving Private Ryan**	DreamWorks & Paramount	210.2
Costume Design	**Shakespeare in Love**	Miramax/Universal	73.2
Editing	**Saving Private Ryan**	DreamWorks & Paramount	210.2
*Foreign Language Film	**Life is Beautiful**	Miramax	36.0
*Makeup	**Elizabeth**	Gramercy	27.9
Musical or Comedy Score	**Shakespeare in Love**	Miramax/Universal	73.2
*Dramatic Score	**Life is Beautiful**	Miramax	36.0
Song	"When You Believe", **The Prince of Egypt**	DreamWorks	98.4
Sound	**Saving Private Ryan**	DreamWorks & Paramount	210.2
Sound Effects Editing	**Saving Private Ryan**	DreamWorks & Paramount	210.2
*Visual Effects	**What Dreams May Come**	Polygram	55.4
*Documentary Feature	**The Last Days**	October	0.3
*Documentary Short	**The Personals**		
*Short - Animated	**Bunny**		
*Short - Live Action	**Election Night**		

THE COMPANY

The founders of New Sky Pictures are:

Jennifer Barlow - Founder

Currently the manager of acquisitions at Providence Entertainment Ms. Barlow works closely with CEO Victor Vanden Oever, overseeing the marketing for two feature films. She has a wide range of industry contacts at the highest levels, including, agents, distributors, star talent, and production companies. Her knack for bringing creative people together and her attention to details are essential ingredients for the success of any film production company.

Lee Grodsky - Founder
Currently president of New Sky Pictures. Mr. Grodsky's wide range of knowledge and professional experience includes, independent feature producing, directing, art direction, screenwriting, acting, special effects, special effects make-up, editing, and line-producing. With his strong background in production and a knack for finding talent he will help package new features into our production situation quickly and effectively.

Charles S. Newman - Founder
As head of production, Charles S. Newman will arrange and coordinate production budgeting, scheduling, logistics, and personnel for NSPP's motion picture and television projects. He will operate from the Los Angeles area to easily negotiate deals for with Hollywood-based distributors, talent and suppliers. Mr. Newman has been a Unit Production Manager/1st Assistant Director member of the Director's Guild of America for more than 20 years and is also a Director of Photography member of the International Cinematographers Guild. Currently a consulting Producer/Director/Writer for MDH Productions, a new high-definition television production company working out of CBS Television City in Hollywood. Mr. Newman's extensive knowledge of contracts and business affairs make him the perfect match to the creative talents of Grodsky and Barlow.

For more detailed background information, please turn to the biographical index.

OUR MISSION

New Sky Park Pictures is committed to the production and acquisition of feature length motion pictures for worldwide theatrical, television, home video, DVD's, new media and Internet distribution. Our primary goal is to focus on quality projects, building on a strong circle of dedicated talent while utilizing our strategic business relationships to keep all costs down. We are currently developing feature-length motion pictures, MOW's, network first-run television series, and live theater.

COMPANY ASSOCIATIONS

New Sky Park Pictures has relationships with many studio executives including, a founder of DreamWorks, a major Warner Bros. Film executive, the President of New Line Cinema, Music business leaders, independent producers with studio output deals, post-production supervisors and facilities, the chairmen of two of the America's largest film labs, of special effects professionals (digital and physical), and top cinematographers, etc.

Newman, Grodsky and Barlow are consultants for the International Humanitarian Artists Film Festival (IHAFF), a world-wide organization committed to recognizing films for their humanitarian content. They are currently in the process of producing high-definition television documentaries on the upcoming IHAFF award recipients. Slated this month, is an interview with Producer/Director, Robert Wise (Sound Of Music/West Side Story) and next up is an interview with Producer/Director, Martin Scorsese.

NSPP POLICIES

NSPP's success will depend on its adherence to the fundamentals of proper management and quality filmmaking. These fundamentals, taken as a whole, will meld NSPP 's recognition of business realities with its aspirations and desires to pursue the best creative opportunities. Policies are:

1. Financial Control: As NSPP begins production of its first projects in 2000, it will retain a respected accounting firm with experience in motion picture production accounting to oversee NSPP's financial interests. In addition, Mr. Newman will approve all company expenditures.

2. Building for Long-term Value: Mr. Newman, Mr. Grodsky, Ms. Barlow, and other key personnel are committed to NSPP’s long-term presence and success in a field whose long-term possibilities for earnings generation are limitless. They will be looking for ways to maximize profit for NSPP, based on its success as a producer of motion pictures, television, and new media programming.

3. Artistic Control: It is imperative that NSPP endeavor to put its unique stamp on its projects. Independent film is now a fast-growth industry precisely because skilled independent filmmakers, with capital and reputation at stake, are given the support and the power to focus a consistent and evolving artistic vision.

4. Production Value: Thanks to NSPP's access to skilled production personnel and technology, its projects will all be characterized by high-quality cinematography, sound and editing. NSPP's interest in film projects requiring major special effects will be secondary to its aforementioned interest in great stories and writing. Therefore, most of NSPP's projects will not require elaborate special effects. By conscientiously avoiding the overuse of special effects, the company will raise its chances of getting the most quality and commercial appeal out of modest production budgets.

5. Favorably Targeted Distribution: NSPP's slate of projects are all intended for independent distribution. These distributors operate with lower overhead than major studio distributors, so their business runs on a scale on which a limited initial release can be turned into a profitable run as a movie connects with its target audience. They also know the best market for such films, which will depend on an original story with a unique directing and acting style, rather than on the automatic draw of big-name stars

used in typical studio films. Management's projections for revenue generation are based on previous films produced by North American-based independent producers and distributed by independent distributors worldwide.

COMPETITIVE STRENGTHS

NSPP will make the most of its competitive strengths. They include:

The nearly forty years of collective experience between Mr. Grodsky, Mr. Newman and Ms. Barlow in story development;

Technical expertise and knowledge of industry practices in the development and production of motion pictures and television programming;

Close relationships with many experienced and influential professionals in the field. A number of these senior professionals have already expressed interest in working with NSPP when financing is secured for a suitable project;

Copying a successful long-term strategy of the major studios, NSPP will retain ownership rights to its projects in order to build a film/TV library. This library will serve two purposes: 1) to supplement cash flow from NSPP 's theatrical releases, and 2) to build long-term capital appreciation. NSPP may seek to include programming by other producers, which management considers worthy of inclusion in the library.

BACKGROUND ON THE MOTION PICTURE INDUSTRY

BRIEF HISTORY OF THE INDEPENDENT

NSPP's management has invested years of research into the history of motion pictures in order to best interpret current events and changes in the industry. 1996 was the year of the "indie," with an overwhelming number of Academy Award nominations and triumphs going to the independent sector. Even in the year of the "Titanic," the industry's most expensive movie ever made, which had to be financed by two of the largest movie studios in the world for a price tag of over $220 million, a small independent film like *Good Will Hunting*, garnered many nominations and won Academy Awards in major categories for acting and writing.

Independents tend to be innovators. In general, the early independents, and others since, have always had to be innovators in order to make up for the competitive disadvantages of starting small and being dependent on a technology and distribution system, initially owned and controlled by others. This is still the case today.

THE PRODUCTION PROCESS

The business of entertainment is no different than any other business. However, it does have its own unique language and its own chronological sequence, from idea to story to script to the finished product.

1. DEVELOPMENT

Like any successful venture, it starts with a spark, an idea. The ideas for NSPP's film and television projects will be either original concepts created by NSPP or the ideas of others whose rights will be secured by NSPP. A rough draft of the story may be commissioned or may possibly already exist from the first stage of development. This phase of development will continue until financing for the production is secured.

In order to secure the proper amount of financing necessary for a production, a package must be created. This is the second stage of development. During this phase, a detailed budget is prepared based on the elements contained in the script. Key personnel such as actors, directors, additional writers and producers may be attached to the project at this time. It should be noted that agreements with key personnel are not binding contracts until financing is in place, enabling the actual contracts to be signed.

It is the primary goal of NSPP to secure 100% of the necessary financing for a given project. This will position NSPP to receive 100% of the potential profits. Any project whose financing is composed of investments from a number of sources will be produced as a Limited Liability Corporation (LLC), and administered by NSPP 's legal counsel.

2. PRE-PRODUCTION

This is the period where NSPP performs the detailed preparation for the shooting of a project. Tasks will include opening a production office, signing contracts, hiring the crew, creating the shooting schedule, scouting and securing locations, obtaining permits, and arranging transportation and accommodations.

3. PRODUCTION

The production phase, also known as principal photography, is the actual filming of a project. It is the execution of the game carefully prepared during pre-production. Costs are analyzed by the producers, production manager, and production accountants on a daily and weekly basis. Capital contributors have a right to examine this information on a timely basis. The previous days work is usually screened each evening to insure the film delivers the quality expected. This is the most cost-intensive phase. NSPP's proposed projects will not require an elaborate shooting schedule, therefore, producing such projects on a manageable, cost-effective budget is attainable.

4. POST-PRODUCTION

The film is edited, music is scored, and prepared for delivery to a distributor in this phase. The director and producer will make the final decisions concerning scene selection, music and sound effects. One favorable aspect of NSPP 's projects is that major special post-production effects will most likely not be necessary beyond the normal titles and credits. Again, this is due to NSPP's primary interest in projects with great stories and writing, not those comprised mainly of special effects. The final result of post-production is a film negative from which prints can be made by distributors for release to theaters.

HOW THE INDUSTRY WORKS TODAY

While Hollywood studios were forced to cutback their workforces in the wave of corporate restructurings of the 1980s and early 1990s, independent producers and distributors had already become used to lean operations, and are now flourishing.

Films of independents generally fare better through slumping periods than films of the major studios because of their smaller production budgets and lower overhead. Since the early 1990s, both independent producers and studios have been enjoying a wave of healthy industry-wide growth. There are 50% more theater screens in the US alone, than there were in the mid-1970s. With the average ticket price presently at $4.60 (which includes bargain matinees and dollar theaters) the National Association of Theater Owners calculated that movie admissions exceeded 1.65 billion in 1999. That's more than 5 visits per capita and the busiest year in a generation. The number of moviegoers is growing more slowly, but now many more viewers also have access to films over cable, satellite, homevideo and DVD (Digital Video Disk).

INDEPENDENT PRODUCERS VS. STUDIO PRODUCERS

The ideas behind the formation of NSPP are indicative of the nature of independent filmmaking. Broadly speaking, there are five major differences between independent producers and the studios as producers:

1. The independent producer usually finds financing for the cost of production outside the Hollywood studio system;

2. An independent producer, often an individual with his own capital at risk, can retain artistic control over the creative process that guides the project from start to finish;

3. Independent filmmaking is about best value, <u>not</u> doing things cheaply; because independent films tend to run on a more modest budget than studio films with funds they have worked hard to secure, the independent producer is very strongly motivated to look for best value;

4. Because the independent producer tends to produce a handful of projects each year (compared to 15-25 from each studio), each film is of greater importance to the independent's track record;

5. The independent producer usually owns and runs his business and his own capital and future reputation are at stake; this is a simpler, more streamlined system, capable of responding to creative inspiration much quicker than a Hollywood studio organization.

An independent film that has repaid its investors from the domestic box office stands to find international theatrical distribution, as well as video, cable and possibly free TV distribution, generally within 1 1/2 to 2 years after its initial release. Having repaid investors from the domestic box office, every additional revenue dollar from these sources will go to profit sharing.

Another key difference between the typical studio-produced motion picture and the typical independently-produced one is the scale of production costs, and, therefore, its box-office break-even. On studio films, a $30 million budget is considered low-budget; on that scale, box-office break-even runs generally 2.5 to 3 times production costs. Thus, studio films must generate box office of $75-$90 million before turning a profit.

Whereas, an independent film can hit break-even as soon as the investors recoup their investment plus overhead and interest payments, if any. On that scale, an independent film should break-even at no higher than 2.5 times the production costs. The major factor in break-even for an independently financed film without gross profit participants is the amount of P&A a distributor puts up to release the film. And more importantly, how the distributor recoups the P&A, such as charging interest, and the timing of the payback, if any.

DISTRIBUTION

With this latest wave of successful independent films, an unusual situation has been created, one not previously experienced in the industry. Independent films, now often rival those of the major studios for popularity, with a growing portion of the box office also going to the independents.

Studio's overhead and their general business practices render them incapable of producing these types of lower and mid-budget films. Therefore, the studios have taken to either purchasing these independent distribution companies, or, they are starting their own independent divisions, so as to acquire these independent films.

Miramax, the largest and most successful of the specialty distributors, is owned by Disney. Fine Line Features, a division of New Line Cinema, is now part of the Time Warner/Turner family. Edgar Bronfman's Universal Pictures purchased Polygram Films with October Films and Gramercy Pictures. Fox has established Fox Searchlight and Fox 2000.

A number of years ago, Sony lured away the upper management of Orion Classics, to form Sony Pictures Classics and John Kluge's Metromedia now owns The Samuel Goldwyn Company as well as the Orion Classics library of films. Financier Carl Icahn recently allocated $50 million dollars to establish Stratosphere Entertainment to acquire and distribute up to 12 pictures each year. In early 1998, the president of Fine Line Features resigned to form Paramount Picture's specialty film division.

Although this situation technically makes these "independent distributors" no longer truly independent, most of them operate autonomously from their parent company, but, with the financial backing of these major conglomerates, they have become fiercely competitive and better situated to acquire product for the growing worldwide market. The corporatization of these larger indies has created a niche for newer distributors to join the game in acquiring lower-budget films.

It is a common practice to split the foreign distribution rights from the domestic rights, to be licensed directly to foreign distributors. Distribution can be secured either on a worldwide or territory by territory basis. The producers will have the ability to begin sales of the foreign territories upon the start of principal photography. This will allow a film to start generating revenues before it has even been completed. The producers of a film usually do not share in the foreign box office gross until the distributor's fees and expenses are recovered, and any advances paid to the producers are recouped.

The value of the foreign market has increased as technologies have been updated throughout the world. Foreign distribution can now account for as much as 60% of a film's total worldwide revenues. Also, it is often where motion pictures which did not perform well domestically will become profitable.

NSPP has already been in contact with a number of distributors concerning its proposed projects. In order to negotiate the best distribution deals it can, NSPP can retain an experienced producer's agent with clout. This is a common business practice of successful independent producers. The cost of a good producer's agent can be built into each project's budget, and would be a sound investment to significantly raise each film's chances of attaining its maximum commercial success.

NSPP endeavors to follow the distribution pattern of the most successful, independently produced films of the 1990's. NSPP will engage independent distributors for its initial slate of films in carefully selected markets with highly targeted advertising. That is how distributors keep a film's initial advertising and print costs well in-line with its revenues while the film finds an audience. If well-positioned by advertising, an important segment of a film's primary target audience will see it upon its initial release. Positive word-of-mouth endorsements from the initial audience, positive reviews from critics, and good public-relations exposure will yield steadily growing per-theater box office revenues. The distributor will make more prints, engage more theaters, extend the run, and increase advertising.

WORLDWIDE & DOMESTIC VIDEO & DVD SALES SKYROCKET

The following information can be found in two articles from the *Weekly Variety* entertainment trade magazine dated April 17-23, 2000. Copies of the articles can be found at the back of this proposal.

Home video, DVD and pay-per-view have all chalked up astonishing numbers in the past few weeks. New figures show that studios earned $9.5 billion from domestic home entertainment last year---3 times what they took in for domestic theatrical box-office rentals

A recent study by London-based Baskerville Communications announced that worldwide sales of DVD's will surpass sales of VHS videocassettes by the year 2003. The study goes on to say that there will be DVD players in 625 million homes worldwide by 2010. "The growth of DVD software will continue through this decade despite competition from pay per view, satellite and cable" said Bob Marich, senior editor of the forecasting group that releases studies on consumers habits.

Total sales of DVD software in 2000 are projected to be $9.1 billion versus $31.8 billion for VHS. The year the turnover in spending takes place is estimated to be 2003, Marich said, because of the expected release of recordable DVD players in 2001. According to the report, 55% of the world's households that have television will also have a DVD player by 2010. Currently, DVD global penetration is at 3.2%, with the US accounting for about a third of that total, with 10 million homes. By 2010 China will have the highest number of homes with DVD players, at 127 million---by that time, 20% of the world's total.

Another just released report (April 17, 2000) on the film business by analyst Richard Bilotti of Morgan Stanley Dean Witter states that consumer DVD sales will rise from $1.5 billion last year to $3.1 billion this year and $14.8 billion by 2010.

A report from Tom Adams of Adams Media Research states that DVD surpassed direct broadcast satellite sales last year making DVD's the most successful launch in consumer electronics history, reaching 4.6 million homes in just 3 years.

Other findings include:

With an additional 1.18 million DVD video players shipped to retail in the first quarter 2000, the installed base in the US and Canada has reached 6.5 million, according to the DVD Entertainment Group.

The average DVD home bought 21-22 DVD discs last year, three times more than the number of VHS titles purchased per VCR household in 1997, the peak year for VHS.

Nearly 30 million DVD movies and music titles were shipped in the first quarter, a 200% increase from the same period last year, according to the DVD Entertainment Group.

DVD software revenue will leap from $1.3 billion last year to $21 billion by 2008, according to analyst Richard Bilotti of Morgan Stanley Dean Witter.

VHS videocassette rental revenue will peak this year at $9.1 billion. And VHS sell-through revenue will cross the $10 billion mark for the first time this year and peak at $11.5 billion in 2003.

Adams Media Research states that last year, 1999, there were 3 million new direct broadcast subscribers and 5 million new digital cable subscribers increasing the other distribution channels for movies in the US.

FOREIGN REVENUE TERRITORY BY TERRITORY

Prices for specific territories are frequently estimated by the percentage of a film's budget to the overall international take. For example, Germany and Japan my account for 10% to 15% each, while Scandinavia may bring in between 2.5% and 7% and Taiwan between 2% and 4%. Other pricing factors, of course, are taken into consideration: the genre of the film, the competitiveness of the market, the economy, the production values of a film, the talent involved and the relationship between buyer and seller. Here are the broad estimates of what films of different budget ranges may fetch in different markets. Prices are for all rights. They were assembled with the assistance of William A. Shields, the chairman of the American Film Marketing Association. ------*Hy Hollinger Oct. 22, 1996 Hollywood Reporter*

FOREIGN REVENUE TERRITORY BY TERRITORY

BUDGETS	$1 million-$3 million	$3 million-$6 million	$6 million-$12 million
Europe	$75,000-20,0000	200,000-450,000	350,000-750,000
France	100,000-350,000	350,000-750,000	750,000-1.5 million
Germany	75,000-200,000	200,000-450,000	350,000-750,000
Italy	75,000-200,000	200,000-450,000	350,000-750,000
Scandinavia	75,000-200,000	200,000-450,000	350,000-750,000
Spain	50,000-150,000	150,000-300,000	300,000-750,000
Netherland	25,000-75,000	75,000-125,000	300,000-750,000
Portugal	10,000-20,000	20,000-40,000	40,000-75,000
United Kingdom	75,000-250,000	200,000-500,000	500,000-1 million
Austria	Sold with Germany		
Belgium	Sold with France-Nrtherlands		
Switzerland	Diveded/Germany,France,Italy		
Australasia			
Australia/New Zealand	50,000-100,000	100,000-250,000	250,000-500,000
Hong Kong	15,000-45,000	45000-90,000	90,000-150,000
Japan	100,000-300,000	300,000-700,000	700,000-1.5 million
Korea	100,000-300,000	300,000-700,000	700,000-1.5 million
Malaysia	10,000-30,000	30,000-60,000	60,000-90,000
Philippines	10,000-30,000	30,000-60,000	60,000-90,000
Singapore	15,000-45,000	45,000-90,000	90,000-500,000
Taiwan	10,000-50,000	50,000-75,000	75,000-200,000
Thailand	10,000-30,000	30,000-60,000	60,000-90,000
Latin America			
Argintina/Paraguay/Uruguay	15,000-40,000	40,000-75,000	75,000-125,000
Bolivia/Peru/Ecuador	5,000-20,000	20,000-35,000	35,000-50,000
Brazil	20,000-60,000	60,000-100,000	100,000-250,000
Chili	10,000-25,000	25,000-50,000	50,000-75,000
Columbia	5,000-15,000	15,000-30,000	30,000-50,000
Mexico	15,000-40,000	40,000-75,000	75,000-125,000
Venezuela	10,000-30,000	30,000-60,000	60,000-90,000
Eastern Europe			
Czech Republic/Slovakia	5,000-10,000	10,000-25,000	25,000-50,000
Former Yugoslavia	5,000-10,000	10,000-25,000	25,000-50,000
Hungary	5,000-10,000	10,000-25,000	25,000-50,000
Poland	5,000-10,000	10,000-25,000	25,000-50,000
Russia	10,000-25,000	25,000-40,000	40,000-80,000
Other			
Israel	10,000-25,000	25,000-40,000	40,000-70,000
Middle East	10,000-25,000	20,000-35,000	35,000-50,000
South Africa	10,000-25,000	25,000-75,000	75,000-150,000
Turkey	10,000-25,000	25,000-50,000	50,000-150,000

DISTRIBUTION PLAN SCENARIOS- PROFIT PROJECTIONS

***Note: The profit projections below are preliminary at best. Very soon, we are expecting to receive far more refined projections from various experts in motion picture, television and video distribution. These numbers compiled here are simplistic "guesstimates" utilizing a software program we have just obtained, and, we are still familiarizing ourselves with it. Consequently, they don't have the finesse of the marketplace's release timing, and the depth of experience which our updated projections will soon have. As soon as we receive the experts' projections we will forward them to you.

We provide these rough projections to give you a look at the "ballpark" that we feel this project would be in. And to familiarize anyone in the investor group who may not be aware of the distribution practices of the motion picture industry. The assumptions made to compile these current projections are fairly conservative. Nonetheless, they are projections and subject to the vagaries of the marketplace.

PRELIMINARY SCENARIOS 1, 2, & 3

The following distribution projections are based on 3 different sales scenarios. We choose 3 distinct flavors to reflect a range from a relatively conservative feature film distribution revenue plan to a modest one, to one a little more liberal. Each of the 3 projection scenarios contain:

A Summary Report with Highlights of Projected Results,
and 5 Detail timing Reports:

- Distribution Revenue
- Distributor Fees
- Producers Gross
- Interest-Bearing Advances/Loans
- Distributor Payment to Producer

with an Additional Detail Report:

- Producers Gross Profit

SCENARIO 1

The first scenario is based on the follow assumptions:

Production budget:	$6,656,000
Domestic Box Office Gross	$15,000,000
Exhibitors share of domestic box office gross	50%
Projected Video sales	300,000 units
Retail price per unit	$19.95
DOMESTIC DISTRIBUTION REVENUE	
Theatrical	$7,500,000
Video	$742,000
Pay TV	$500,000
Network TV	$1,500,000
All other (music)	$500,000
Foreign	$5,974,000
Producers gross profit	$990,000

SCENARIO 2

The second scenario is based on the follow assumptions:

Production budget:	$6,656,000
Domestic Box Office Gross	$20,000,000
Exhibitors share of domestic box office gross	50%
Projected Video/DVD sales	400,000 units
Retail price per unit	$19.95
DOMESTIC DISTRIBUTION REVENUE	
Theatrical	$10,000,000
Video	$990,000
Pay TV	$500,000
Network TV	$1,500,000
All other (music)	$750,000

Foreign	$5,974,000
Producers gross profit	$2,464,000

SCENARIO 3

The third scenario is based on the follow assumptions:

Production budget:	$6,656,000
Domestic Box Office Gross	$25,000,000
Exhibitors share of domestic box office gross	50%
Projected Video sales	500,000 units
Retail price per unit	$19.95
DOMESTIC DISTRIBUTION REVENUE	
Theatrical	$12,500,000
Video/DVD	$1,237,000
Pay TV	$500,000
Network TV	$1,500,000
All other (music)	$1,250,000
Foreign	$7,000,000
Producers gross profit	$3,654,000

3 Detailed Profit Projection Scenarios Follow:

PROFIT PROJECTIONS - REFERENCE TERMS, ASSUMPTIONS AND BACKGROUND

ACCRUAL ACCOUNTING

Whenever an ad or expense for a film is incurred, the account is charged, and if interest is being charged, all of the expenses collect interest charges as of the day they are incurred, even though cash payment for the expenses is made at a later date.

ADVANCES

a) Production Advances

Distribution companies will often advance money for, or guarantee loans for the production of a film by an independent producer. In most cases, the independent producer does not have any general liability for such an advance or loan. The loan is usually only repayable from the revenues from the film. The motion picture company bears substantially all the risks of ownership, though the producer may sometimes retain the copyright.

All production advances by distributors are considered Interest-Bearing Advances/Loans and are considered to be received by the producers six months before release.

b) P&A Advances

Distribution companies also generally expend funds to release a film, including P&A costs, and other costs associated with distribution. These costs are treated by the distributor as an advance, or a loan to the film. The loan is usually only repayable from the revenues from the film, while the distributor bears substantially all of the risks of loss.

Advances made by distributors to the producer to help finance the distribution of the film are charged as the P&A funds are expended.

c) Distribution Advances

Distribution companies may provide the independent producer with a cash payment as an "advance" against revenues from the film. These advances can be treated by the distributor as a loan. These loans are usually only repayable from the revenues from the film.

All advances made by distributors to the producer after production are called Negative Pick-Up Guarantees. (Our projections treat Negative Pick-Up Guarantees as interest-bearing advances.)

ANCILLARY MARKETS

(see Domestic All Other Rights under **Distributor Revenue)**

AVAILABLE FUNDS

The funds after all charges for expenses, advances, distribution fees, and interest, but not before consideration of the delays in payment by the distributors as the available funds. These are the funds due the producer.

BACKEND RIGHTS (BACKEND)

When a person or entity holds some or all rights to participation (whether net or gross participation) in the profits from a film, they are said to be participating in the "backend" rewards, as opposed to getting all of their money upfront.

Producer's gross profit is considered before any deductions for backend rights of the net participants, but after backend rights of gross participants.

There is a Paul Simon song which says that one man's ceiling is another man's floor, and in that respect, too, one man's gross may be another man's net.

Backend is also a term used on its own, or in conjunction with other terms to describe any postponed action, such as speculative income from profits, delayed

payments, delayed rights sales, etc.
(see also **Net Profit Participants)**

BARTER (OR TRADE)
A method whereby a syndicated television program supplier retains a portion of the advertising time, say in the case of a movie, 10 or 12 minutes across the movie's air time, and then sells that advertising time as the way in which they make money off the movie.

In these barter/syndication deals, the film may be provided to the station for free (all barter), or for some barter and some cash, or barter in the first window, and then all cash in a second, or "backend" window.

Our projections include the value of all barter sales under Domestic, All Other Distributor Revenue.

BOX OFFICE, BOX OFFICE GROSS
(see **Domestic Box Office Gross)**

BUDGET

(see **Production Negative Cost)**

CASH ACCOUNTING
The case when an exhibitor sends a check from the box-office for a film's receipts, the distributor waits until the end of the quarter to credit the account for the revenue, and no interest is paid on the revenue balance for the period it was actually in the account. Not all distributors use cash accounting for a film's revenues. Some credit when actually received.

In our projections all expenses paid are charged and all revenues are credited as of the mid-point of each quarter.

CO-OP ADVERTISING
A distributor and exhibitor may share the cost of an advertising campaign which also features the exhibitor's theater or theaters. In this way they are co-operating. These co-ops are arrived at through individual negotiations, and are usually short-term, on a week-by-week basis.

In our projections, co-op advertising costs incurred by the distributor are included in the amount input for P&A.

DELAY IN PAYMENT BY DISTRIBUTOR
Playing the "float" is common in the Film industry. Although distributors can put pressure on exhibitors to make payments on a timely basis, producers generally do not have much leverage to force a distributor to make timely payments. A typical cycle for a distributor is to make payments to a producer initially on a quarterly basis but thereafter on a semiannual basis.

A distributor usually accounts for revenues and P&A expenses on a quarterly basis. After the end of the quarter, the distributor summarizes the revenue and expense data. The Distributor then submits the processed numbers to his accounts payable department for payment. The accounts payable department issues checks one to two months thereafter.

Accordingly, the producer's portion of revenues (Producer's Net Rentals) collected at the box office in July may not be summarized until near the end of the next quarter (November/December) with payment by the accounts payable department to the producer in the subsequent quarter (January/February). When the cycle moves to a semiannual basis, this delay can be even longer.

In our projections, this payment delay process is referred to as the Delay In Payments by Distributor. *(see also* Float and Float Penalty*)*

DIRECT-TO-VIDEO
A film which is released into the video market before being made available to consumers through any other medium. It may be because the film was created precisely for the video market, or because it was unable to find distribution in other markets first.

DISTRIBUTOR
The entity or person who takes on the responsibility of selling, licensing or renting a film to its various markets, including but not limited to theatrical, home video, pay/cable and other television markets domestically and overseas. Some distributors specialize in individual markets, while others distribute in all of the available markets.

The independent producer may contract with one distributor for all markets, or several distributors in the individual markets.

DISTRIBUTION FEES
Distributors charge fees which are usually based on a fixed percentage of their revenue from exhibitors and others.

DISTRIBUTOR PAYMENT TO PRODUCER
Final payment of net rentals to the producer after deductions by the distributor for Interest-Bearing Advances/Loans and for interest.

DISTRIBUTOR REVENUE
This term describes the proceeds of the film paid to the distributor before any deductions by the distributor.

Domestic includes the United States and Canada, and represents proceeds from:

• Theatrical: distribution proceeds paid by exhibitors to the distributor for the box office

The term Rentals as defined by Variety and others is often used to describe this income, particularly from domestic box-office.

• Domestic Video: proceeds paid by video retailers to the distributor for videocassettes and videodiscs

• Domestic Pay TV: proceeds paid by cable and other pay TV companies to the distributor for the rights to broadcast

• Domestic Public TV: proceeds paid by the Public Broadcasting Service, by public television stations, or by producing entities such as American Playhouse, to the distributor or producer for the rights to broadcast.

• Domestic Network TV: proceeds paid by network and independent television companies to the distributor for the rights to broadcast on nonpublic free TV. These proceeds are derived from the first runs of the films in free television. Subsequent reissue or reuse is referred to as syndication.

Domestic All Other: proceeds paid for TV syndication and all other ancillary markets, include:

• Syndication represents the license of rights by the distributor, usually in packaged collections of films, to independent television stations for broadcast on free TV.

• Ancillary Rights includes sales to libraries, schools, airlines, ships at sea, hotels, clubs, prisons, military, and includes such market spin-offs as music rights, toys, posters, T-shirts, clothing, etc.

• Foreign includes all regions outside the United States and Canada, and represents proceeds paid to the distributor by sub-distributors and exhibitors for all theatrical, video, pay TV, public TV, network TV, TV syndication and ancillary market rights and income

For simplicity we have designated the producer's revenues as Net Rentals, and the return to the distributor from the exhibitor as Distributor Revenue.

DOMESTIC
Includes the United States and Canada. All other areas are defined by industry practice as foreign, though not in any nationalistic sense.

The domestic markets are:

• THEATRICAL
Distribution of films in movie theaters

• HOME VIDEO
Distribution of a film via videocassette, laserdisc or DVD that may be purchased or rented for viewing through VCR's, laserdisc players or DVD players.

• PAY/CABLE/SATELLITE
A programming service for which consumers pay a separate fee, and which is primarily delivered in the United States over cables wired into the consumer's home or via satellite dish on the consumer's home.

• PUBLIC TV

Free television which operates without "advertising revenue." Financial support for public television is primarily through government funding, contributions and corporate and private grants

- NETWORK TV

Also called broadcast TV and free TV. Supported by advertising, it is distributed over the free airwaves by networks and independent stations

- SYNDICATION

Represents the license of rights by the distributor, usually in packaged collections of films, to independent television stations for broadcast on free TV

- ANCILLARY RIGHTS

Includes sales to libraries, schools, airlines, ships at sea, hotels, clubs, prisons, military, and includes such market spin-offs as music rights, and merchandising rights for toys, posters, T-shirts, clothing, etc.

DOMESTIC BOX OFFICE GROSS

Domestic usually refers to the combined US and Canadian markets. Box office gross represents the total revenues taken in at movie theater box offices (ticket sales)

EXHIBITOR

An owner or operator of a theater that shows films

EXHIBITOR SHARE OF DOMESTIC BOX OFFICE GROSS

The amount of box office gross receipts retained by the exhibitor to cover the exhibition expenses and profit margin.

FOREIGN

All areas other than the United States and Canada.

FOREIGN REVENUE

The total of funds paid to distributors for exhibition and other rights outside of the United States and Canada.

Our projections assume that all foreign distributors have deducted for their P&A and other direct and indirect foreign distribution expenses, as well as their foreign distribution fees before remitting to the primary distributor, if any, or before remitting to the producer.

GROSS

Gross is a reduced form of the term Gross Box Office.

Also a term used generically to denote any revenue before being reduced by expenses. *(see also* **Domestic Gross Box Office)**

GROSS DEAL

A type of deal between the producer and the distributor in which advances (if any), with interest charges, are deducted by the distributor. Then the producer's portion of the revenue is remitted before the distributor recoups his expenses and calculates his profit.

GROSS PROFIT PARTICIPANTS

Those individuals (often actors, though male actors more than female actors) and companies which are entitled to a percentage of the gross distributor revenue, unreduced, or only marginally reduced by expenses or fees. Usually a deal made with the distributor taking part.

GUARANTEES

The sum a distributor agrees to pay a producer for his film, no matter what the market performance may be. Sometimes these guarantee payments are made in lump sums in the production phase, or in a lump sum after production and upon the delivery of the negative, or they are spread out in progress payments, a portion during production, a portion during distribution. Such guarantees received before release are treated as Non-Interest-Bearing Presales/Grants if they bear no interest, or if they do bear interest are treated as Interest-Bearing Advances/Loans. After production, or after release, such guarantees are treated as Negative Pick-Up Guarantees. *(see also* **Interest-Bearing Advances/Loans, Non-Interest-Bearing Presales/Grants, and Negative Pick-Up Guarantee**).

HOUSE NUT

The Exhibitor's calculation of what it takes to lease his theater, to staff and to run it. In use, this figure may really include some hidden profit for the exhibitor.

INTEREST

Banks and others charge borrowers a percentage rate on the money they loan as a fee for the loans.

The interest rate banks charge to high quality borrowers for low risk loans is known as the prime interest rate (prime rate). *(see also* **Risk Factor**).

INTEREST-BEARING ADVANCES/LOANS

A distributor may advance a lump sum to the producer, to be used for production.

If this advance is treated by the distributor as a loan, and accordingly bears interest, our projections call these advances Interest-Bearing Advances/Loans. These advances will usually be recovered by the distributor, usually along with interest charges on the advances, by deducting them from the distributor revenue before remitting to the producer.

Distributors view such advances as high risk investments, and accordingly generally charge interest rates in excess of the prime rates. Our projections call the additional percentage points above prime the Risk Factor. *(see also* **Non-Interest-Bearing Presales/Grants and Negative Pick-Up Guarantees).**

LIBRARY VALUE

One of the most significant considerations in the long-term health of a motion picture distributor is the value of the programs which they own, their "library," so to speak. If a program is perceived to have this long-term value by a pay/cable distributor, they will most likely be more willing to invest a larger sum in the production of the film, and want to hold all or most of the rights.

LICENSE, LICENSOR

A contract between two parties, giving one the rights to distribute, or exhibit a program in a certain market, or in all markets. Licenses generally operate within certain time periods, with the rights reverting to the owner (licensor) at the end of the time period.

NEGATIVE PICK-UP GUARANTEE

A distributor may advance a lump sum to the producer after production and upon delivery of the film negative.

If this advance is treated by the distributor as a loan, our projections call these advances Negative Pick-Up Guarantees, as this sum is assurance that the producer will reap a minimum of return on their film from the markets included in the deal. These advances will usually be recovered by the distributor, usually along with interest charges on the advances, by deducting them from the distributor revenue before remitting to the producer.

Distributors view such advances as high risk investments, and accordingly generally charge interest rates in excess of the prime rates. We call the additional percentage points above prime the Risk Factor. *(see also* **Interest-Bearing Advances/Loans)**

NET DEAL

A distribution deal wherein distribution fees, P&A (including overhead on the advertising portion), advances (both production and distribution), and interest on advances, are subtracted from distributor revenue before arriving at the producer's net rentals.

NET PROFIT PARTICIPANTS

Those individuals or companies entitled to a percentage of revenue after it is fully reduced by all expenses (including production negative cost), distribution fees, overheads and interest. Since our projections are primarily focused on the distribution stream, we have made no provisions for calculating net profit participations.

NETWORK TV

The "Big Three" (ABC, NBC and CBS) have now become four with the advent of the Fox Channel, and there is now a fourth and fifth channel in the Universal TV Network (UPN) and the WB Network, which are, like the Fox Channel, an amalgam of independent stations, primarily providing Universal and Warner Brothers with a constant TV distribution stream for their movie packages and TV shows. These television program distributors supply programming to their affiliated stations across the country in turn for the ability to sell advertising time on the air during the programs. These six make up the bulk of what is often also called "Free TV."

NON-INTEREST-BEARING PRESALES/GRANTS

A distributor or granting agency may advance a lump sum to the producer, either to be used for production, or after production.

If these advances do not bear interest and accordingly are not loans, our projections call these advances Non-Interest-Bearing Presales/Grants.

All funds received for production which do not have to be repaid, would be properly entered as Non-Interest-Bearing Presales/Grants. *(see also* **Presales, Product Placement***.)*

OTHER FUNDS NEEDED FOR PRODUCTION

The resulting cash needed to cover the Negative Production Cost after deducting any Interest-Bearing Advances/Loans, and after deducting any Non-Interest-Bearing Presales/Grants. This figure is the amount of money the producer still needs to provide in order to produce the movie. It may be provided by private investors, by deferring fees or expenses, trading profit participations for goods or work, or any number of other methods.

As we are only analyzing the distribution aspects of a film, we make no provisions for analyzing any of these methods or any alternative methods of providing for these funds.

OUTPUT DEAL(S)

A deal usually between a producer or producing entity and a distributor (in any market), in which the distributor has exclusive access to the producer's future products. Can be restricted to time, to types of projects, etc.

OVERHEAD

A factor, usually a percentage of costs incurred by the distributor or producer, which is intended to cover the distributor's or producer's indirect costs such as maintaining an office, paying regular staff, etc.

There are two prime instances in which the producer will incur overhead charges with the distributor:

Overhead on Production Advances: When a distributor directly advances money, material, production equipment or space for a film production, they will usually also charge a fee based on a percentage of that advance which is meant to cover the distributor's indirect costs.

Overhead on P&A: When a distributor who distributes films to theatrical exhibitors incurs direct costs for advertisements (the A of P&A), they will usually also charge a fee based on a percentage of the direct advertising costs to cover the distributor's indirect costs.

In our projections, it is always assumed that the overhead account will incur interest.

P&A

The actual costs incurred by a distributor in producing the screening prints (the P) of a film, plus the actual costs incurred for advertising that film (the A), which usually also includes overhead on the advertising.

In our projections there is a separate entry line for overhead on P&A. As well, P&A costs would also include certain other expenses distributors charge to the producer's account, including: Taxes, Checking *(auditing of box office income, etc.),* Censorship *(rating seal, etc.),* Transportation, Guild payments and royalties, Trade association dues *(MPAA, etc.),* Claims *(from any litigation, etc.),* Bad debts.

PAY/CABLE /SATELLITE TV

A television system in which the consumer/subscriber pays a fee for the delivery of programming. The delivery of programs can be through direct wiring to the receiver, or through use of satellite technology.

There are three primary types of cable and satellite channels:

- Basic cable included in a "base-price" to the subscriber.
- Premium cable which are channels not included in the "base-price" of the cable service.
- Pay-per-view, in which each program has a separate price for access.

POST-RELEASE DIRECT SALES

In some instances, a producer may make a direct sale (or license) to a particular market, or markets. These sales (or licenses) would not incur any distribution fees, and would be the occasion for direct payments to the producer.

PRESALE

The practice of licensing all or certain rights to a film project before it is produced, or while in process of being produced. Generally used in speaking of licenses *("sales")* to overseas markets. We treat presales that bear interest as Interest-Bearing Advances/Loans. Conversely, we treat presales that <u>do not</u> bear interest, and which accordingly are outright advances, as Non-Interest Bearing Presales/Grants.

PRODUCER, EXECUTIVE PRODUCER

An individual or company that selects a film project, arranges financing for the film's production budget, and causes the film to be made.

PRODUCER'S GROSS

In our projections, the amount of funds in the producer's account with the distributors after deduction for all gross participations, distribution fees and charges for P&A.
(see also <u>**Producer's Gross Profit)**</u>

PRODUCER'S GROSS PROFIT

A term used to denote the actual cash paid out to the producer by the distributor, after all expenses, charges, and interest are deducted (Distributor Payment to Producer) and after addition of any Post-Release Direct Sales and deduction of Other Funds Needed for Production and Presales/Grants.

PRODUCT PLACEMENT

Quite often independent producers will get a light in their eyes when they think about product placement as a way of funding their film production costs, or even as an area for profit from their film.

Now, the producer is actually selling advertising space in their movie, rather than what is euphemistically called "placing product," and product placement often brings in far less than some producers anticipate, and quite often nothing at all.
If we receive product placement money, we will deduct the amount of product placement money from the production negative cost before entering the production negative cost in the projections.

PRODUCTION NEGATIVE COST, (BUDGET)

A generic term referring to the cost of producing the film (producing the actual film negative, from which screening prints will be struck), and includes the development, preproduction, production and postproduction costs.

PROFIT PARTICIPATION

Compensation based on sharing the revenues from a film's performance in the market. Much compensation (or incentive compensation) in the motion picture industry is based on this method of sharing income. *(see also* **Gross Profit Participants and Net Profit Participants)**

PUBLIC TV

Public TV could conceivably be called the "Seventh Network" if looked at as free TV. Public TV is free to its viewers, though they are often asked to 'donate,' or 'become members.' Public TV receives its revenue neither from advertisers nor subscribers, but rather from federal funds, from 'donations' and from corporate, foundation and individual sponsorship. *(see also* **Domestic Release)**

RELEASE

The process of advertising, promoting and physically distributing films to theaters or other media.

RISK FACTOR

A distributor may charge interest on advances, on P&A, and effectively, on overhead. In contrast to the lending rates of banks, a distributor typically charges interest rates above the prime rate, with the added percentage their consideration for taking the "risk." Our projections call this added interest percentage above the prime rate, the "risk factor."

ROYALTY

Payments made to a producer's account from proceeds of videocassettes, DVDs, laserdiscs or music soundtracks. Usually calculated as a percentage of the wholesale price of each videocassette, CD, DVD, audio cassette or laserdisc.

SPECIALTY FILM

A film which will be or has been distributed to "niche" markets, as opposed to being exhibited through general or "wide" release. Some films are designed to be specialty films, and some films just turn out to be specialty films.

SYNDICATION

Motion pictures receive income from independent television stations through the practice of selling the films station by station. This method of selling of movies is done by specialized Distribution companies, or by specialized arms of large Distribution firms. The films are often sold in packages, and each film is individually priced for each television station, according to the size of the station's market and according to the film's box-office and other previous exposure. The films are not usually sold individually.

THIRD-PARTY GROSS PARTICIPATIONS

(see **Gross Profit Participations)**

TIMING, TIMING MODEL

A term used in our projections to express the relationship of market revenues to the quarter of the year (such as year 2, quarter 3) in which those revenues would be received by the distributor.

WHOLESALE SHARE

The home video wholesale share is that portion of the distributor revenue which is not passed on as royalty to another distributor or to the producer.

WINDOW

The specific time period during which a film is allowed to be exhibited by a rights buyer, such as a television network, or pay/cable exhibitor.

Also used to denote time periods which relate to the general sequencing of a film to its various markets.

FOUNDER'S BIOGRAPHIES

JENNIFER BARLOW GRODSKY

Jennifer began her show business career at the age of four, when her ballet teacher convinced her to audition at an open call for a national television commercial, which she booked. Bit by the acting bug, she began doing community theater productions while continuing her ballet career. At age eight, she performed as a guest artist with The Bolshoi Ballet. By age ten, she was a professional ballerina in San Francisco "Ballet Celeste", a children's touring ballet company. They performed internationally in Japan, the Philippines, Hong Kong and throughout California and Oregon.

As a teenager, she performed with the Oakland ballet for five years. And after high school, Jennifer shifted her focus strictly to acting and play production. She studied and performed for four years with San Francisco's prestigious American Conservatory Theater, under the direction of Ross and Lou Ann Graham. By the time she moved to Hollywood, she had over 25 plays and numerous television commercials under her belt.

In Los Angeles, Jennifer had quick success as an actress. Her credits include "Ensign Gibson" in "Star Trek, the Next Generation", "Flame" in Fox television's episodic series, "Key West" (also starring Fisher Stevens and Jennifer Tilly) and as Garth Brooks' "mistress" in his controversial, award-winning (Country Video of the Year) music video, "The Thunder Rolls." In addition, Barlow never gave up stage acting. Her most recent theater credit was playing "Harley" in the equity production of "Accomplice" directed by stage veteran Jules Aaron, produced by Cathy Rigby and Tom McCoy, at The La Mirada Playhouse.

Unsatisfied with the many B-scripts that were coming her way, Barlow took up writing. She co-wrote her first screenplay with her husband, Lee Grodsky, which was optioned to become a motion picture. They then formed Destiny Management Entertainment Group; producing, writing and directing short films and music videos, with their associate

Charles Newman. Most recently the team produced Barlow's original play "My Fathers Vodka" which had three successful incarnations, including a 350 seat production which was presented by Lou Adler (Rocky Horror Picture Show) at the famous Hollywood nightclub, "The Roxy". The play is currently being developed as a feature film, and as a touring stage production.

Jennifer and Lee also wrote, produced and created "Phat Chix" a live sketch-comedy revue at "The HBO Workspace" in Hollywood. The production was backed by producer/creator/writer, Ed Weinberger (Taxi, The Mary Tyler Moore Show) and by comedian Gary Kroeger (Saturday Night Live) who also acted as associate producer. The show caught the attention of talent agent Steve Weiss at The William Morris Agency. Mr. Weiss now represents Barlow and Grodsky as a writing/producing team.

Currently, Jennifer is involved in the film distribution business as Manager of Acquisitions, working directly with David Williams, the President of Providence Entertainment, Inc. and Victor Vanden Oever, Chief Executive Officer. She researches and assists in the decision-making process of choosing completed features to be distributed by Providence, and participates in marketing and promotional strategies.

LEE GRODSKY

Lee grew up in Marin County where he studied Theater Arts at Indian Valley College and The College of Marin. There he wrote, acted, and directed in a wide range of productions performing at Indian Valley College, the Marin Civic Center, San Francisco Musical Stage Company, and in numerous Northern California touring productions. He then moved to Hollywood and began working as a character actor in television commercials. He also guest-starred in many sitcoms including HBO's "First of Ten", "My Sister Sam," and "Sledge Hammer."

After teaming up with his wife and writing partner, Jennifer; the two began writing under the guidance of mentor, Bobby Hoffman, Paramount Studio's veteran casting director of long running sitcoms like "Happy Days" and "Laverne & Shirley". Grodsky/Barlow optioned their first screenplay, "Decent Exposure" to Hommandy/Braunstein Prods. (Fade To Black, Don't Tell Her It's Me.) They were also hired by Saturday Night Live's Herb Sargent to write and act in sketch comedy bumpers for ABC's "The New Love American Style."

In between acting gigs, Lee and Jennifer formed DMG "Destiny Management Group" with a group of actors who began producing their own short films and experimental projects as well as rock videos and theater. It was there that Lee developed his knack for learning to do just about every job on the set, including pre-production, directing, lighting, editing, sound, set design and cinematography. He also became a master of problem solving, peacemaker, and creating quality productions on a shoe-string budget.

Lee utilized his skills producing his first feature, "In The Living Years" which starred Corin Nemick, (T.V.'s Parker Lewis Can't Lose), John Ashton, (Midnight Run) and Mario Von Peeples. The film was produced for $350,000 had multiple locations, and was brought in on-time and under budget. The film quickly got offers from Fox television and created a stir for it's thematic message and extraordinary acting performances.

Next, Lee entered the major studio film environment, working behind-the-scenes with special-effects master, Academy Award winner, Rob Bottin, on the feature films "Total Recall" and "Robocop II." Lee later produced the re-animated effects photo sequence for the Criterion laserdisc for the motion picture "Seven".

Lee also co-produced "Strike Back" for Mad Dog Productions, a low budget feature starring actress Tuesday Knight (Nightmare on Elm Street Series).

In addition to producing "My Father's Vodka" with Newman and Barlow, Grodsky also directed the interactive, musical comedy, staged as a live-theater and live-video extravaganza. The show was produced with an 18 actor cast, an original soundtrack, and contained over 350 sound and light cues.

CHARLES S. NEWMAN

Charles S. Newman - Over 20 years in Unit Production Manager classification in the Directors Guild of America and 3 years in Director of Photography classification of the International Cinematographers Guild.

Charles Newman attended California State University at Fullerton, where he majored in physics and minored in mathematics. He switched his studies over to Orange Coast College in Costa Mesa, California, focusing on professional photography, motion picture and television production. While attending Orange Coast, Professor Brian Lewis hired Mr. Newman as on-camera talent to conduct over one-hundred interviews with professional sports figures and "man-on-the-street" type interviews for *Volleyball: A Sport Come of Age*. Lewis' documentary for Paramount Pictures Educational Film Division chronicled the beginning of volleyball as a professional sport. Newman also served as sound and dialogue editor for the project.

From there, he went on to cover various sporting events as an assistant cameraman with both the *CBS Sports Spectacular* and *ABC Wide World of Sports* crews before being hired as production manager by producer/director Michael Talbot for his feature film, *The Reunion*. During post-production, Newman served as an assistant film editor under editor Scott Conrad, who's next film, *Rocky*, won Mr. Conrad an Academy Award for Editing. Next came *Burn Out*, a feature film distributed by Crown International Pictures. Newman was one of the producing partners, and raised one-half of the financing. He functioned in various capacities on this independent production, including production manager, cameraman, sound recorder, and film and sound editor. He also directed the final sound mix and co-produced the soundtrack with composer Jack Miller.

Later on, he joined Jack Miller's independent reggae record label, Haiku, and was in charge of all media-related areas, including shooting album covers, producing and directing music videos and handling production duties on some of the label's releases.

Next, he joined Adco Advertising. During that time, the company bought and redesigned the Newport Beach newspaper, the Newport Ensign, which won the

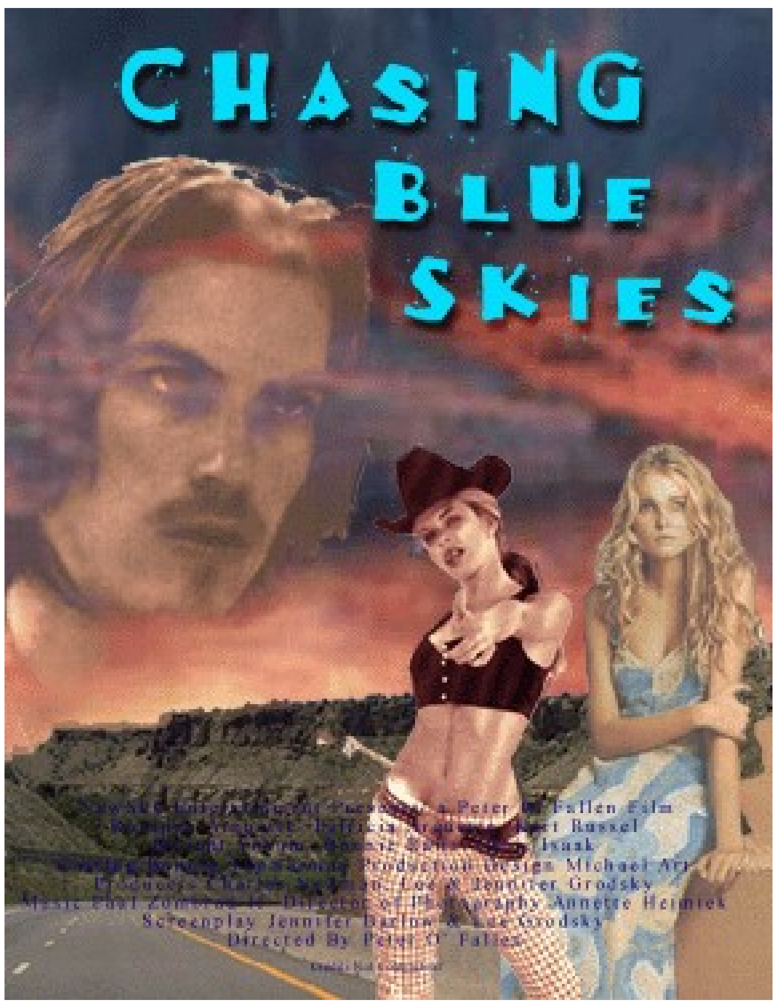
California Publishers Award for best weekly newspaper design. Newman was part of the design team brought in to redesign the paper and served as photo editor. Newman then became production editor for News Times Publishers, publisher of five weekly newspapers in Orange County, California, before the company was bought by Media General Corporation of Virginia.

After that, he formed with partners, Newman & Associates, and served as media consultants for the takeover and management of the City of Brea Civic Art & Media Center, a seventeen-million dollar, state of the art complex that included a live theater, an art gallery and a cable television production facility.

Moving back into film production, Newman became vice-president of Production for James Forsher Productions, a company involved in the production of several feature length documentaries, including Showtime's *Hollywood Ghost Stories* and *Hollywood: The War Years* for Castle Hill Films and Warner Brothers Home Video. They also produced an interactive laserdisc for UnoCal Oil of California. From there, Newman began an association with Roger Mende's GL Entertainment, first as production manager and assistant director on *Dragonfly* and more recently, as Co-Producer and Director of Photography on *Lightspeed*, a science-fiction feature film which was released internationally by Santelmo Entertainment.

Mr. Newman is currently working with MDH Productions, Inc., of Los Angeles, as a Producer/Director/Writer and business development consultant in High Definition Television programming.

Mr. Newman has a long-running association with Jennifer Barlow and Lee Grodsky, in the areas of script development and producing entertainment projects as diverse as music videos, short films, theatrical stage productions, sketch comedy shows, feature film development and production. Most recently the team produced “My Father’s Vodka” a interactive musical comedy which was presented by music/film mogul Lou Adler (“Rocky Horror Picture Show” “Cheech & Chong” movies and albums) which is now in development as a feature film. They have recently since formed New Sky Park Pictures, a feature production company and have several projects in various stages of development.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