



# The Heartbreak **KILLER**

Executive Summary Presentation Deck | 2024

All Rights Reserve | Texas Media Management

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## Disclaimer

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The information has been prepared solely for the purpose of promoting the business objectives engaging specific strategies regarding the intellectual property currently entitled, "The Heartbreak Killer".

Some statements in this document are forward-looking statements, and some statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, or achievements implied by such statements to vary.

Nothing contained herein shall be construed as an offer to sell securities or unit shares. Any such offer will be made solely by means of a Business Prospectus, Offering Agreement or Financing Agreement prepared for that purpose by TMM or its assignees and the Financial Resource(s).

Past performance is not indicative of any future performance whatsoever and, although it is believed that the expectations reflected in this forward-looking document are reasonable, TMM and its representatives, cannot predict or guarantee any future results.

TMM, or any other representative or assignee, assumes responsibility for the accuracy and completeness of the statements as incorporated herein.

## Overview

The Heartbreak Killer Film LLC, a special purpose entity yet to be formed (referred to herein as "SPE"), will be founded as a limited liability company under the laws of a US state to be determined, for the specific purpose of administering the final product of the same name.

The development of an idea or story into a feature-length motion picture is a complex and nonlinear activity consisting of many decisions and the integration of numerous resources. In basic terms there are two distinct phases: the process of "developing and producing", and the process of "distributing and marketing" the movie.

"Developing and producing" incorporates pursuit of ideas, development in the script, arranging cast, crew and facilities, principal photography, music, editing and post-production activities to provide for and deliver a completed film for distribution.

"Distributing and marketing" incorporates the development and design of a marketing theme and the collateral material to support distribution. Additionally, this phase includes arranging for exhibitors (movie theaters), negotiating ancillary rights such as Streaming Platforms, Video On Demand (and other viewing platforms), international distribution, and various other related revenues including merchandising opportunities.

The SPE intends to provide financial return of total investment/costs and a continued source of residuals through revenues generated by the theatrical distribution of **The Heartbreak Killer**, and all other revenues in all international licensing venues.

## Approach

TMM is providing the funds for the SPE to develop, produce, advertise, market and release the suspense/thriller feature film "The Heartbreak Killer". Our goal is to provide investors a source of income resulting from revenues generated by Theatrical distribution and all other sources including Digital streaming formats, Video On Demand, digital forms of rental and transmission, television, broadcast, and from all similar international markets and will provide the general business efforts as follows:

- Produce a quality film that will resonate with audiences where a broader franchise initiative can be created.
- Hire and/or incorporate the services of the grassroots marketing teams that will help put together a similar strategy to successful films of the genre model in the marketing of the film.
- Continue generating content that will be branded and sold to multiple outlets and expanded for decades. It is expected that all films will be translated and distributed internationally.
- Expand its advantage in the market such as the ability to identify appropriate target audiences and strategically market and distribute content to this audience. The LLC will market the film using a market tested and proven approach in conjunction with television/print/ radio advertising (the traditional industry approach).
- Contract with affiliate companies that may be enlisted to pre-sell tickets in local markets in exchange for a modest revenue share. This option can not only bring theater attendance but builds momentum and allows for a far-reaching marketing spend, anticipated for audiences in the 25-66 age range.

## Production at a Glance

- Format : Independent Feature Film
- Genre : Thriller | Suspense
- Budget : \$4,000,000.00 USD
- Written by : Bob Creager ([www.bobcreagerproductions.com](http://www.bobcreagerproductions.com))
- Producers : John W. Foster | Bob Creager
- Director : To Be Announced
- Casting Director : To Be Announced
- Locations : Georgia, North Carolina, Kentucky
- Principal Photography : 45 Shooting Days
- Unions : SAG&AFTRA | I.A.T.S.E.
- Distribution : Theatrical Release under major releasing company
- Sales : Rights to be assigned to top-bid company

## Production Timeline

TOTAL PRODUCTION TIME : Estimated at 33 Weeks (~is 8.5 Months).

### DEVELOPMENT I (Phase I)

Two Weeks (14 Days) leading to Pre-Production.

### PRE-PRODUCTION I (Phase II)

Four Weeks (28 Days) Leading to Principal Photography.

### PRODUCTION I (Phase III)

Nine Weeks (45 Days) Principal Photography at Multiple Locations.

### POST-PRODUCTION I (Phase IV)

Sixteen Weeks (4 Months) of Film Editing, Scoring, Coloring, Mixing and locking Final Cut of film.

### DELIVERABLES I (Phase V)

Two Weeks (14 Days) completion of Distribution and Sales Agency compliance and final delivery of film.

### SALES & DISTRIBUTION I (Phase VI)

Timing will vary depending upon Distribution's Quality Control standards.

### FILM RELEASE I (Phase VII)

Estimated timeframe for Film's release is set for 10 to 12 months after Phase I is complete in Distribution Model.

Timeframe may be extended when using a "traditional" Distribution strategy.

## Sales and Distribution Outlook

Sales Agencies are companies with expansive connections in the world of International and North America film sales, that have long term business relationships with buyers around the world. Utilizing existing relationships with our distributor and with known agencies, we will leverage existing relationships to establish strategic partnerships that will incorporate lucrative distribution.

Representation at all the key film markets will allow for maximum potential reach for prospective buyers.

Whether a theater chain like Cinemark, United Artists and various independent chains, or streaming channels, on-demand platforms, or obtaining studio interest, or retail buyers for chains like Wal-Mart, Target or Best Buy, we will gain access to all platforms in a multi-leveled release strategy.

- Our marketing plan will be from a review of comparative efforts and results for every film that was exposed to the market in the last 24 months.
- History has shown that many film models involve a heavy media push in a short period of time, while releasing on 500 or more screens. On the contrary, films rushed to market often result in poor production quality.
- With *The Heartbreak Killer*, there are no surprises. Marketing will be a directed focus, a targeted approach. By focusing on a mix of social media and online outlets and PR, the plan builds awareness within a targeted audience that is geared for the genre and be able to reach the film, being “One Click Away”.
- We are structuring the project with the expectation that the film will be a part of an overall multi-picture production and delivery plan of films.

While engaging similar talented team members to help launch production, we are working in tangent with multiple partners on a grassroots PR effort.

A reasonable lead-time will be set following the completion of principal photography and the timely submission of all required delivery elements to the distributor.

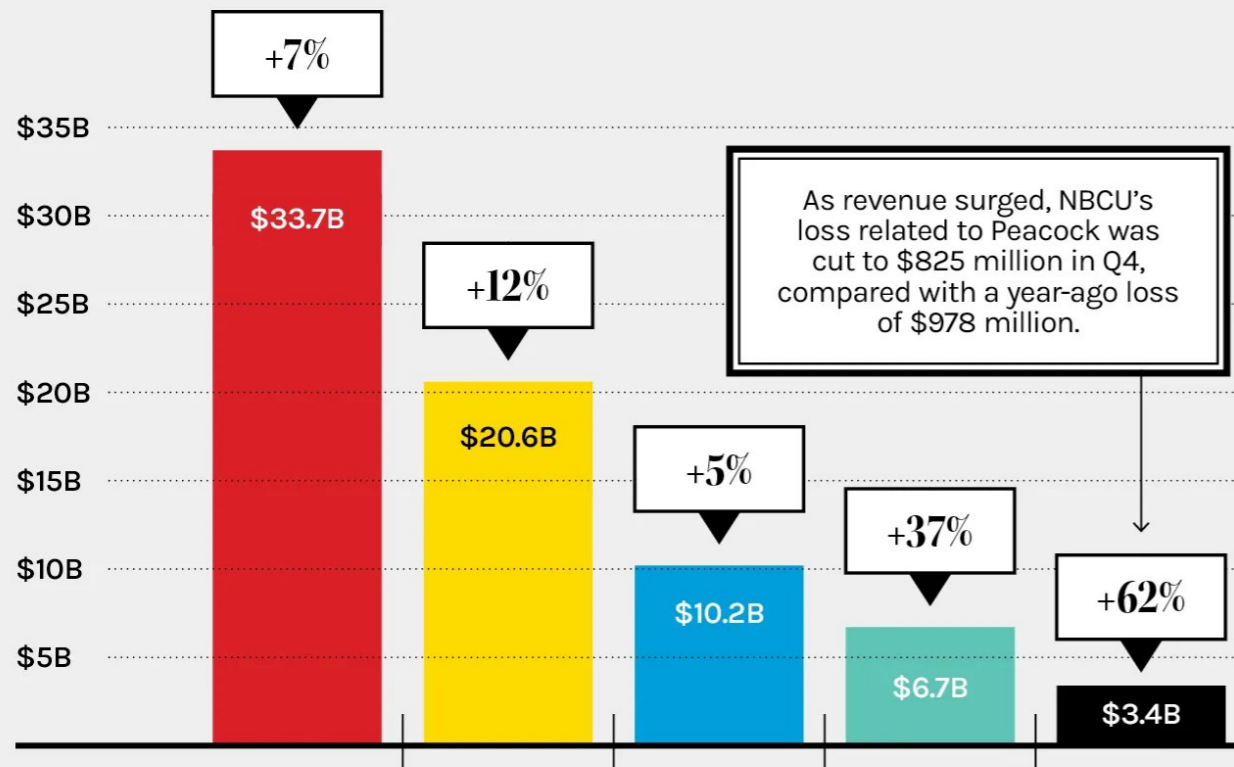


# Current Market Analysis

## Streaming Unit Revenue

2023 and % Change Year-Over-Year

NETFLIX   WARNER BROS. DISCOVERY   DISNEY  
PARAMOUNT GLOBAL   NBCUNIVERSAL



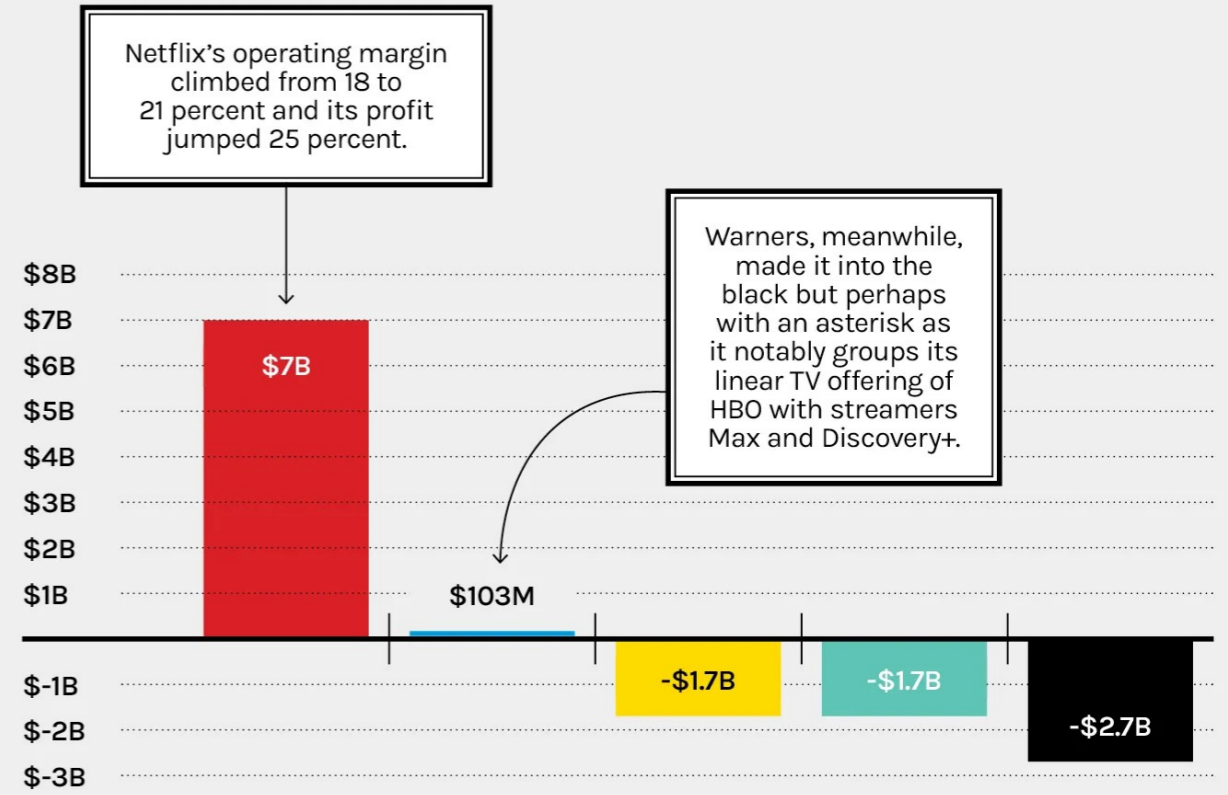
*The Hollywood Reporter*

Source: Company filings; THR research

## Streaming Unit Profit/Loss

2023 and % Change Year-Over-Year

NETFLIX   WARNER BROS. DISCOVERY   DISNEY  
PARAMOUNT GLOBAL   NBCUNIVERSAL

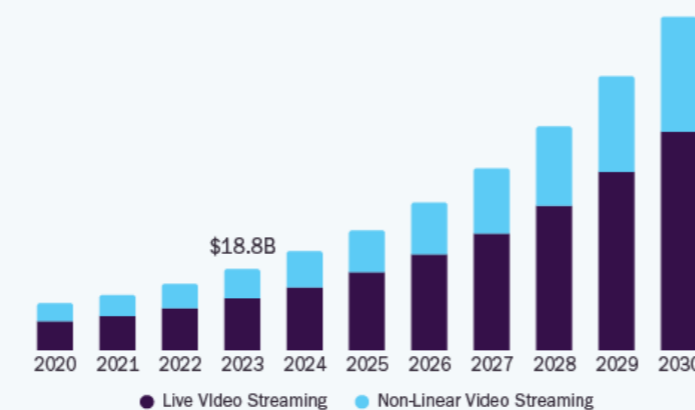


*The Hollywood Reporter*

Source: Company filings; THR research

## U.S. Video Streaming Market

Size, by Streaming Type, 2020 - 2030 (USD Billion)



GRAND VIEW RESEARCH

**19.8%**  
U.S. Market CAGR,  
2024 - 2030

Source: www.grandviewresearch.com

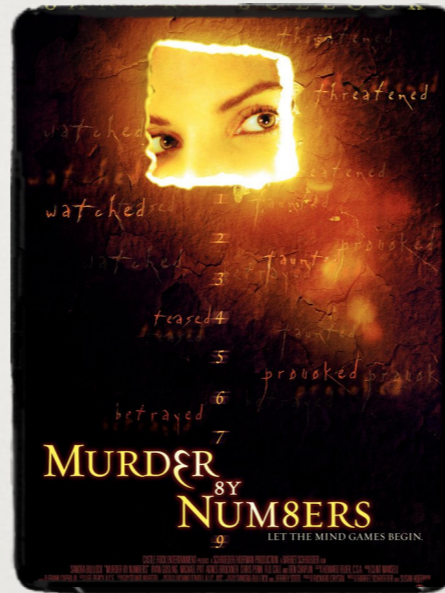
Similar Films in Genre/Subject



Midnight in the Garden...  
Box Office | \$50,040,000



L.A. Confidential  
Box Office | \$127,948,000



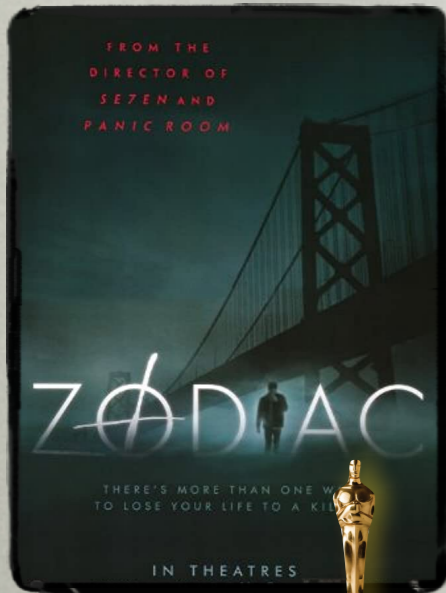
Murder By Numbers  
Box Office | \$56,463,000



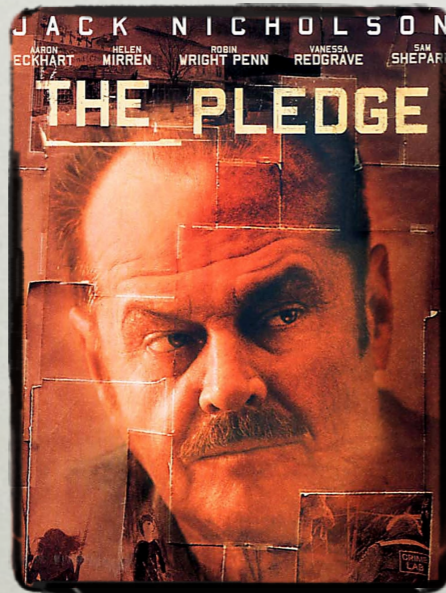
Gone Baby Gone  
Box Office | \$45,935,000



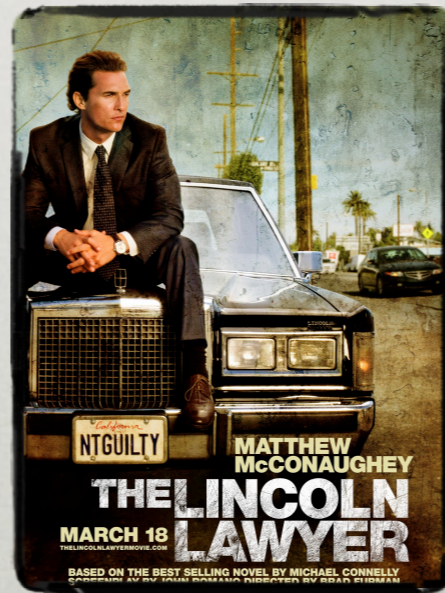
The Deep End  
Box Office | \$14,294,000



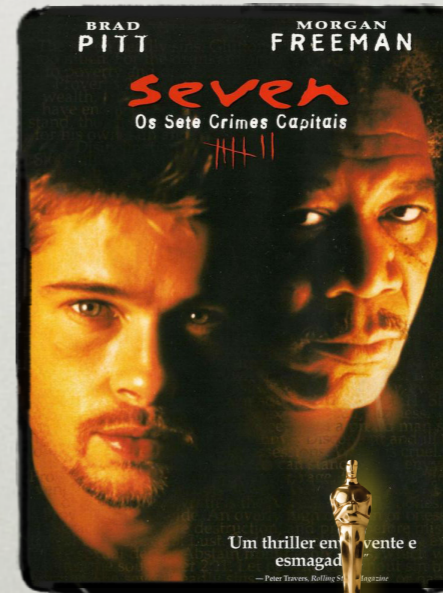
Zodiac  
Box Office | \$104,480,000



The Pledge  
Box Office | \$31,949,000



The Lincoln Lawyer  
Box Office | \$106,500,000



Se7en  
Box Office | \$328,125,000



Three Billboards...  
Box Office | \$167,200,000

Executive Summary / Pro Forma Budget (HBK)

Description	Payee	Rate	Unit(s)	Total Amount
Screenplay Option & Writer's Fee	T.B.D	\$100,000.00	1	\$100,000.00
Director (+Assistant) Unit	T.B.D	\$135,000.00	1	\$135,000.00
Executive Producer (+Assistant) Unit	T.B.D	\$225,000.00	1	\$225,000.00
Producer (+Assistant) Unit	Team	\$185,000.00	1	\$185,000.00
Co-Producer Unit	T.B.D.	\$45,000.00	1	\$45,000.00
Associate Producer Unit	Team	\$50,000.00	2	\$100,000.00
Casting Director Unit	T.B.D	\$12,500.00	2	\$25,000.00
Principal Cast (+Union Fringes)	T.B.D.	\$25,000.00	30	\$750,000.00
Supporting Cast (+Union Fringes)	T.B.D.	\$25,000.00	18	\$450,000.00
Non-Union Extras	T.B.D.	\$15,000.00	6	\$90,000.00
<b>ABOVE THE LINE TOTALS</b>				<b>\$2,105,000.00</b>
Production Offices	Team	\$5,000.00	7	\$35,000.00
Production Staff (Full Production)	Allow	\$65,000.00	2	\$130,000.00
Production Staff (Principle Photography Only)	Allow	\$45,000.00	2	\$90,000.00
Cast + Crew Travel and Accommodations	Team	\$65,000.00	1	\$65,000.00
Director of Photopgraphy (+Camera Crew)	Allow	\$25,000.00	4	\$100,000.00
Camera Package	T.B.D.	\$45,000.00	1	\$45,000.00
Grip/Electric Unit (+Truck Package)	Allow	\$30,500.00	2	\$61,000.00
Sound Department (+Equipment)	Team	\$22,000.00	3	\$66,000.00
Transportation Department	Team	\$25,000.00	1	\$25,000.00
Production Designer (+Set Crew)	Team	\$12,000.00	2	\$24,000.00
Set Design + Construction Costs	T.B.D.	\$30,000.00	3	\$90,000.00
Stage Fees	T.B.D.	\$25,000.00	1	\$25,000.00
Prop + Wardrobe + Makeup Purchases	T.B.D.	\$20,000.00	2	\$40,000.00
Additional Local Crew	Team	\$12,000.00	2	\$24,000.00
Location Fees	T.B.D.	\$40,000.00	2	\$80,000.00
Freight/Shipping + Misc. Expenses	T.B.D.	\$5,000.00	1	\$5,000.00
Disc Storage / Transfer	T.B.D.	\$6,500.00	2	\$13,000.00
Editorial Department (+Equipment Rental and Purchase)	Team	\$22,000.00	2	\$66,000.00
Sound Designer (+Mix Staff)	Team	\$15,000.00	2	\$30,000.00
Composer	T.B.D.	\$20,000.00	2	\$40,000.00
Orchestra (+Recording Time)	T.B.D.	\$12,000.00	3	\$36,000.00
Music Licensing	T.B.D.	\$2,500.00	3	\$7,500.00
Visual Effects Supervisor	T.B.D.	\$2,000.00	7	\$14,000.00
SFX (+Team)	T.B.D.	\$7,500.00	2	\$15,000.00
Post Lab Trans-Conform	T.B.D.	\$9,000.00	1	\$9,000.00
Post Sound Recording (+LCRS Mix)	T.B.D.	\$6,125.00	4	\$24,500.00
Titles / Credits	T.B.D.	\$6,500.00	1	\$6,500.00
Marketing + Advertising	T.B.D.	\$25,000.00	12	\$300,000.00
Legal + Administrative Fees	T.B.D.	\$35,000.00	1	\$35,000.00
<b>ABOVE THE LINE TOTALS</b>				<b>\$2,105,000.00</b>
<b>BELOW THE LINE TOTALS</b>				<b>\$1,501,500.00</b>
<b>PRODUCTION TOTAL</b>				<b>\$3,606,500.00</b>
Production Insurance		1.3%		\$46,885.00
Travel / E&O Insurance		3.00%		\$108,195.00
Completion Bond		2.5%		\$90,163.00
Contingency		10% (BTL)		\$150,150.00
Banking Fees		T.B.D.		
<b>TOTAL BUDGET</b>				<b>\$4,001,892.00</b>

# Budget Top Sheet

## Above the Line Total

\$2,105,000.00

## Below The Line Total

\$1,501,500.00

## Fringe Expenses

Production Insurance (1.3%)

\$46,885.00

Travel / Errors & Omissions Insurance (3.0%)

\$108,195.00

Completion Bond (2.5%)

\$90,163.00

Contingency (10%)

\$150,150.00

## Total Film Budget

\$4,001,893.00\*

*\*SAG/AFTRA Fringe Payments + Additonal Union Bond Fees Not Included*

## Waterfall Projections

Title	Cost of Film Delivery	Above the Line Costs	Below the Line Costs	Ancillary Support
<u>The Heartbreak Killer</u>	\$4,001,892.00	\$2,105,000.00	\$1,501,500.00	\$395,392.00

Theatrical Net	Rebate and Tax Considerations	VOD/TVOD/SVOD/AVOD Net	Ancillary Revenues	Revenue Results	Revenue Totals
\$950,000.00	\$1,000,473.00	\$1,874,219.42	\$1,720,813.56	\$220,104.06	\$5,765,610.04

Capital Distributions	Year 1 - 2	Year 3	Year 4 - 5	Totals
<u>Capital</u>	\$4,247,559.01	\$1,160,882.17	\$357,168.86	\$5,765,610.04
<u>Producer Group</u>	\$637,133.85	\$174,132.33	\$53,575.33	\$864,841.51
<u>Investment Source</u>	\$3,610,425.16	\$986,749.85	\$303,593.53	\$4,900,768.53
<u>% Return of Investment</u>	90.22%	24.66%	7.59%	122.46%

## Logline

After a six-year-old boy witnesses his mom's bloody murder, he becomes a detective to catch the serial killer responsible — now if only he could overcome his fear of blood to investigate the killer's latest victims.

## Synopsis

CALHOUN CARTER ARLINGTON is now the head detective for the Louisville Homicide Squad. But when he was only six years old, he witnessed his mother's brutal murder by the Heartbreak Killer. The traumatic event left him with a fear of blood and the desire to avenge his mother's death. A junior detective on his mother's case, BOBCAT ARLINGTON, promised he would find Calhoun's mother's killer. He didn't.

Twenty-five years later, the case is cold, and Calhoun's hemophobia hinders his homicide work. Therefore, he decides to transfer to SWAT with the blessing of the Chief of Police, his adoptive father — Bobcat.

Just as the paperwork is signed, the Heartbreak Killer strikes again. Calhoun stays with homicide. The evidence again points to members of the family who were suspects twenty-five years ago. WILLIAM "DADDY" DARLING's wife was the first victim. Now the latest victim was a guest in his house the night before, attending a birthday party for his daughter, DARA DARLING. To further implicate the Darlings, Dara was the target of cruel insults by the victim. But Calhoun is torn.

While he loathes Daddy Darling and believes he is the killer, Calhoun still has romantic feelings for Dara from high school. Calhoun is relieved when Dara is cleared for one of the murders. She was with him. After Daddy Darling is cleared, only one suspect remains -- Nancy Boucher, the sister of Daddy Darling's murdered wife. But women are not serial killers, and they do not kill their sisters. Or so Calhoun has always been told.

But Nancy was jealous of her sister marrying the rich, handsome William Darling. So she killed her sister and all her sister's friends. Now she is on a different murderous campaign. The teen everyone else believes is Dara's daughter, MARYANNE "LITTLE" DARLING, is really the daughter of Nancy and William. And No One insults Nancy's niece or daughter and gets away with it. But Nancy is clever. Once she is a suspect, she plants a body that matches her description in her house, burns it to the ground, and makes her escape. The case goes cold.

Calhoun is not giving up. He plots a sneaky plan to flush out the killer. He dangles Nancy's next likely target at a secluded Kentucky Lake cabin. She falls for the trap, makes her appearance but is able to slip away when she drives a knife into Calhoun's hand.

Nancy continues to stay one step ahead of Calhoun, splattering blood wherever she goes, until they meet in one final battle in the woods. Calhoun defeats Nancy and returns to homicide, free of hemophobia. Only one last question remains. Who helped Nancy plan and execute her crimes?



Colin Hanks



Aaron Paul



Evan Peters



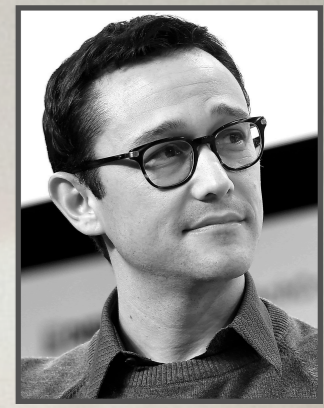
Ben Foster



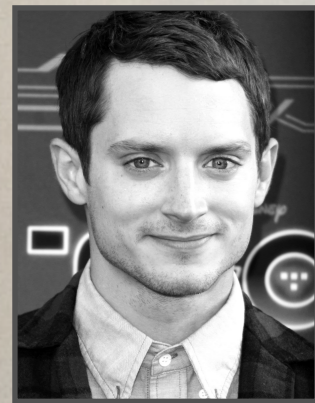
Adam Brody



Michael Cera



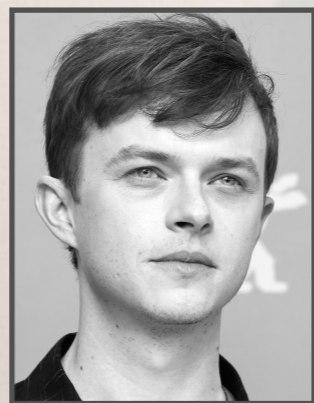
Joseph Gordon Levitt



Elijah Wood



Jay Baruchel



Dane DeHaan



Bill Skarsgard



Nicolas Braun



Scott Eastwood



Jack Quaid

## Detective Calhoun Carter Arlington

6 (1992) and 34, (2023), MALE

Calhoun at age six witnessed the cold-blooded murder of his mother and vowed that someday, he would revenge her death. Now it is twenty-five years later and Calhoun heads the homicide squad, just the place he needs to be to spot the return of the killer. All of this goes according to plan except he cannot get over his hemophobia, his fear of blood.

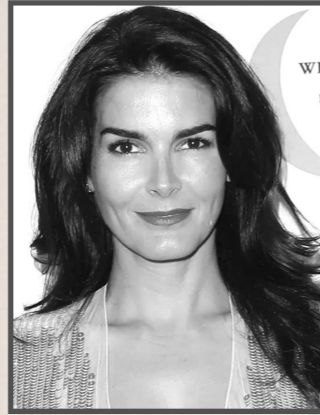
Just when he decides to give up homicide for the smoother life in SWAT, the killer returns and this time target is friends of his ex-girlfriend and soon to be current girlfriend. This would not be so bad except that everyone in her family becomes suspects. He finds that he can push through his disabling disorder because he finally can see the light at the end of the tunnel.



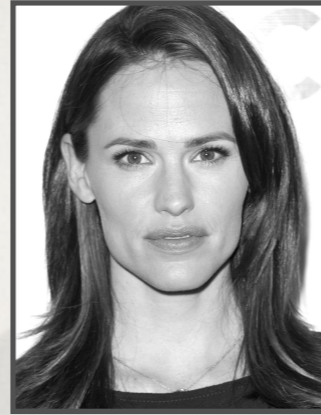
Robin Tunney



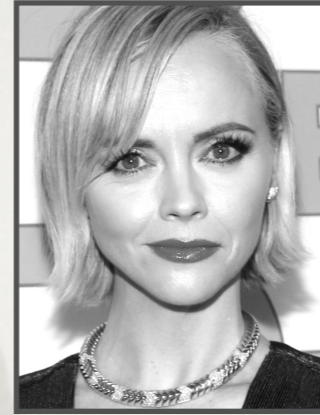
Jeri Ryan



Angie Harmon



Jennifer Garner



Christina Ricci



Michelle Pfeiffer



Uma Thurman



Halle Berry



Gretchen Mol



Amanda Peet



Drea De Matteo



Heather Graham



Famke Janssen



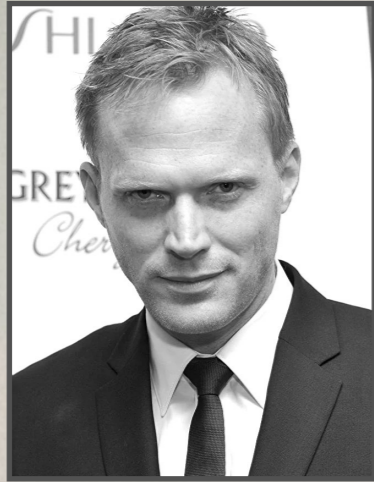
Julie Benz

## Nancy Boucher

25 (1997) and 50, (2023), FEMALE

When Nancy makes her first appearance, it is to lurk in the darkness to attack and kill. She does this professionally with a hint of madness. The insanity is not so severe that she does not have the presence of mind to plant incriminating evidence pointing the crime to someone else. When she returns to kill again, twenty-five years later, now as Aunt Nancy but still looking like she did back then, the madness has only worsened. When she cannot get what she wants, she reinstates her murdering spree attacking friends of her family and setting up her family to take the blame.

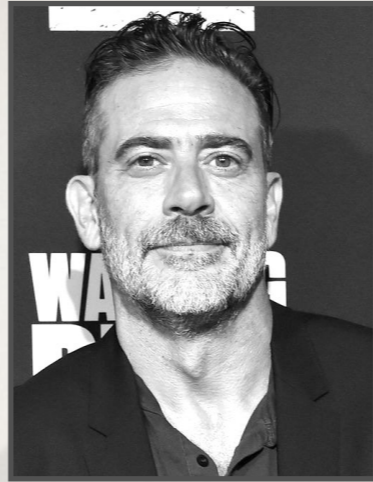




Paul Bettany



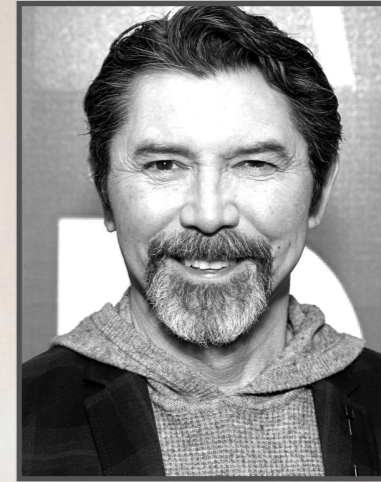
Gerard Butler



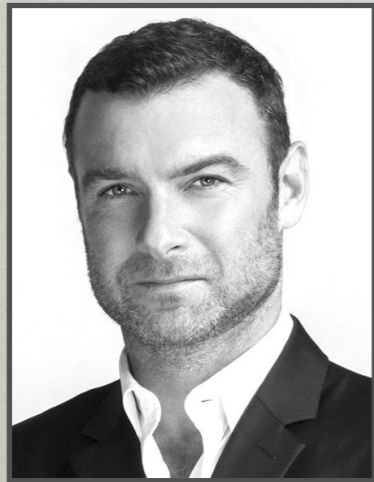
Jeffrey Dean Morgan



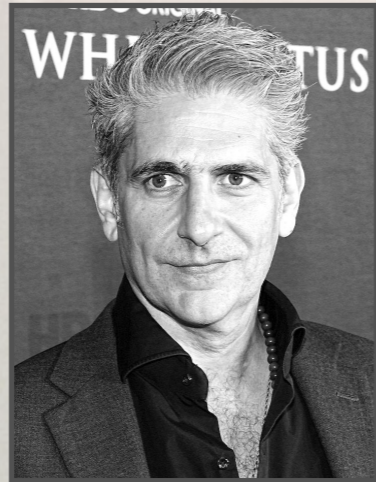
Nathan Fillion



Lou Diamond Phillips



Liev Schreiber



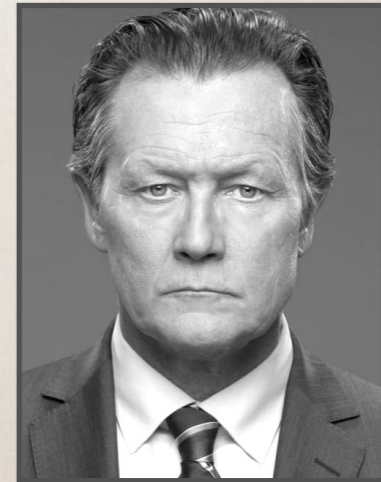
Michael Imperioli



Matt LeBlanc



Rainn Wilson



Robert Patrick

## Chief Robert "Bobcat" Arlington

25, (1997) and 50, (2023), MALE

Bobcat was a rookie policeman promoted to detective during the first murder spree in 1992. Not so secretly in love with the first victim, Bobcat never stopped looking for her killer. If only his fellow detectives could believe that a woman and sister could be a serial killer, maybe the case would have ended then. As it was, when the killings stopped, the case went cold. Now twenty-five years later and the adoptive father of Calhoun, the two scour the files for any possible clue on those old, old cases. Then the killer returns and Bobcat, now Chief of Police, is too senior to chase down the killer but does everything in his power including stretching the rules and correct police procedure to help Calhoun.

# John Foster

Managing Member | Producer



John Foster represents a long and distinguished career in media and entertainment management with specialized expertise in international film & broadcast distribution formats, corporate finance, production, postproduction and business development in both public and private sectors. He has been commissioned many times as a turnaround manager for troubled companies and projects.

Since 1990, he has also worked extensively as a consultant and investment advisor in determining motion picture financing and distribution strategies for investors, distributors and producers. He is experienced in production and post including specialty projects produced and delivered such as all video and film exhibits and all related technical operations for the grand opening of the Rock & Roll Hall of Fame and Museum in Cleveland, Ohio.

John is a veteran of virtually all major festivals & markets. His industry activity covers services as producer representative for independent filmmakers, contract negotiation, development and strategic planning, tax and rebate initiatives, structured financing and co-production on local and international levels. More recently, he has developed a slate of films within a model of debt and equity for feature projects of select writers and producers he has co-ventured with.

# Bob Creager

Screenwriter | Producer



Bob Creager began screenwriting in 2011 after principal acting roles in thirty-four productions gave him the impetus to delve deeper into the art and science of film and television.

Three of his projects are being developed and produced by John Foster's Texas Media Management: The crime thriller, *The Heartbreak Killer*, features a Southern female serial killer, a political thriller, *The President's Secret Life*, features a bachelor president with a secret wife and daughter in the suburbs, and *Madam President*, a suspense adaptation from a book of the same name.

Bob's professional experience lends a certain authenticity to his writing with his thirty-plus years working in Defense and Intelligence agencies. This experience included the opportunity to train future agents at the Secret Service Training Facility and the training of counter-intelligence agents for the Defense Intelligence Agency. His systems engineering and project management experience overlaps some of the same skills necessary for a successful production to be on budget and on schedule.

Visit Website [www.bobcreagerproductions.com](http://www.bobcreagerproductions.com)

# Disclosures

Both TMM and the SPE proposed operations are subject to all risks associated with business enterprises. The likelihood of their/its success must be considered in the event of, excess expenses, difficulties, complications, and delays frequently encountered in connection with the development, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There is a possibility that TMM and the SPE could sustain losses in the future.

There can be no assurances that TMM and the SPE will operate profitably. Any financing elements involve a number of risks. Without limiting the generality of the foregoing, the financing impact should consider, among other things, the following risk factors:

## **Inadequacy Of Funds**

Total financing may or may not be realized, thus requiring leverage or other forms of commitment from outside resources. TMM management believes that sufficient financing will capitalize and sustain the SPE sufficiently to allow for the implementation of the Business Plan and production model. If full financing falls short or becomes unavailable as planned or, if certain assumptions contained in TMM management's business implementations prove to be incorrect, then TMM may not have adequate funds to fully produce the final product and may need to accommodate shortfalls through alternate debt financing or other capital investment to fully complete its business and production of the final product.

## **Dependence On Management**

In the early stages of development, the SPE's business will be significantly dependent on the TMM management team. The SPE's success will be particularly dependent upon John Foster and Texas Media Management. The loss of any individual (s) could have a material adverse effect on the SPE final product.

## **Risks Associated With Expansion**

TMM plans on expanding its business through the development of one or more theatrical productions. Any expansion of operations TMM may undertake will entail risks, and such actions may involve specific operational activities which may negatively impact the profitability of TMM and/or the SPE. It is understood that TMM assumes the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to TMM at that time, and (ii) undertaking of such expanded operations may divert TMM's attention and resources away from its existing operations, which factors may have a material adverse effect on the SPE's present and prospective production activities.

## **No Current Market For Units or Shares**

There is no current market for any Units or Shares if a private offering was to be formally engaged and/or subscribed and no market is expected to develop in the future.

## **General Economic Conditions**

The financial success of TMM and the SPE and final product may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Such changing conditions could reduce demand in the marketplace for TMM which may seek alternate determinations to offset such conditions. The SPE has no control over these efforts or changes.

## **Possible Fluctuations In Operating and/or Financial Results**

TMM's operating results may fluctuate significantly in different periods as a result of a variety of factors, including location issues, weather and/or transportation delays, union issues, work stoppage, and general economic conditions. Consequently, projected revenues may vary and both TMM and SPE operating and/or financial results may experience fluctuations.

## **Risks Of Borrowing**

If TMM incurs unplanned indebtedness on behalf of the production or project, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants which may impair TMM's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under an unplanned loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of TMM and possibly the SPE. In addition, a judgment creditor may have the right to foreclose on any of TMM's assets or the asset of the SPE, resulting in a material adverse effect on TMM business, operating results or financial condition as well as the SPE.

## Risk Factors

### **Filming Schedule Risks**

If the film project is not completed on schedule or within budget, the ability to generate revenue may be diminished or delayed. TMM's success depends on their/ its ability to complete filming on schedule and within budget. The production schedule and budget estimates for filming have been prepared using accepted industry standards and management of TMM believes they are reasonable. Nevertheless, the ability to adhere to the production schedule and budget faces many uncertainties, including but not limited to:

1. the timing of the availability of principal cast members; and
2. the continued health of director, producers, actors, and other key personnel; and,
3. delays caused by unpredictable weather; and,
4. the availability and affordability of desirable locations; and,
5. the ability to secure appropriate facilities for post-production work and delivery elements in a timely fashion.

With these risks at hand, TMM cannot be certain that production will occur on schedule or within budget. Additionally, if the filming is not completed on schedule, its distribution may be delayed which could increase the time before revenues may be derived. During this period, TMM will continue to incur overhead costs, which may reduce the projected financial return to the SPE.

### **Risk of Cost Overruns**

TMM may incur substantial cost overruns in the development, production, and distribution phases of its films. TMM is not obligated to contribute capital to offset these increased unplanned capital expenditures and reserves the right to raise the required additional funds to complete all the phases of the film which could affect the residual revenues and/or security interest(s) of the SPE.

### **Absence of Immediate Revenues**

TMM anticipates that it will incur substantial expenses relating to the development and production of the film and cost overruns may be incurred in the distribution of the film as a result of the film being distributed. TMM currently expects the initial expenses it incurs to result in operating losses until the film begins earning revenue, of which there can be no assurance. Furthermore, no assurance can be made that TMM will realize any return on the accumulated costs incurred to engage the activities of revenues as proposed.

### **Projections: Forward-Looking Information**

Management has prepared projections regarding the SPE anticipated financial performance. TMM's projections are hypothetical and based upon factors influencing the business of the SPE. The projections are based on Management's best estimate of the probable results of operations of TMM, based on present circumstances, and have not been reviewed by an independent accountant. These projections are based on several assumptions, set forth therein, which Management believes are feasible. Some assumptions upon which the projections are based, however, invariably may not materialize due to the inevitable occurrence of unanticipated events and circumstances beyond TMM's control.

### **Competition May Increase Costs**

TMM will experience competition from other theatrical releases and projects. Competition may have the effect of increasing marketing costs for TMM and decreasing the net revenue of the film.

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