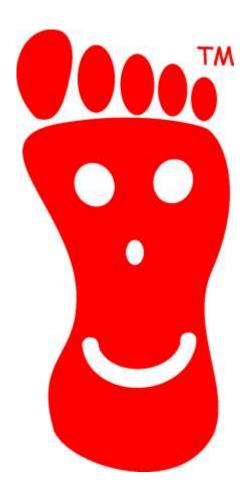
Hot Foot!



An Action/Comedy Film Based on a True Story

by Frank Sacks

Motion Picture Business Plan

Hot Foot! - Texas LLC Partnership 9385 North IH 35, New Braunfels, Texas 78130 (310) 597 - 9888 Email: investors@hotfootfilms.com

Hot Foot!

Hot Foot!, LLC

This document and the information contained herein are provided to the reader with a Private Placement Memorandum for an investment in the film, Hot Foot!. This document is confidential and proprietary and is solely for the benefit of selected, accredited investors and is not for use by any other persons. By accepting delivery of this business plan, the recipient acknowledges and agrees that:

- (i) in the event the recipient does not wish to explore this investment, the recipient will return this copy to the address listed below as soon as practical;
- (ii) the recipient will not copy, fax, reproduce, or distribute this business plan in whole or in part, without the expressed written permission of Hot Foot!. LLC;
- (iii) all of the information contained herein will be treated as confidential material.



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INTRODUCTION



THE BUSINESS PLAN

Mission Statement

Our mission is to create a comedy franchise that lights up the world with laughter.

The purpose of this plan is to describe the terms and offerings of the LLC investment fund for the film, <u>Hot Foot!</u>. There are two investment opportunities for investors to consider. The first is to invest in the development phase that is focused on creating industry and public awareness of the film. To do so, we will raise up to \$150,000 of "seed" money through Hot Foot!, LLC to underwrite the cost of development and marketing the project during the next twelve months prior to its theatrical release. For the second phase, monies raised will be dedicated to producing the motion picture for which we are looking to raise \$6.85 million dollars (total \$7m) in production funding in order to produce a commercially viable feature film and to market it at the Cannes Film Festival, the American Film Market in Los Angeles and the Sundance Film Festival.

Executive Summary

A Texas Hot Foot!, LLC has been formed to produce the feature length film, Hot Foot!, on the terms set forth in this plan and the accompanying Private Placement Memorandum. Hot Foot!, LLC will establish reltationships with well established companies and personnel in the organization and production of the film, and with established and respected distributors to license the rights to the film being made in order to maximize its global exposure and potential profit.

For the first time in 100 years of filmmaking, independent films have the potential to reach a global market online without ever paying for a single page of newspaper advertising or TV commercial time. Not only is this statement correct but it is the irreversible trend and ambition of independent filmmakers worldwide to consider online social media and community "Buzz" even more important than massive traditional media expenditures.

In this regard, our plan is to take full advantage of the year prior to the film's release as we have developed an integrated marketing plan to first create and then leverage a social media campaign that we will launch and that includes: A web site www.hotffootfilms.com and a PR campaign to establish "Hot Foot!" as an emerging brand on a global scale.

Our focus is to make people aware of the Hot Foot! name and create a brand around "Fred" (an inanimate giant stuffed red foot) by putting together a string of creative events using Fred as our iconic (comedic) hero.



Hot Foot!, LLC

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THE STORY





Synopsis

It's 1972 ... and twenty-four year old Spencer Shephard arrives in Honolulu with five thousand dollars in his pocket and big plans to open a retail store along Honolulu's busiest boulevard, Kalakaua Avenue in the heart of Waikiki. With dreams of a retail fortune passing though his head like sugar plum fairies, his youthful spirit produces high expectations for making a killing, but his plans quickly turn into entrepreneurial mayhem more reminiscent of a Marx Brothers storyline than a Horatio Alger windfall.

Within hours after the doors to his new store, an Exotic Pillow Factory, open for the first time, two local surfer kids passing by his new shop decide to steal the store's advertising icon, a giant foot-shaped pillow that Spencer has placed directly in front of the store on the sidewalk. The symbol of a foot is part of the "hang ten" culture of the times. As the two would-be pranksters go running down the street with their giant booty foot in hand, they pass by another young man with his own agenda who steps into the store and becomes the first and only customer of the day to visit Spencer's new store.

When the new customer offers his "congratulations" on having sold the giant "foot pillow", Spencer quickly realizes that his opening day misfortune might be a black cloud turning into a silver lining, as the customer is a reporter who writes for the island's largest daily newspaper (The Honolulu Advertiser). Upon being told that the giant foot pillow is now stolen merchandise, the young reporter informs the new store owner that the idea of such an unusual heist sounds like a fun story and promptly rushes back to his paper to write a glib piece about opening day events at Waikiki's new "Pillow Factory".

Knowing he now has proof in hand that there is a "Hot Foot!" somewhere on the island of Oahu, Spencer picks up the phone book and rapidly dials every media outlet that will listen and shares the dire trauma of having had his most important pillow, a true "work of art" lifted right from under his nose on opening day.



THE STORY

As this "news story" can actually be verified by a real reporter, Spencer tough luck becomes an over night sales bonanza as within 24 hours the story is being rebroadcast repeatedly like a giant tsunami wave rolling across the airwaves throughout the islands.

And so begins the bizarre totally out-of-control 72 hour odyssey of hide and seek that gets crazier with each passing hour as a series of events take place that form the basis for our story. It's a 24/7 rollercoaster of comedic vignettes of what happened when the new booty turned out to be heavier than a ball and chain around the unsuspecting two surfer kid's necks as they learn the hard way that nothing travels faster than a good laugh. And that what's funny for one person can be a catastrophe for another... if you're the one that turns out to be on the heal end of the joke.

And though the would be pranksters brazenly lifted a treasured icon from right in front of the new store's owner, this ten foot long "hot foot!" is about to make it clear to all that the thieves are standing on an island, and when it comes to treasure half the size of a car, there's no place to hide it. In near instant real time the "hot foot" becomes the island's most talked about current event. And so begins our story of the trials and tribulations of trying to catch two inept thieves and the recovery of Spencer's prized possession, the infamous Waikiki "Hot Foot!".



THE PRODUCTION TEAM





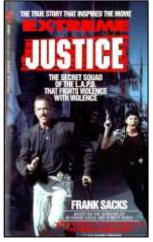
Writer/Producer

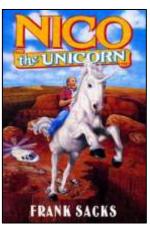
Frank Sacks

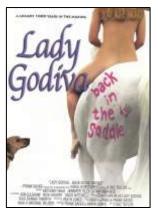
Frank Sacks is a writer/producer who was born in Chicago and attended Boston University and San Francisco State where he received his (BA/Film). He is a former ICM Talent and Motion Picture Agent and was an International Film Sales Agent whose financial background included working for two Wall Street Investment Banks; Morgan Stanley and Smith Barney Harris Upham. His financial and film industry experience enabled him to write and produce his own work that now includes three feature films with two more in development.

As a published author, he adapted his last two books for Hearst Publishing & St. Martin's Press/New York. He also wrote the original screenplays and produced both features; Extreme Justice (1993) which had an HBO World Premiere starring Scott Glenn and Lou Diamond Philips, and Nico the Unicorn (1998) starring Elisha Cuthbert, Anne Archer, Kevin Zegers and Michael Ontkean. His third film was the US/UK Co-production Lady Godiva: Back in the Saddle (2007) for which he shared story credit and Executive Produced. His new screenplay and book, Hot Foot! is his next feature film project as a writer/producer and is an action/comedy heist now in development that is also based on a true story and set in Hawaii in 1972. For additional credits, pictures and a more detailed bio follow the IMDB link below.

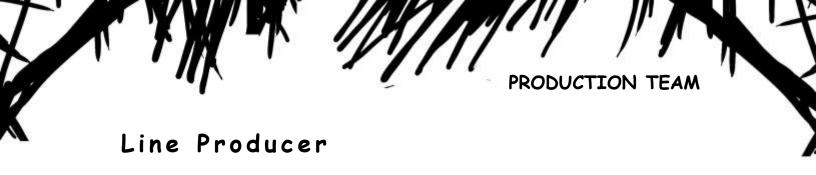
IMDB: http://www.imdb.com/name/nm0755295/









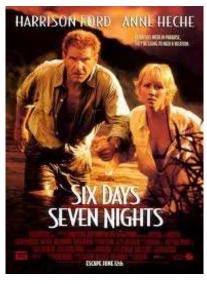


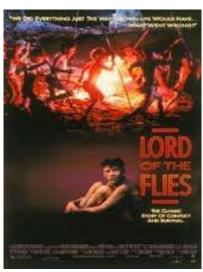
Matthew B. Locey

Matt Locey is an efficient and sought after line producer and has served as assistant director on twenty-five feature films. His notable Hawaiian based credits include <u>Six Days and Seven Nights</u> (1998), <u>Might Joe Young</u> (1998), <u>Lord of the Flies</u> (1990) and <u>Snakes on a Plane</u> (2006). His television credits include "Baywatch" (1999-2001), "North Shore" (2004), "Hawaii" (2004), "The Even" (2010). and "Hawaii 5-0" (2012). With over 200 combined screen and TV credits, his unparalleled experience and knowledge working in Hawaii makes him an invaluable asset to <u>Hot Foot!</u>.

Matt has prepared the film's detailed budget and scheduling based upon his personal experiences in the islands and twenty-five years as a professional. His production knowledge and background in working with both mainland and local personnel is a core element to keeping our project on budget and of the highest standards. A detailed bio for Matt can be followed by clicking on the IMDB link below.

IMBD: http://www.imdb.com/name/nm0516624/











THE CAST - Under Consideration - Not Contracted



The Role of Spencer

HUNTER PARISH

Hunter Parrish is an American Actor who made his break on the hit television show "Weeds" (2005-2011) for which he has appeared in over eighty episodes. His film credits include: <u>Freedom Writers</u> (2007), <u>17 Again</u> (2009), <u>It's Complicated</u> (2009), and <u>The Space Between</u> (2010). Parish is also an accomplished Broadway Performer who received much critical acclaim for the lead role in the Tony Award winning play <u>Spring Awakening</u> (2008-2009). Hunter has recently appeared in The Good Wife TV Series (2014).



NICHOLAS HOULT

Nicholas Hoult is a British Actor who has worked since the age of 7 where he made his professional debut in Intimate Relations (1996). After, Nicholas worked mainly in television until the success of his breakout role in About a Boy (2002). His other film credits include: The Weather Man (2005), the Academy Award winning film A Single Man (2009), Clash of the Titans (2010), and X-Men: First Class (2011). Nicholas currently has two films in post-production that are set to be released in 2014.





The Role of Lynn



ELLEN PAGE

Ellen Page is a Golden Globe and Academy Award nominated actress. Ellen's big break came in her title role in the critically acclaimed film, <u>Juno</u> (2007) for which she won an Independent Spirit Award. Since, she has been a very sought after actress performing in such films as, <u>Smart People</u> (2008), <u>Whip It</u> (2009), and one of the highest grossing films of all time, <u>Inception</u> (2010). Ellen currently has <u>X Men: Days of Future Past</u> in post-production for release in 2014.



EMMA ROBERTS

Her first movie role came in <u>Blow</u> (2001), where she played the daughter of Johnny Depp's_character. Various small parts followed, until she was cast in the lead role of Addie Singer in Nickelodeon's "Unfabulous" (2004). Her performance led to many award nominations as well as a foray into the music industry, including the release of an album, "Unfabulous and More". More roles followed in various projects, including the eponymous heroine in <u>Nancy Drew</u> (2007), <u>Hotel For Dogs</u> (2009), <u>4.3.2.1</u> (2010) and <u>Scream 4</u> (2011). In 2011, in 2013 Emma appeared in 6 TV series and her film <u>For The Dogs</u> is in pre-production (2014), Emma has also begun attending Sarah Lawrence College in New York, studying English Literature.



THE CAST - Under Consideration - Not Contracted The Role of Moki



DA'VONE MCDONALD

Da'vone McDonald became a recognizable actor after his portrayal of Dwayne in the surprise comedy hit Forgetting Sarah Marshall (2008). McDonald followed his feature debut with comedy hits such as Funny People (2009), Get Him to the Greek (2010), and The Five Year Engagement (2012). McDonald currently has three films in production.



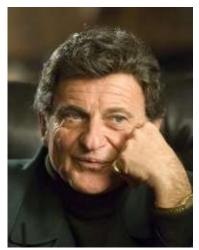
TAYLOR WILY

Taylor Wily whose birth name is Teila Tuli is an actor and former sumo wrestler of Samoan descent. He is most commonly known for his role as Kamekona on the hit remake "Hawaii Five-0" (2010-2012). Other credits include "North Shore" (2004) and Forgetting Sarah Marshall (2008).



THE CAST - Under Consideration - Not Contracted

The Role of NJ Goon



JOE PESCI

Joe Pesci is best known for playing a variety of different roles, from violent mobsters to quirky sidekicks. Pesci's greatest work came in <u>Goodfellas</u> (1990) which earned him an Academy Award for Best Supporting Actor. Other great performances came in films such as <u>Raging Bull</u> (1980), <u>JFK</u> (1991), <u>My Cousin Vinny</u> (1992), <u>Casino</u> (1995), and <u>The Good Shepherd</u> (2006).



BILLY BURKE

Billy Burke is certainly best known for his portrayal of Charlie Swan in <u>Twilight</u> (2008) and its sequels <u>The Twilight Saga</u>: New Moon (2009), <u>The Twilight Saga</u>: <u>Eclipse</u> (2010), and <u>The Twilight Saga</u>: <u>Breaking Dawn Part 1</u> (2011). However, even before the Twilight Blockbusters, Burke had established a respectable body of work including the hit show "24" (2002-2003), <u>Ladder 49</u> (2004), <u>Fracture</u> (2007), <u>Feast of Love</u> (2007) and <u>Untraceable</u> (2008). Burke is now a highly sought after actor with real numbers he can be proud of at the box office.







The Industry

The Best Picture Oscar for <u>Slumdog Millionaire</u> and the critical and financial success of <u>The Descendants</u> represent two confirmations; independent films have arrived, and now account for over a quarter of the box office. In 2011, independent films earned over \$3.4 billion in domestic box office receipts (34% of the total box office), which was a 3% increase over 2010¹. Independent films can vary widely in budget, films from as low as \$30,000 to as high as \$92 million, but their similarities are the freedom to be in control creatively and to be free from the homogeneity of major studio productions. Working independently offers many advantages that Hot Foot!, LLC will take full advantage of such as:

Freedom: As an independent, we have the freedom to take more time with planning and budgets. This is then carried out with the assurance that the Producer, who has the vision as well as the knowledge to shepherd the project will be hands on, directly guiding the process, avoiding the inefficiency and expense of a larger, less engaged team.

Bifurcate Rights: We can license <u>Hot Foot!</u> to separate domestic and international distribution entities to maximize earning potential. Thus, a lagging performance in one market, such as cable TV receipts, will not necessarily cancel out the healthy revenues from a strong showing in another market, such as the international theatrical and Television release of the film.

Lower Costs: Unlike the major studios, Hot Foot!, LLC will be able to avoid substantial overhead. The innate philosophy and activity of an independent Producer is to remain lean and diligent through all phases of production, providing a greater opportunity to realize net profits. The Producer also believes that a longer one year pre-production phase will result in considerable cost savings once filming has commenced and allow for time to create a Hot Foot! brand online.

Flexibility: Built into our budget are contingency funds that if unused can supplement marketing and distribution expenses. With a \$100,000 overage account, monies not spent can take advantage of opportunities as the Producer reacts to both changing market conditions and current events.



The Domestic Market

Although the movie business economy was hurt along with nearly every other industry during the recession, it is proving far more resilient than most. After all, even in sour economies people continue to go to the cinema. In this regard, the true success of a film is based on the following elements, among others: Uniqueness of storyline, potential special audience segments, and ability of the cast to attract audiences of buyers by their names alone. Hot Foot! combines all of these "winning elements". Most importantly, the film is above all, a comedy, which draws a special and large audience segment. Between 1995 and 2012, comedies were the top grossing genre with a total gross over \$44 billion. The average gross per comedy film is over \$25 million dollars and controls on average more than 22% of the market share. In 2012, comedies grossed \$270 million. The recent success of several other comedies can be attributed to the fact that comedies tend to do really well in the box office during economic downturns and in better times as well. Comedies are counter-cyclical to the economy as audiences look for an escape from their daily troubles.

The International Market

As a whole, the international box office in U.S. dollars is up 35% over five years ago, driven by growth in various markets. For example, in 2012 the UK box office broke the £1 billion (US \$1.4 billion) barrier for the first time and cinema admissions were the second highest since 1971. It is an old adage that comedies rarely travel well overseas However, it is notable that US comedies with really dazzling global runs have relied on some other elements to pull in audiences. In this regard, Hot Foot's! focus is to reach the rising global market by combining the comedy genre with the action genre which broadens its appeal. The comedy/action genre regularly captures between 60% and 70% of the total gross receipts overseas. Burn After Reading for example, is a comedy that added elements of action and mystery. This genre hybridation helped the film gross over \$103 million internationally with 63% of its total gross overseas. Ocean's 11, another comedy with an added action/adventure genre, grossed over \$267 million internationally making up over 60% of its total gross of \$450 million. And, has led to another sequel. We believe our film will take advantage of the rising box office for comedies domestically, and the overall rise of the international box office, as well as, the popularity of action films overseas.



DVD/VOD Market

For the first half of 2013, the industry's total rental revenue — including subscription services, automated kiosks, video-on-demand, and brick-and-mortar outlets — topped \$4.1 billion. Blu-ray sales soared above \$2 billion for the first time ever, rising 20% in the year. Although the DVD market is down, the transition to digital delivery, mostly streaming is making up for some of that decline. Overall spending on digital delivery rose 51% to nearly \$3.42 billion, up from \$2.26 billion The largest chunk of that went to VOD (\$1.87 billion) and the new category of subscription streaming (\$993.6 million). For comedies in particular, the DVD and VOD numbers are strong. Comedies seem to consistently be topping the DVD sales charts. Burn After Reading brought in over \$19 million in DVD sales while the action/comedy 21 Jump Street remained one of the best-selling DVDs grossing over \$30 million with 1.7 million units sold.

FILMS	BUDGET	DOMESTIC	FOREIGN	DVD SALES
BURN AFTER READING (2008)	\$37 M	\$60.3 M	\$103.0 M	\$19.4 M
21 JUMP STREET (2011)	\$48 M	\$138.5 M	\$63.5 M	\$30.3 M
OCEAN'S THIRTEEN (2007)	\$85 M	\$117.1 M	\$194.6 M	\$48.4M
KISS KISS BANG BANG (2005)	\$15 M	\$4.3 M	\$8.8 M	\$13.2M
RAISING ARIZONA (1987)	\$5 M	\$22.9 M	\$6.4 M	N/A
IN BRUGES (2008)	\$15 M	\$7.9 M	\$23.0 M	\$3.5 M
I HEART HUCKABEES (2004)	\$20 M	\$12.8 M	\$7.2 M	N/A



Films Based On Real Events

Many of the top grossing films are based on true stories or real life events. In the top grossing "sources" between 1995 and 2012, films based on real life events were in the top six averaging approximately \$7 million per film and totaling over \$9 billion. In the beginning of 2012, films based on real life events had nearly 10% of the market share up from 4% in 2011 and had accumulated over \$240. There are many reasons for the success of "real life event" films where the story is already factually in place. In general, audiences are more interested in facts, especially when combined with the enticement of being let in on a story not yet told that exists in an iconic context.

Hot Foot! Pictures - Circa 1972 Hawaii









Feature Film Production Process

Phase	Development	Pre- Production	Production	Post - Production
Scope of Work	 The first step involves the development of a story concept, which often takes the form of a story summary or outline known as a "treatment." The treatment is expanded into a full-length screenplay, and after numerous iterations and research into the story and characters, the screenplay is approved and preproduction starts. 	 Once the Company approves a screenplay for production, the project enters the preproduction phase. This stage entails the preparatory work that occurs during the months prior to the commencement of principal photography. Various above-the-line pieces are attached (such as actors, director, director of photography and production designer) as well as production staff necessary to physically produce the Feature. 	 The project is converted from a completed script to exposed film or HD. The production team conducts principal photography during this phase. The company takes an active role during this phase by monitoring the filming and ensuring the script is translated into a motion picture and in the process the Feature comes in within it's budget. 	 During post-production the elements of film shot during production are assembled into a synchronized and coherent story. Final editing brings together a synchronized soundtrack, music, dialog, and special effects. The film, timed prints and tape elements are compiled for the theatrical, video and television distribution, as well as for the exploitation of the Feature are all done during this phase.
Time Line	4 to 8 weeks	6 to 8 weeks	7 to 15 weeks	18 to 24 weeks
% of Total Production Cost	Initial Development expenses	10% of Production Cost	60-70% of Production Cost	20-30% of Production Cost



Film Stages

1 / DEVELOPMENT

The development stage is utilized to study the current film market and trends to create future distribution strategies. For <u>Hot Foot!</u> a focal point for the current development strategy is to understand and exploit its story assets together with its iconic hot foot image in order to gain the strongest commercial potential. In this regard, we have shot and recorded in HD candid moments as we ventured out to see how people would react to a giant foot on the streets of a major city. The following is a link to a short videography of these moments so you can judge for yourself the candid reactions of hundreds of people we encountered. www.hotfootfilms.com.

THE FILM BUSINESS

Development is an ongoing stage for any production. The development period is the beginning of an aggressive move toward pre-production once funding is in place. With production funding in place, Hot Foot!, LLC's first matter of business, prior to pre-production, is casting marketable talent into the lead roles along with the selection of a Director. Recognizable actors add credibility and marketability to the film helping it rise to it's highest profit potential. During development, the Producers will determine the best marketing pathways for Hot Foot!. This will include discussions regarding distribution for the film, including whether the best course for the film is to apply to film festivals or begin discussions with distributors and foreign sales agents right away. In this regard, Hot Foot!, LLC has already initiated an innovative online virile PR campaign to arouse the interest and early curiosity of the press and the public. As the underlying premise is based upon a *true story*, that fact alone may offer a unique way to launch a global online buzz and create a brand as it provides the press and the entertainment media something that sets our comedy/action/heist project apart from the competition.

In addition, creating press nearly one year in advance of a film's release is a proven strategy that normally only studios promoting larger projects can afford. However, guerilla and online social marketing have the potential to compete with a multi-million dollar year-in-advance studio ad budget. The Producer anticipates that our marketing will generate the same kind of media interest that he has successfully piggy-backed off of to attract production and distribution financing for all three of his prior films. The Producer thinks it especially relevant to preview his online 90 second documentary "Banned from Cannes" (See Page 28 titled "Incident at Cannes"). His ability to attract the press nearly got him arrested by the Cannes Film Festival for attracting too much attention... That certainly sounds contradictory but it's true and the result was that a world of press attracted the financiers to fund his last film.

THE FILM BUSINESS Film Stages

2 / PRE-PRODUCTION

Once funding has been placed for our project and the lead actors hired, preproduction can begin. Pre-production can last approximately four to fourteen weeks, determined by the number of shooting days, and the availability of the actors, key crew and special needs of each production. During pre-production, the producers will hire the entire crew, audition and cast supporting actors, secure locations, and ensure that all aspects of the production are in place and underway. At this juncture we will also hold rehearsals, and visit potential shooting locations. Since independent films are all about execution we will be more than "practiced" before we shoot, by working with the actors and setting up every shot so we can minimize or eliminate surprises while shooting. Cover shots and backup filming strategies are put in place to enable the company to shoot regardless of weather. The Director of Photography and the Director will meet to discuss locations, visual elements and the tone for the picture including set design, lighting and wardrobes. The Line Producer will prepare and negotiate contracts with equipment companies and production rental houses. Preproduction is a highly energetic time period when the production crew is actively birthing the film's look, tone and atmosphere.

3 / PRODUCTION

The production stage lasts for a pre-determined period of time necessary for the completion of a quality motion picture. Our schedule is currently 22 days. While the primary producers are actively working on the film, our Sales team will begin contacting our extensive list of distributors while also beginning to create and form a specific promotion and publicity campaign for the film.

4 / POST-PRODUCTION

Once primary filming has wrapped, post-production commences. During post-production, film editors usually spend 8-16 weeks working on the picture edit. Our sound editors will begin audio editing and adding special effects and considering background music placement. This process can take 3-6 weeks. After all sound and picture editing has been completed; the picture is delivered to a specialty lab where the movie is prepared for release. As Hot Foot! is intended for theatrical release, the film will go through a special process by which a theatrical print or digitized tape is created. In addition the film will go through an "online" process where the movie is given color correction and then mastered for duplication and prepared for future home entertainment release. This final process can last from one to two weeks.

Film Stages

5 / DISTRIBUTION AND MARKETING

The entire production process of a film can vary widely. We expect our film to take approximately six to eight months to complete. Once the film is completed, we can begin to secure a theatrical release followed by DVD and other outlets of distribution such as VOD and Television. It is our goal to maximize the theatrical potential of this film but to also keep costs in check. We believe the best way to do this is to first apply and for sure to attend the most prestigious film festivals, such as, Sundance, Telluride and Toronto to obtain exposure and press and get distributors interested in the film.

6 / RETURN ON INVESTMENT

Return on investment to the investors is achieved through traditional licensing to existing revenue sources. The Producers' goals are to create a competitive bidding situation whenever possible and thereby maximize profits at each stage of release, both in the theatrical and ancillary markets. Ancillary markets include but are not limited to: DVD/Video-on-Demand, Pay Cable (premium cable services such as HBO, Showtime and Starz), Network Television, Cable Television, and Television Syndication. Other sources of revenue can come from:

A. Merchandising ...



🌉 …The Hot Foot! Trademark™

Although a film's primary success is initially dependent on the film's box office success, there are certain films that can also drive merchandising revenues if they contain the right elements. When a popular film also contains within it some type of icon or clothing or signature items that could be manufactured to tie-in with a film's successful release, therein is a proven and exciting way to generate additional profits. And, to develop a special film/merchandising synergy. Many successful films unfortunately did not provide icons so the chance to capitalize on merchandising was never really a possibility. Hot Foot! however, does have its own trademark (™) in it's giant red foot icon. To add a bit of fun to it, we've given the foot the nick name "Fred" as he is as much a character in the film as any of the leads. The opportunity to exploit our "hot foot icon" is potentially very merchandisable. From Hot Foot! pillows to placing and licensing "Fred's" smiling hot foot face, there are potentially numerous ways to quickly ramp up merchandising to meet a demand once created by a box office success. Today's online overnight ability to deliver the goods, whether the shirts, mugs or books, provides the potential for additional revenues and profite rox ivestors.



Film Stages

6 / RETURN ON INVESTMENT...

B. Publishing - Hot Foot! ... The Book.

The opportunity to create additional revenue streams from a popular film can sometimes result in substantial royalties and licensing deals. The Producer recognized early on in two of his last films that books about a movie whether they be adaptations of the original script and/or a "behind the scenes" paperback can result in both additional sales and a special kind of "book/film" marketing synergy. For example, the Producer was able to sell more than 135,000 copies of his screen adaptation to his film, Extreme Justice, which was distributed by Hearst Press/New York. The same was true with his family film, Nico the Unicorn, that also attracted a major book publisher, St. Martin's Press/New York, who optioned publishing rights for their teen book division, Tor Books. In this regard, the Producer believes Hot Foot! can take advantage of new on-line e-marketing programs and has issued a paperback book based on his original screenplay. The paperback for Hot Foot! is now available worldwide through this link, Amazon.com books, and is shown below.





Incident at Cannes

Clearly, the success of a film depends on many variables. The true ingredient to getting a film sold and audiences to the theater is Promotion and Marketing. The old fashioned way to promote a film by throwing as much money into advertising as possible is no longer a sure thing and is certainly never more effective than word of mouth. Word of mouth is now the most powerful form of marketing. The promotion and marketing of a film has to come from the heart of the filmmaker. And Frank Sacks is no stranger to word of mouth. For his latest film, <u>Lady Godiva: Back in the Saddle</u>, Frank pulled off the biggest promotional stunt he thought possible to get the attention of the press at the 2005 Cannes film festival.

He leaked it to the press that his star, Kiera Chaplin, granddaughter of Charlie Chaplin, would ride topless on a white championship horse for photographers. Officials cancelled the event saying that it was attracting too much attention for a film that wasn't even in competition. Although the photo shoot was cancelled, it didn't stop newspapers from around the world from publishing the story of Lady Godiva: Back in the Saddle at the Cannes film festival.

Most importantly, investors from Europe who read the press then stepped forward and financed the entire motion picture within days.

To see the Producer in action and what attracted financiers to the project, click on the Press link below to preview a very funny 90 second documentary about it.





MARKETING TO A GLOBAL ONLINE FILM COMMUNITY

For the first time in 100 years of filmmaking, independent films have the potential to reach a global market online without ever paying for a single page of newspaper advertising or TV commercial time. Not only is this statement correct but it is the irreversible trend and ambition of filmmakers worldwide to consider online social media and community "Buzz" even more important than massive traditional media expenditures.

The ability to capture the hearts and minds of a half billion film goers worldwide is not only possible, it is inevitable for the right film at the right time. We believe that Hot Foot! has all of the elements already in place to be able to attract a very large portion of the global market through the unmistakable sound of laughter.

Every man, woman and child holds the potential to smile and laugh. It is an innate capacity that under the right circumstances can not be held back. That is why comedy has always been King, and for those who can make us laugh they are guaranteed to have won not only our hearts but our word of mouth.

Hot Foot! is already on course to do all of this and more. Our giant foot has proven to have what it takes to bring a smile to everyone that has encountered it. "Fred" as we've nicknamed him has elicited the kinds of playful responses, curiosity and laughter that any star would envy. To prove our point we have taken Fred out for a walk on the wild side on several occasions and shot our own documentary of the results. Here's a link to "The Hot Foot Story" documentary. More importantly, and just like a film with a \$100 million dollar budget, we are creating brand awareness one year in advance of the film's release in 2013.

For the next twelve months, we are going to work on pre-building our film's brand awareness with a host of online press and media campaigns. We have already laid the foundations by building an enticing web site, at www.hotfootfilms.com, as well as establishing a Fan Club page. And, Amazon books. In addition, we are consolidating networks of several thousand friends using existing social contact lists and laying the groundwork to then be able to feed them all with weekly video shorts of Fred's adventures across the country and ultimately around the world. These actions are based on the successful formats of the videos we have already produced. All of these online campaigns and more being then uniquely timed to become one interconnected mass media surge timed to the release of our motion picture, Hot Foot! in the 1st quarter of 2014.



Our Plan

Our goal is to retain as much control of $\underline{\text{Hot Foot!}}$ as possible by raising up to \$7 million dollars which will be enough to complete, promote and market the film. The profit would be divided as follows:

- 1. A pre-release recoupment of initial "seed" investment (up to \$150,000) paid out from the budget as development costs to early investors when the full amount of \$7 million dollars is raised. If less than the full amount of \$7m is raised, a pro-rata portion shall be returned from the production's development budget.
- 2. Thereafter, a 50/50 split of profits between Investors and the Producer after the investors have recouped 125% of their investment.

Below is the list of major festivals that can be targeted to generate interest.

FESTIVAL	FESTIVAL DATE	NOTORIETY
SUNDANCE	JANUARY 2014	In 2011, 45 films were acquired by distributors which is the most ever (up 220% from 2010).
CANNES	MAY 2014	Cannes winners often emerge as the year's most talked-about films.
TELLURIDE FF	SEPTEMBER 2014	In 2011, Albert Nobbs, The Artist, The Descendants, Pina, Shame, and We Need to Talk About Kevin all played at the festival.
TORONTO IFF	SEPTEMBER 2014	Slumdog Millionaire premiered at the festival and went on to win eight Oscars.
TRIBECA	OCTOBER 2014	The festival now draws an estimated three million people, including every buyer in the marketplace.
BFI LONDON FF	OCTOBER 2014	A top festival screening more than 300 features, documentaries, and shorts from almost 50 countries.

Terms and Conditions

Issuer: Hot Foot!, LLC

Issue: Limited Partnership Units **Amount of Issue:** \$7,000,000.00

Purchase Price: \$25,000.00 (per Unit or fraction thereof)

Number of Units: 280 Units

Purchaser Qualifications: Accredited investors within the meaning of Regulations D

under the Securities Act of 1933.

Distribution of Cash flow shall be as follows: 1) The Company's capital shall be used for operating and production expenses as per the detailed schedules and line items attached to the Private Placement Memorandum as Exhibit "B" (the film's budget)., 2) And then payment of any outstanding obligations in connection with the film as per the budget; 3) And then to each "seed" investor (up to \$150,000 in the aggregate) who shall recoup 100% of his/her investment on a pro rata basis from the production budget's development monies as long as the full \$7 million is raised; 4) thereafter all investor's shall be paid up to 125% of their investment from profits, and thereafter all remaining profits shall be paid out to the investors in a 50/50 split with the producer.

Right of First Refusal: A Limited Partner may not sell all or any part of his partnership interest to a person who is not already a member of the partnership without first presenting the terms of the offer in writing to the General Partner and then if rejected presenting the terms of the offering in writing to the remaining Limited Partners in accordance with their pro-rata ratio interest.

Voting Rights: The Limited Partners are strictly passive investors in the partnership and have no voting rights.

Liability Protection: As a result of their passive investor status, the Limited Partners are only liable for their capital investment.

Use of Proceeds: The proceeds from the issuance of the Units will be used to secure key cast members and develop, produce, edit and market the film as defined in the Production Budget.

Private Placement: The Limited Partnership Units will not be registered under the securities Act of 1933, as amended (the "Act") and may not be resold without such registration or an exemption under the provisions of the Act.

Offering "Escrow": The cash subscriptions of each investor electing to subscribe for any of the Units shall be held in a holding account pending completion or termination of the Offering. When subscription for Units representing a total obligation of at least \$25,000 has been received, the partnership may close the sale of Units and release the funds from the holding account.

Distribution Deals

There is no such thing as a typical or boilerplate distribution deal. The distribution company will take as much as it can get. It is Hot Foot!, LLC's responsibility to negotiate away as little as possible. Based on industry averages, we have used a distributor fee of thirty-five percent in our projections (see chart on next page under gross). These percentages apply only to the revenues generated by the distributor's deals, if that company is only making domestic sales, then it takes a percentage of only domestic revenues. How much the distribution company wants normally depends on its participation in the entire film package. The greater the up-front expense that the company must assume, the greater the percentage of incoming revenues it will seek.

In acquiring a project, the distributor looks at the following elements, among others:

- · Uniqueness of storyline
- · Potential special audience segments
- · Ability of the cast to attract audiences of buyers by their names alone.

Necessary to selling a film is a mix of elements, although the story is typically the first concern. The exhibitors to whom the distributor sells must see something in the film that they can promote to their audiences. This varies from country to country and depends on the perspective of the buyer. However, action is a global theme and our film contains enough exciting key action scenes to create a suitable action themed trailer.

If the film is picked up for theatrical distribution and once the theatrical potential is exhausted, the distributor will likely begin the process of preparing the film for DVD/VOD rental and retail release. Today, the market for VOD has greatly increased. Films are available on VOD simultaneously with the DVD release. To maximize profit potential, a film will generally run for 30 to 90 days on VOD before being sold for general release on cable and television. During this distribution phase, other financial avenues will also be exhausted including Hotel Video-on-Demand, streaming Internet and potential cross-marketing ventures such as a soundtrack release and merchandising.

While distribution begins, our producers will continue to work on a promotional and publicity campaign, either with the distribution company or independently, to ensure the strongest marketing campaign possible.





Investment Summary

Hot Foot!, LLC seeks financing to complete it's goal of creating a marketable and profitable motion picture. Hot Foot! investors in the initial "seed funding" are being given a priority position and may first recoup their initial investment from the development fund portion of the budget up to an estimated \$150,000 which assumes the entire \$7 million production budget is raised or a pro-rata share thereof. This would be followed by a 25% premium for all investors from net profits and then a 50/50 split of all additional net profit revenues generated from all licensing, sale and/or rentals of the motion picture on a global basis.

Hawaiian State Tax Incentives

Hawaiian State film incentive packages allow producers to increase the value of private equity dollars through rebates and refunds. Savings will be applied to the production and/or marketing of the film. The tax credit applies to all direct production expenditures that are subject to taxation by the state of Hawaii. According to the Hawaii film office, the credit equals 15% of qualified production costs incurred on the island of Oahu, and 20% on the neighbor islands (Big Island, Kauai, Lanai, Maui, Molokai).



Investor's Conference on Maui

Included with each \$10k seed investment will be 1 RT ticket to Maui from the Continental US plus 3 nights accommodations at the Marriott.







Four Star Marriott Beach Resort & Spa on Maui

To increase investor's knowledge and a better understanding of the motion picture business, the Producers (Frank Sacks & Arnie Reyes) will conduct a special seminar for early seed accredited investors on location at the 4 STAR Wailea Beach Marriott Resort and Spa. Included with each \$10k seed investment will be 1 RT ticket to Maui from the Continental US plus 3 nights accommodations at the Marriott. The Texas Hot Foot! LLC seminar will be hosted by the Producers. All other incidental charges including food, car rentals, etc., shall be the sole responsibility of the investor participants. Seed investor's business related expenses may be tax deductible, investors should consult with their tax adviser in this regard. Seed investing partners unable to attend the Maui Conference may be entitled to a \$2k credit. The credit may be used at a later date toward one RT air ticket and Hotel expenses as booked by the production company as Seed Investors will be invited to visit the film set on location during production of the film Hot Foot!, where they will also have the opportunity to become part of the cast in a background extra's role.

Current dates for the seed Investor's "Motion Picture & Production Fund Conference" are 8/22, 9/26, and 10/24/14. Airline tickets, resort conference dates and seed investor participation are based on limited conference space and a first come first served basis. Whereas seed investor fractional units of \$10k are limited to the first \$150,000 invested.



Risk Statement

Investment in the film industry is highly speculative and inherently risky. There can be no assurance of the economic success of any project since the revenues derived from their production and distribution depends primarily upon their acceptance by the public, which cannot be guaranteed. Commercial success also depends upon the quality and acceptance of other competing projects released into the marketplace at or near the same time, plus general economic factors and other tangible and intangible factors, all of which can change and not be predicted with certainty.

The entertainment industry regularly undergoes significant changes, primarily due to technological advances and developments. Although these have routinely resulted in the availability of alternative and competing forms of leisure time entertainment such technological developments have also resulted in the creation of additional revenue sources through licensing of rights to such new media, and potentially could lead to future reductions in the costs of producing and distributing via entertainment media. In addition, the theatrical success of a motion picture remains a crucial factor in generating revenues in ancillary media such as DVD and television. Due to the rapid growth of technology, shifting consumer tastes, and the popularity and availability of other forms of entertainment, it is impossible to guarantee the overall effect these factors will have on the potential revenue from and profitability of feature-length motion pictures.

The success of Hot Foot! will depend partly upon the ability of the Producers to deliver a film of exceptional quality at a reasonable cost, which can compete in appeal with higher-budgeted motion pictures. To maximize success, the Producers will participate with a "hands on" focus throughout the entire process and will aim to mitigate financial risks wherever possible.

The Completion Bond

In this regard, the Producers have included within the budget monies for a Completion Bond with International Film Guarantors (IFG), a subsidiary of Fireman's Fund Insurance, as a safeguard to cover the film's production costs. In the event of a shooting delay or other covered event such as an actor's illness, IFG would step in to cover additional costs incurred in order to guarantee the completion of the picture. IFG has written more than \$14 billion in completion guaranties for more than 675 films over the last 65 years.

FINANCIALS Top Grossing Film Genres 1995 to 2012*

	Genre	Total Movies	Total Gross	Average Gross	Market Share
1	Comedy	1,751	\$44,792,158,044	\$25,580,901**	23.48%
2	<u>Adventure</u>	521	\$38,199,674,469	\$73,319,913	20.03%
3	<u>Drama</u>	3,132	\$33,621,012,632	\$10,734,678	17.63%
4	Action	570	\$32,066,637,809	\$56,257,259	16.81%
5	Thriller/Suspense	561	\$15,495,734,985	\$27,621,631	8.12%
6	Romantic Comedy	403	\$11,286,883,357	\$28,007,155	5.92%
7	<u>Horror</u>	329	\$9,093,205,812	\$27,638,923	4.77%
8	<u>Documentary</u>	1,076	\$2,063,950,710	\$1,918,170	1.08%
9	Musical	113	\$1,865,013,970	\$16,504,548	0.98%
10	Black Comedy	85	\$781,440,299	\$9,193,415	0.41%
11	Western	36	\$685,432,870	\$19,039,802	0.36%
12	Concert/Performance	41	\$293,960,413	\$7,169,766	0.15%
13	Multiple Genres	20	\$8,280,303	\$414,015	0.00%
14	Genre Unknown	5	\$1,685,983	\$337,197	0.00%

**The average domestic box office gross for a comedy is \$25,580,901



FINANCIALS Revenue Projections (1)

HOT FOOT! FILM PROFIT MODEL - REVI	ENUE PROJECTIONS		
	IMPUT CELL COLOR:		
Hot Foot!, LLC			
1 Negative Cost	\$7,000,000	% Funded by Co.	100%
Scenarios	Base	Better	Best
	Break Even	Average	100%
US Theatrical Sales	\$10,000,000	¢25,000,000	Ø50,000,000
2 US Box Office Gross	\$10,000,000	\$25,000,000	\$50,000,000
3 Less Exhibitor Share	\$6,000,000	\$13,750,000	\$25,000,000
e Bess Zimierer Sime	\$ 0,000,000	\$10,700,000	\$20,000,000
4 Gross Film Rentals	\$4,000,000	\$10,000,000	\$25,000,000
5 Less Distributor Fee	\$1,400,000	\$3,500,000	\$8,750,000
6 Less Prints/Advertising	\$1,700,000	\$7,000,000	\$10,000,000
Trom	000000	4550 000	\$< 25 0,000
7 US Theatrical Net Proceeds	\$900,000	\$750,000	\$6,250,000
US Aftermarket Sales			
8 Pay Cable Revenue	\$650,000	\$2,625,000	\$5,937,500
9 Network TV Revenue	\$0	\$0	\$0
10 Merchandising/Music/Spinoffs	\$250,000	\$1,000,000	\$2,500,000
	01.000.111	42.44.22	47.707.007
11 PPV/VOD/Non-theatrical Venues	\$1,333,114	\$2,666,229	\$5,595,385
12 US Ancillary Gross Proceeds	\$2,233,114	\$6,291,229	\$14,032,885
13 Less Distribution/Licensing Fee	\$669,934	\$1,887,369	\$4,209,865
	+ + + + + + + + + + + + + + + + + + + +	+ = , = = . , = = .	+ 1,2 07,0 00
DVD Units	1,000,000	4,000,000	6,000,000
14 Home Video Market	\$14,475,000	\$57,900,000	\$86,850,000
15 Less Distribution/Licensing Fee	\$11,580,000	\$46,320,000	\$69,480,000
16 US Market Net Proceeds	\$5,358,180	\$16,733,860	\$33,443,019

Revenue Projections (2)

reign Markets	_					
reign Box Office		\$10,000,000	\$25,000,000	\$50,000,000		
reign Rentals After P&A		\$1,650,000	\$4,125,000	\$8,250,000		
eign Home Video		\$900,000	\$12,460,317	\$25,132,275		
reign Ancillaries		\$0	\$7,301,587	\$16,507,937		
gregate Foreign Markets		\$2,550,000	\$23,886,905	\$49,890,212		
s Distribution/Licensing/Fees		\$892,500	\$8,360,417	\$17,461,574		
N / D	7	¢1 (57 500	Φ1 5 50 C 400	ф22 429 (29		
erseas Net Proceeds]	\$1,657,500	\$15,526,488	\$32,428,638		
Worldwide Gross Profit		\$7,015,680	\$32,260,348	\$65,871,657		
s Interest/Dues		\$0				
	-					
t Revenues to Collection Account (US)		\$7,015,680	\$32,260,348	\$65,871,657		
YTES		Hot Foot! LLC				
gative Cost			•			
	100%	The percentage shown at the	left is the portion of the Ne	egative Cost.		
	Those figures were token	r from Pohin Williams avarage	film agraings and halfad fo	r the medium caperio		
Box Office Gross		i iioiii Kooiii wiiiiaiiis average	e mini carnings and named to	Anticipated Rating:		
	Hot Foot: LLC			PG13		
veral films were examined including:	Crank, Transporter, P	rotector, Above The Law, Sh	oot 'Em Up			
	COO	(
ss Exhibitor Share	60%	of the box office, according	to standard deals for indepe	ndent distributors		
oss Film Rentals	40%	of the box office, according	to standard deals for indepe	endent distributors		
V W W			The second deals for find be			
Less Distributor Fee 35% According to standard deals, not negotiated for favorability to producers.						
ss Distributor Fee	·	8				
ss Distributor Fee ss Prints/Advertising		or independent distributors, in	orassad parformanas tunicai	Ily requires incressed		
t t	eign Box Office eign Rentals After P&A eign Home Video eign Ancillaries gregate Foreign Markets s Distribution/Licensing/Fees erseas Net Proceeds Worldwide Gross Profit s Interest/Dues TES gative Cost Funded by Co. ENARIOS Theatrical Sales Box Office Gross	eign Box Office eign Rentals After P&A eign Home Video eign Ancillaries gregate Foreign Markets s Distribution/Licensing/Fees Worldwide Gross Profit s Interest/Dues Revenues to Collection Account (US) TES gative Cost Funded by Co. ENARIOS Theatrical Sales Box Office Gross These figures were taken Hot Foot! LLC eral films were examined including: Crank, Transporter, P. S Exhibitor Share 60%	eign Box Office eign Rentals After P&A eign Home Video eign Ancillaries gregate Foreign Markets s Distribution/Licensing/Fees Worldwide Gross Profit s Interest/Dues Revenues to Collection Account (US) TES Hot Foot! LLC The term of these scenario gative Cost Funded by Co. ENARIOS Theatrical Sales Box Office Gross These figures were taken from Robin Williams average Hot Foot! LLC Crank, Transporter, Protector, Above The Law, Sh es Exhibitor Share \$1,657,500 \$1,657,500 \$7,015,680 \$7,015,	eign Box Office eign Rentals After P&A eign Home Video eign Ancillaries eign Ancillaries eign Ancillaries s both St., 550,000 eign Ancillaries s both St., 550,000 eign Ancillaries s both St., 550,000 s both		



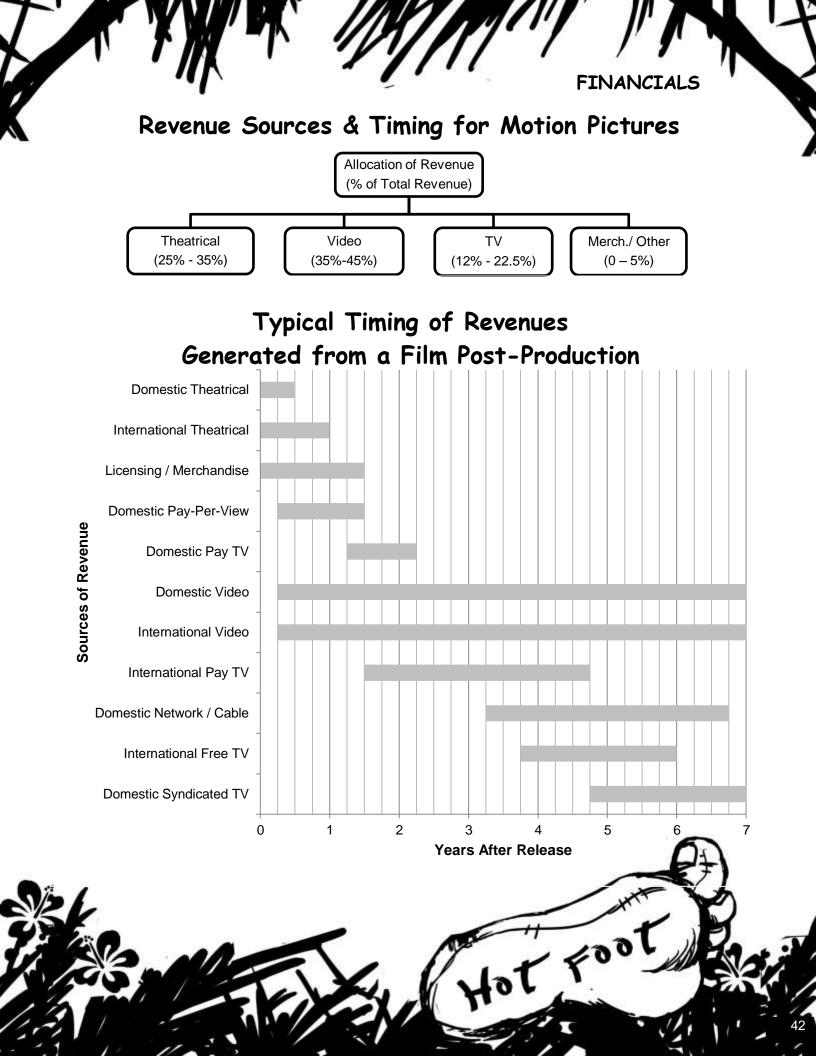
Revenue Projections (3)

US Aftermarket Sales	
8 Pay Cable Revenue	Based on industry contractual patterns, which state that at performance levels of the box office the first-run
9 Network TV Revenue	SEE Pay/Cable Revenue
10 Merchandising/Music	8.5% On films which have significant elements, such as a high-profile soundtrack, or
Low Sales, in \$ millions	\$1.58 established or rising music stars, or spin-off collectible characters this market
Expected Sales, in \$ millions	\$3.15 gains significance. Actual chain of ownership of the license also governs
Better Sales, in \$ millions	\$3.90 participation in the profits. The royalty rate we use is shown at the top left. Royalty
11 PPV/VOD/Non-theatrical Venues	Typically, at higher performance levels, this market begins to have significant value to the producers. It
12 US Ancillary Gross Proceeds	Sum of the above
13 Less Distribution/Licensing Fee	30% According to standard industry deals, not negotiated for extra favorability to
14 Home Video Market	Calculated to reasonably accord with the films mentioned in the study above, and taking into account the arc
15 Less Distribution/Licensing Fee	Home Video contracts have been typically based on a royalty participation deal. The
16 US Market Net Proceeds	Sum of the Above
10 US Market Net Proceeds	Sum of the Above
Foreign Markets	
17 Foreign Box Office	
18 Foreign Rentals After P&A	Distributor Income after split of box office with Exhibitors. Anticipated to be after all local Marketing (Prints
19 Foreign Home Video	In the recent past, foreign DVD sales have started to catch up with North American growth, and home video
20 Foreign Ancillaries	The greatest single portion of foreign ancillaries had, until the worldwide rise of DVD, tended to be
21 Aggregate Foreign Markets	Sum of the Above
	- - - - - - - - - -
22 Less Distribution/Licensing/Fees	35% Without specific deal parameters in place, the distribution fee is set at the number
23 Overseas Net Proceeds	After distribution fees
24 IV. Worldwide Gross Profit	Sum of the Above
25 Less Interest/Dues	Production Company funded assumes 100%
26 Total Income to Producers	



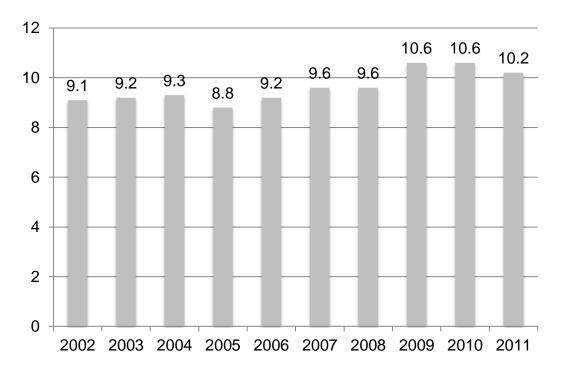
Summarized Flow of Funds Hot Foot! LLC.			
Hot Foot: LLC.			
Scenario	Base	Better	Best
Domestic Box Office	\$10,000,000	\$25,000,000	\$50,000,000
Domestic Income	\$20,708,114	\$74,191,229	\$125,882,885
	Less	Less	Less
Distribution Fees and Marketing Costs	\$15,349,934	\$58,707,369	\$92,439,865
Foreign Income	\$2,550,000	\$23,886,905	\$49,890,212
	Less	Less	Less
Foreign Distribution Fees and Deductions	\$892,500	\$8,360,417	\$17,461,574
	Less	Less	Less
Less Interest/Dues	\$0	\$0	\$0
Net Revenues to Collection Account (US)	\$7,015,680	\$32,260,348	\$65,871,657
Currency conversion	Base	Better	Best
Net Revenues to Collection Account (US)	\$7,015,680	\$32,260,348	\$65,871,657
Base Case Scenerio shows the level of world wide gross rev	renues that would deliver full recoup	ment to Investors (break e	ven)
Better Scenerio assumes the Film achieves the average gros	ss revenue performance for the like f	ilm data set on a world wi	de basis
Best Scenerio assumes the Film achieves the 100% above the			





U.S./Canada Box Office-All Films (US \$ Billions)

2012 Global boxoffice was \$34.7 billion and U.S. and Canada box office was \$10.8 billion.1

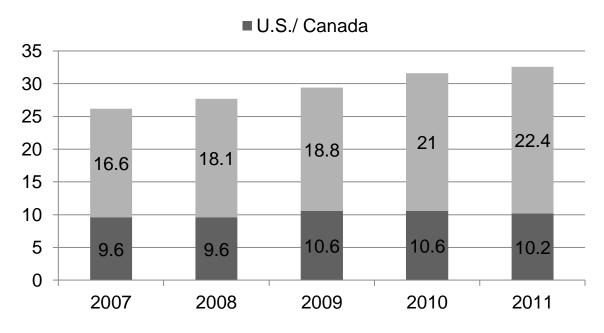


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
U.S./ Canada Box Office (US \$Billions)	\$9.1	\$9.2	\$9.3	\$8.8	\$9.2	\$9.6	\$9.6	\$10.6	\$10.6	\$10.2
% Change vs. Prior Year	12%	1%	2%	-5%	4%	5%	0%	10%	0%	-3%
% Change vs. 2011	11%	10%	9%	14%	10%	6%	6%	-3%	-3%	-



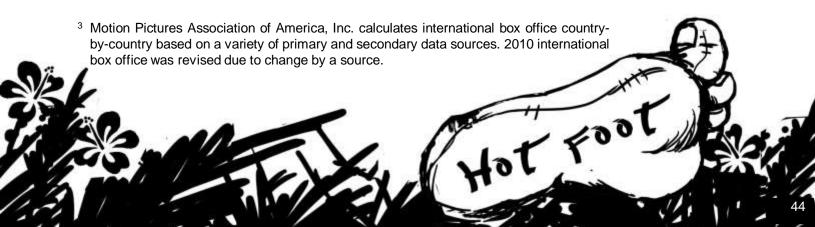
Global Box Office - All Films (US \$ Billions)

Global box office for **all films** released in each country around the world¹ reached \$34.7 billion in 2012 up from \$32.6-billion in 2011. The increase was due to an increase in international box office



	2007	2008	2009	2010	2011	% Change 2010 vs. 2009	% Change 2010 vs. 2006
U.S./ Canada ²	\$9.6	\$9.6	\$10.6	\$10.6	\$10.2	- 4%	6%
International ³	\$16.6	\$18.1	\$18.8	\$21.0	\$22.4	7%	35%
TOTAL	\$26.2	\$27.7	\$29.4	\$31.6	\$32.8	3%	24%

¹ Values in the report include all films released, regardless of distributor or origin, except where specified as subset.







Music THE MUSIC

Hot Foot!, LLC will score the picture with an original soundtrack that will fit the tone of the film. The score will drive the film's thematic undertones. However, as the musical period of the film (1971-1972) is among the most prolific and musically popular times of the last four decades, we have also set aside a significant part of our budget (\$477,000) to acquire licensing rights to music from that era. By combining an original score, together with well known rock classics we can musically replicate the picture's time period and pacing while reawakening the memories of timeless hits that many of us will never forget. In order to keep licensing costs in check, we will try to negotiate step deals with major artists based upon the scale of the film's distribution. In other words, licensing and fees to create the soundtrack and score the film for its initial debuts at film festivals may be much less than fees charged for a wide domestic and/or international theatrical release. Funds received from those sales can in turn be used to offset additional licensing fees as they come due. An alternative strategy involves hiring tribute bands who have already covered specific hits as a way to offset higher original artist licensing fees.

By weaving together our original score with selected music from various artists to formulate a soundtrack, we may generate subsequent revenue based upon the film's success. The music track will also help recreate a nostalgic journey to Hawaii in 1972 as the story follows the search for the kidnappers of the Hot Foot!.

Market

Although record sales have diminished due to the proliferation of free airplay, the revenues from sales of soundtracks can still be significant. In recent years, many soundtracks have landed on the U.S. billboard 200. Among the most successful was <u>Juno</u> that debuted at number eight on the list after it's first week of release, climbing to number three and two in the following weeks. The record has since become a platinum hit in the U.S. selling over 1,000,000 copies. <u>Twilight Saga: New Moon</u> soundtrack debuted at number two on the Billboard 200 albums chart and climbed to number one a week later selling 153,000 copies. The soundtrack was eventually certified platinum for total number of shipments and sales exceeding one million units. After licensing, royalties to producers and artists and marketing fees, a production company will usually retain 25% to 30% of the total sales. For example, if a label were to sell 2 million copies, a production company may clear between \$6 million and \$9 million in estimated additional revenues.

The following list of songs are representative of the era and presented as a way to recall the 1971-72 song period.

Top 50 hits from 1971

1 Stairway to Heaven-Led Zeppelin

2Imagine -John Lennon

3What's Going On-Marvin Gaye

4Let's Stay Together-Al Green

5Maggie May-Rod Stewart

6American Pie-Don McLean

7Won't Get Fooled Again-The Who

8Brown Sugar-Rolling Stones

9Just My Imagination-Temptations

10Family Affair-Sly and the Family Stone

11Theme from "Shaft" Isaac Hayes

12Me and Bobby McGee-Janis Joplin

13Baba O'Riley-The Who

14It's Too Late-Carole King

15Riders On the Storm-Doors

16Bang a Gong (Get It On)-T. Rex

17Rock and Roll-Led Zeppelin

18Tired of Being Alone-Al Green

19Changes-David Bowie

20Black Dog-Led Zeppelin

21Mercy Mercy Me-Marvin Gaye

22Roundabout-Yes

23Have You Seen Her-Chi-Lites

24Aqualung-Jethro Tull

25Long Cool Woman -Hollies

26Ain't No Sunshine-Bill Withers

27Respect Yourself-Staple Singers

28Without You-Nilsson

29Tiny Dancer-Elton John

30Smiling Faces Sometimes-Undisputed Truth

31Behind Blue Eyes-The Who

32LA Woman-Doors

33Mr. Big Stuff-Jean Knight

34Inner City Blues-Marvin Gaye

35A Horse With No Name-America

36Locomotive Breath-Jethro Tull

37Clean Up Woman-Betty Wright

38You've Got A Friend-James Taylor

39Slipping into Darkness-War

40Gypsies, Tramps & Thieves-Cher

41You Are Everything-Stylistics

42It Don't Come Easy-Ringo Starr

43Thin Line - Persuaders

44Hot Pants-James Brown

45I Feel the Earth Move-Carole King

46Love Her Madly-Doors

47Wild Horses-Rolling Stones

48Life on Mars?-David Bowie

49Take Me Home, - John Denver

50Betcha By Golly Wow-Stylistics

1Superstition Stevie Wonder

2Papa Was a Rollin' Stone-Temptations

3Smoke on the Water-Deep Purple

4Lean on Me-Bill Withers

5Heart of Gold-Neil Young

6Walk on the Wild Side-Lou Reed

7Sunshine of My Life-Stevie Wonder

8If You Don't Know Me - the Blue Notes

9I'll Take You There-Staple Singers

10Tumbling Dice-Rolling Stones

11Love Train-O'Jay

12You're So Vain-Carly Simon

130h Girl-Chi-Lites

14Take It Easy-Eagles

15I'll Be Around-Spinners

16Reeling in the Years-Steely Dan

17Rocket Man-Elton John

18School's Out-Alice Cooper

19All the Young Dudes-Mott the Hoople

20The Harder They Come-Jimmy Cliff

21Back Stabbers-O'Jays

22I Can See Clearly Now-Johnny Nash

23Burning Love-Elvis Presley

24I'm Still in Love With You-Al Green

25Listen to the Music-Doobie Brothers

26Alone Again - Gilbert O'Sullivan

27Crocodile Rock-Elton John

28Stuck in the Middle - Stealers Wheel

29I Saw the Light-Todd Rundgren

30Rock and Roll, Part 2-Gary Glitter

31Me and Mrs. Jones-Billy Paul

32Do It Again-Steely Dan

33Could It Be - Spinners

34Garden Party-Rick Nelson

35Go All the Way-Raspberries

36Freddie's Dead Curtis-Mayfield

37You Wear It Well-Rod Stewart

38Ziggy Stardust-David Bowie

39Saturday in the Park-Chicago

40Superfly Curtis-Mayfield

41Brandy-Looking Glass

42Time in a Bottle-Jim Croce

43Starman-David Bowie

44Suavecito-Malo

45Doctor My Eyes-Jackson Browne

46Love and Happiness-Al Green

47Summer Breeze-Seals and Crofts 48The Cisco Kid-War

49I'm Stone in Love With You-Stylistics

50I Am Woman-Helen Reddy