



**PRIVATE PLACEMENT MEMORANDUM**  
for the motion picture  
*DANCING JOY* by **Dancing Joy, LLC**

**DANCING JOY, LLC**  
Kathleen Tsubata (Managing Member)  
7752 Decatur Road  
Hyattsville, MD USA 20784  
(301) 577-1094

## Dancing Joy, LLC - PPM

This memorandum describes the formation and operation of a Limited Liability Company to engage in the business of motion picture production and financing.

The contents of this memorandum are confidential and are disclosed pursuant to a confidential relationship and may not be reproduced or otherwise used except for the purpose intended herein. This Private Placement Memorandum is in the English language and is intended only for the use of the individual over the age of 18 years of age and/or entity receiving it directly from Kathleen (Kate) Tsubata and/or Dancing Joy, LLC LLC.

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The interests described in this memorandum will not be registered under the Securities and Exchange Act of 1933 or any local securities law and are described as for investment only and not with a view to resale or distribution.

The purchase of interests described herein entails a high degree of risk and is suitable for purchase only by those who are qualified investors who can afford a total loss of their investment. Further, risk factors as contained in this memorandum (which does not include all possible factors) should be carefully evaluated by each prospective purchaser of a limited liability company interest herein.

The contents of this memorandum are not to be construed by any prospective purchaser of a limited liability company interest as business, legal, or tax advice and each such prospective purchaser will be required to demonstrate that he has the ability to evaluate the purchase of the limited liability company interests described herein or has retained the services of a representative who has such knowledge and expertise as may be necessary to evaluate purchase.

This memorandum is neither an offer to sell nor a prospectus, but is informational in nature.

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**The Business of the Limited Liability Company (LLC)**

Dancing Joy, LLC is a limited liability company made up of a Managing Member, Kate Tsubata, LLC, and various Members who have purchased units in the company to finance, produce and cause the distribution of a feature length documentary motion picture tentatively entitled "*Dancing Joy*".

The anticipated rating for the MPAA of this films is G or PG. The anticipated date for completion of the picture is December 31st, 2018.

The total initial capital required in from the Members is Three Hundred Sixty-Five Thousand Dollars (\$365,000).

One Hundred (100) Percent of the Class A Limited Liability Company ownership is being offered, with a recommended minimum buy-in of One Thousand Dollars (\$1,000) in member ownership.

Funds raised by the limited liability company for the production of the film will be put into a managed account established by/for the members under the name Dancing Joy, LLC until the "Total Production Budget" Threshold for *Dancing Joy* is raised minus organizational/filing fees and other necessary pre-production startup costs. The anticipated date for completion of financing is August, 2018.

The Manager strongly recommends that prospective Members carefully perform their due diligence and consider the risk factors described in this memorandum.

The address for the Manager shall be:

Kathleen Tsubata  
7752 Decatur Road  
Hyattsville, MD USA 20784  
(301) 577-1094

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**Distribution of revenues and allocation of profits & losses**

Revenues from a motion picture will be derived from domestic and foreign theatrical distribution, sales to television, as well as money making ancillary rights, such as digital streaming, Airline VOD, BluRay/DVD sales, pay cable and satellite television, soundtrack recordings, etc. Further details are provided later in this Memorandum.

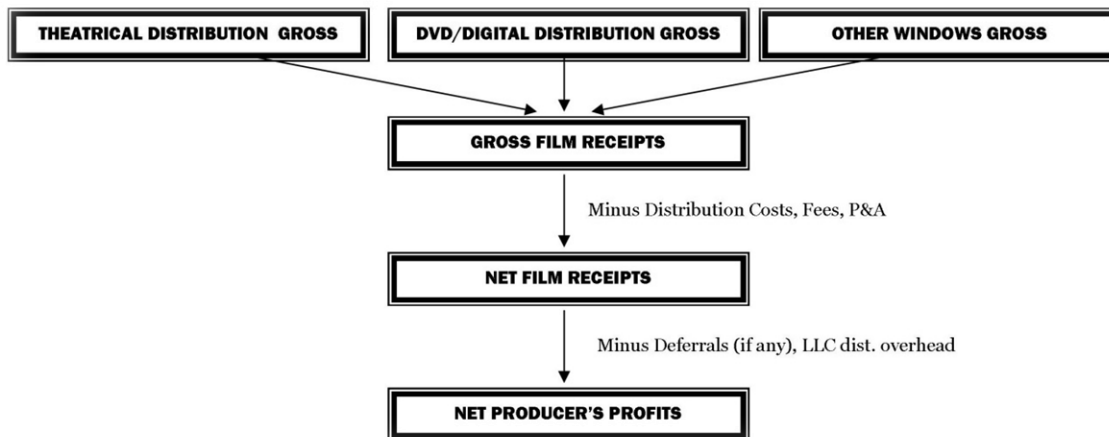
Revenues may be received by the LLC directly, or via a partner distribution company. Revenues received through distribution channels are called gross film receipts. Gross film receipts will be subject to distribution and merchandising costs, including prints and advertising, as well as any partner distributor's percentage or fees. After these deductions the gross film receipts shall equal net film receipts and shall be subject to production costs beyond the production financing limited liability company investment capital, such as loans, extended credit and deferred payments to talent and technical facilities, residuals not paid by the distributor, and the limited liability company overhead expenses.

After the foregoing deductions, the balance of net film receipts shall equal Dancing Joy, LLC distributable Net Producer's Profits, and will be distributed 100 percent to the Members until their initial participation value is recouped (First Position), plus a premium of 15 percent of initial participation value (Interest Return Equivalent).

Thereafter, Dancing Joy, LLC distributable Net Producer's Profits shall be distributed 50 percent to the Members holding Class A Member Ownership and 50 percent to the Managing Member. All distributions to members will be based upon Net Producer's Profits.

Charts

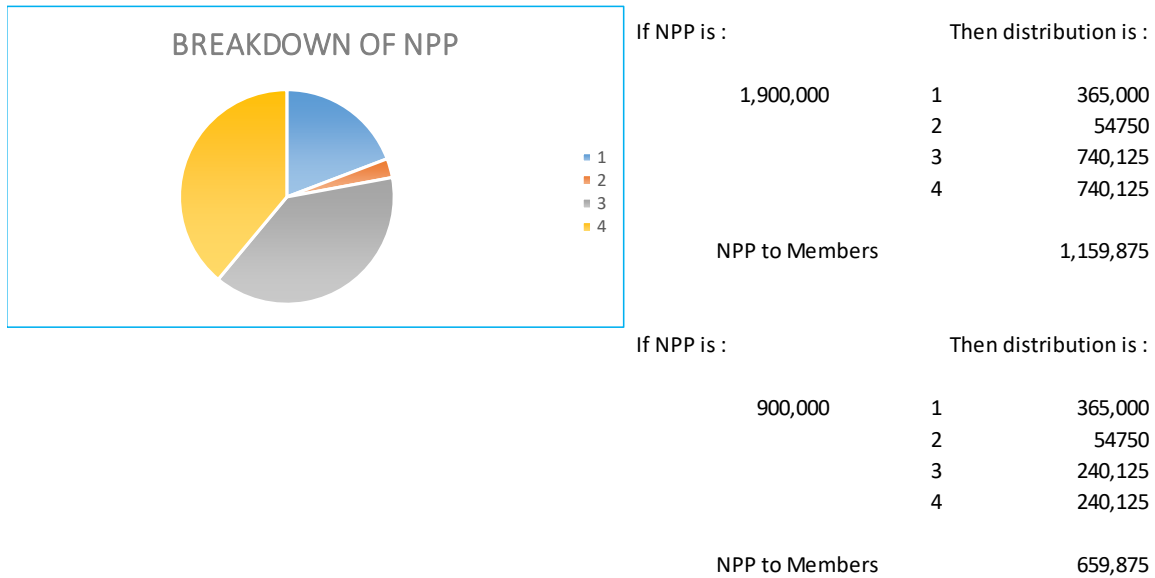
Figure One: Gross to Net



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Figure 2: Example: Division of Net Producer's Profits, first (theatrical) window.

- 1. Repayment of initial Member's Investment
  - 2. "Interest Return Equivalent"
  - 3 and 4. Division of remaining Net Producer's Profits between general and managing members.
- Owners of Members Units described in this Memorandum would receive 1,2, and 3 from Net Producer's Profits (NPP).



### **Tax Consequences**

It is the opinion of the Manager that tax consequences of an investment in the limited liability company may vary depending on the investor's personal tax status, and the Manager is not in a position to give tax advice or evaluate the tax consequences of this investment for any of the Members. The Manager recommends that all prospective Members consult their personal tax advisors regarding the projected tax consequences of the investment.

Certain risks to film production financing, as any profit participation structure, can also include federal income tax considerations, including:

1. The possibility of the Internal Revenue Service audits and resulting possibility of amendments to the LLC and Members' tax returns; and
2. Possible adverse tax consequences resulting from changes in the current tax code and/or administrative interpretations thereof; and
3. Tax liability on the part of Members in the event that the LLC assets (e.g. the Motion Picture) are transferred voluntarily or by liquidation or foreclosure, if at the time of transfer the liabilities of the LLC (e.g. for borrowings secured by the Letters of Credit) exceed the LLC's basis in its assets (resulting in a taxable gain); such tax liability would exist even though the LLC would have no cash to distribute to its Members.

### **Sale of Company Interests**

The units of ownership interest offered hereby has not been registered under the Securities Act of 1933, or any applicable state securities laws. Ownership interest is transferable only with the consent of the Manager, subject to certain conditions including registration under the Securities Act of 1933 and any state securities laws, or the receipt of an opinion of counsel that such registration is not required. As Members will have no rights to require registration of their units, ownership interest may only be resold in transactions exempt from the registration requirements of federal and state securities laws.

**Kate Tsubata, LLC**

The Managing Member of this Limited Liability Company is Kathleen (Kate) Tsubata. As a journalist who has worked globally, reporting on human development issues, Kate also pursued theater and music from her early teens, producing three albums of original songs with writing partner and composer Mehrdad Mizani. In 2002, she founded WAIT, teaching HIV and AIDS awareness through the performing arts. Gained skills in broadcast and film production through Public Access Cable, Dov S. Simens Film School and Kenny Chaplin's Film Industry Training Seminars. Wrote and produced three feature films (Soul Search, Cashing Out, Ai Means Love), and more than a hundred documentary and message videos. She has also worked on larger-scale productions for CMT, (NASCAR, The Rise of American Speed), the independent film "Money," and the National Restaurant Association.

As Manager, Kate Tsubata will coordinate all aspects of production before, during, and after principal photography including but not limited to cast and crew selection, budgeting, location coordination, selection of distribution partnerships, and exploitation of publicity venues and revenue windows.

To assist in the effort, the Manager has secured the assistance of Eric "Doc" Benson to serve as Executive Producer. Doc started out in the field of railroad management, eventually making the move to media in the late 1990's. First serving as a news producer, Doc later went on to manage a television station, act as an on-air talent and produce programming seen across the country. His first feature film, "Seven Deadly Words" received international distribution and earned Doc three "Best Director" awards. he later served as a producer, director, and actor for various projects on three continents.

In addition to his work in motion pictures, he is also a award-winning writer for his screenplays and has earned the "Top Columnist" award from the West Virginia Press Association. He served for 16 years as a pastor, and travels the country speaking at film festivals and conferences about the business of indie filmmaking.

Kate Tsubata maintains a physical office in the town of Hyattsville, Maryland, however Tsubata will travel to various location both within and without the United States in order to promote, produce, and distribute the completed Feature Documentary.

**Rights and obligations of the Members**

The Members in Dancing Joy, LLC have limited liability because their liability is limited to the extent of their capital contribution (i.e. their investment). The Members are protected against any liability beyond their investment, such as over budget costs, loans to the production, and lawsuits.

The Manager maintains total control over the development, financing, and production of the picture and in running the Limited Liability Company. This includes spending money, maintaining books, hiring personnel, scheduling production, negotiating contracts, and all other activities necessary for completion of the project. However, the Manager will from time to time approach investors for personal opinions regarding certain decisions to be made, in



order to involve the membership at large in as much of the overall experience and production of the films as is deemed possible.

Members are encouraged and welcomed to be part of the process of production of the film by serving in roles such as an on-camera extra or other skills in which the member is uniquely gifted, as determined by the Manager or his representatives. Further, no part of the investor relationship will preclude a member from serving in a paid capacity normally required for the completion of production.

The Manager recommends that anyone interested in becoming a Member should perform their due diligence in regards to Membership, and consult the operating agreement for a complete understanding of Membership rights and obligations.

### **Rights and obligations of the Manager**

The Manager maintains total control over the running of the business and total artistic control over the development and production of the film. This includes spending money, securing staff to maintain the books, hiring personnel, assembling components of the film package, negotiating distribution rights, structuring the production company, and all other activities necessary for completion of the project.

The contributions of the Management team shall be the experience, expertise, time, talent, ability, contacts and enthusiasm required to fulfill the company's stated purpose. The Manager has also made a significant financial investment in the ownership interest of the company.

The Manager intends to hire competent and qualified accountants from outside the company to oversee the limited liability company bookkeeping, in addition to qualified and experienced staff to maintain in-house records and coordinate payment processing.

Company records can be made available to the Members upon request. Upon completion of post-production, statements of limited liability company operations will be sent out to the Members on a semi-annual basis (two times a year).

The Manager recommends that anyone interested in becoming a member in the Limited Liability Company should consult the articles of organization for a complete understanding of the specific rights and obligations of the Manager.

### **Conflict of interest**

The services of the Manager are non-exclusive. The Manager retains the right to be involved with other projects, even similar projects that may be in competition with the activities of the limited liability company.

## **The Motion Picture**

Dancing Joy, LLC will create the legal framework necessary for the purpose of producing one individual Documentary film and all associated special features and bonus material typical of a release of a feature length documentary.

A production video log is available to be viewed at the film's website, <https://www.joydancemovie.com> and a brief description of the film's purpose and construction is provided in the following section.

### *DANCING JOY Synopsis*

*Logline: Dancers from around the world choreograph traditional movement to Beethoven's 9th Symphony as a vision of peace*

#### *Synopsis:*

*Dancing Joy (Working Title) is a unique film project. It combines aspects of documentary and feature narrative filmmaking. It involves the abilities and talents of artists all over the globe. It utilizes the new technologies available, but also draws on ancient and traditional culture of several dozen nations.*

*This film project seeks some 25 different dance groups from around the world, each of whom are steeped in a unique dance form, and each of whom have a specific purpose for their dance (preserving the history and culture of their people, overcoming challenges, performing sacred movement to honor their faith, etc.)*

*Each different group will be asked to choreograph their traditional movement to a small selection of Beethoven's Ninth Symphony. The film team will travel to the local area, film the dance, but also, film key aspects of the dancer's lives (surroundings, nature, daily life.)*

*The footage filmed in each different location will be edited together to the symphony to produce a singular dance drawn from around the globe, to the immortal music and words of Beethoven's Ninth Symphony.*

*The music itself was the culmination of Beethoven's life's work, written when he had lost his hearing to illness. For the first time in musical history, he incorporated the human voice into a symphony, in the fourth movement, with a choral section as complex as the instrumental. He chose to immortalize the words of a poem written earlier by Friedrich Schiller, "Ode to Joy," a passionate love letter to humanity and the divine spark that unites us all.*

*This music, with its refrain of "Freuden" (Joy) and "Allamenschen" (all mankind), has been linked to numerous developments of peace and reconciliation through history. In the same spirit, the filmmakers wish to reach out to people on every continent, in the most remote regions, to participate in the film. The intent is to build a story of human triumph and connectedness.*

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Why is this film significant?

Dance is both art and communication. It conveys culture in a visual and kinetic form. It is a language that transcends spoken word. Music is another transcendent form of communication. It reaches past mere cognition, into the human heart. Film can capture human experience in image, in sound and in movement. This film is conceived as a global journey of sight, sound and movement, that brings the audience along, and allows them to encounter each culture in a unique way. The marriage of authentic dance tradition with Beethoven's stirring tribute to humanity's common origin and connection is intended as a glimpse of a peaceful world. The film will illustrate what Schiller wrote, and what Beethoven composed, that joy is the joint inheritance of all people, and that we each are sparks of the divine.

Filming Location for *Dancing Joy*

The month of May will see filming take place in several states within the United States, with the bulk of the production taking place outside the United States in June and July. A schedule of travel internationally is provided below:

Travel plan:

08 JUN Washington DC (IAD) 5:10pm - Providence 6:44pm (arr. 08 JUN)

08 JUN Providence 9:25pm - Belfast 8:40 am (arr. 09 JUN)

11 JUN Belfast 5:20pm - London (LHR) 6:40pm (arr. 11 JUN)

11 JUN London (LHR) 8:50pm - Athens 2:25am (arr. 12 JUN)

14 JUN Athens 10:25pm to Istanbul 11:55pm (arr. 14 JUN)

15 JUN Istanbul 1:35am to Johannesburg 10:25am (arr. 15 JUN)

15 JUN Johannesburg 12:40pm - Gaborone 1:35pm (arr. 15 JUN)

17 JUN Gaborone 3:00pm - Addis Ababa 9:30pm (arr. 17 JUN)

17 JUN Addis Ababa 11:15pm - New Delhi 8:15am (arr. 18 JUN)

18 JUN New Delhi 12:55pm - Kathmandu 2:40pm (arr. 18 JUN)

20 JUN Kathmandu 9:45pm - Kuala Lumpur 4:45am (arr. 21 JUN)

21 JUN Kuala Lumpur 6:55am - Semarang 8:30am (arr. 21 JUN)

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23 JUN Semarang 2:15pm - Denpasar 4:35pm (arr. 23 JUN)

23 JUN Denpasar 10:00pm - Auckland 10:00am (arr. 24 JUN)

24 JUN Auckland 4:30pm - Nadi, Fiji 7:25pm (arr. 24 JUN)

27 JUN Nadi, Fiji 10:00am - Seoul 5:35pm (arr. 27 JUN)

30 JUN Seoul 9:20pm - Honolulu 10:45am (arr. 30 JUN)

02 JUL Honolulu 3:55pm - Chicago 5:00am (arr. 03 JUL)

03 JUL Chicago 6:30am - Baltimore (BWI) 9:18am (arr. 03 JUL)

Upon return from overseas, there will be follow up filming in the Midwest.

**Accounting services**

The limited liability company has communicated its intent to secure the end of tax year accounting services of Theresa Ngyuen, CPA. Her contact information is as follows:

Theresa Ngyuen  
1906 Atlas Dr.  
Papillion, NE 68133

**Legal services**

The limited liability company has secured as Attorney of Record:

Nicholas Chiaia  
7630 Little River Turnpike, Suite 305  
Annandale, VA. 22003

## Distribution

The distribution of an independent documentary feature film is somewhat different from that of a traditionally marketed product and, in fact, has changed dramatically in the last five years.

If you were producing sandwiches, you would determine your cost, add an appropriate markup for profit and overhead, and set about to secure customers: One product, one type of customer (hungry). In film distribution, the key is to secure as many “Windows” of revenue as possible, utilizing what may be three or four possible distribution channels for a varied number of end viewers.

All of these windows are designed to maximize revenue opportunities and may work either in conjunction with or independent of each other.

Other windows of revenue include Video on Demand (VOD), DVD/Blu-Ray sales, brick and mortar rental stores, pay cable, basic cable, internet streaming, Church licensing, foreign markets, and free television.

In the following section we will present the anticipated track for window exploitation, based upon preexisting distribution agreements and proven methodologies from other successful film ventures.

The industry has created windows of exploitation to maximize revenues at each stage of the value chain and avoid any clashes in the marketplace. These windows are starting to close up as the non-theatrical streams start to eclipse the original release in terms of revenue generation (although the cinematic shop window still remains the main driver of revenues throughout the chain in most cases) but are roughly as indicated below:

Theatrical: 0 - 6 Months  
Video/DVD: 6 - 15 Months  
Streaming: 6-18 Months  
Pay Per View: 15 - 18 Months  
Pay TV: 18 - 30 Months  
Free TV and Non-Profit Licensing: 30 + Months  
Foreign Markets: ????

The spectacular success of the home DVD market initially led to increased pressure on the video/DVD rental window with the major distributors keen to put their product into the retail market place as soon as possible. In the immediate future more films will be released simultaneously into the streaming and sell-through DVD/video windows. The traditional DVD rental window, which until recently lasted for about six months before titles transitioned into retail outlets, appears to have all but closed. This has led to the Pay per View window moving forwards with titles reaching television screens within several months of their theatrical release.

*DVD vs Blu-Ray*

In 2006, *A History of Violence* was the last VHS tape made of a major feature film. According to Standard & Poor's, DVD sales in 2008 accounted for \$16.2 billion, and DVD rentals generated revenues of \$7.5 billion. But DVD sales are on the decline according to information provided by Adams Media Research. The decline is attributed to the high price of DVDs, the downturn in the economy, and the popularity of streaming/on demand sites such as Netflix and Amazon Prime. DVD sales declines pose an ongoing risk for the industry, as DVDs are one of the industry's largest revenue sources.

Redbox, Amazon Prime, and Netflix are acclimating consumers to digital and hard copy renting rather than owning movies. These services pay one time fees for movie titles but do not share revenues with the production studios. The fee a production company can earn is often directly tied to the revenue numbers generated during the theatrical window.

Digital movie purchases surged 47% in 2013 to \$1.19 billion, according to data released by Digital Entertainment Group, an industry trade group. It was the fastest-growing category as total home-entertainment revenue inched up 0.7% to \$18.22 billion.

Industry analysts suggest that Blu-ray discs will replace DVDs once the prices of Blu-ray players and Blu-ray discs drop significantly. Yet market penetration of Blu-ray has been much slower than anticipated. Some suggest that all discs will be phased out and consumers will then obtain their films by direct streaming from Internet sources like Netflix, iTunes, and movielink or via satellite, thereby avoiding any physical discs. No one knows if physical discs will actually be completely phased out, though. For years, LP records became obsolete as CDs became the standard, but LPs are making a comeback as many consumers believe the sound quality of records is more authentic and pleasing.

*Internet and Mobile Security*

The greatest concern is protecting copyright. Studios fear that once they release a film online in digital format, they will lose all control over its subsequent use and distribution. In one effort to maintain control over online content, the studios are working with the computer industry to build copy-protection technology into hard drives. For instance, Microsoft's Windows contains a DRM (digital rights management) system called the Protected Media Path, which contains the Protected Video Path (PVP). PVP tries to stop DRM-restricted content from playing while unsigned software is running in order to prevent the unsigned software from accessing the content.

*Traditional Distribution Track*

The traditional method of one-time wide theatrical release is the primary marketing plan for secular independent and studio film production. In this approach, Acquisition Executives (AEs) from the Major, Mini-Major, and Mainstream Independent distribution companies are solicited via a showing of the film at one of the 20 key film festivals at which AEs attend. These run throughout the year, so one is always available at the time of completion of post-production.

AEs are made aware of the production through free notices placed in the *Hollywood Reporter* and *Daily Variety* charts of films in production, as well as the *FilmFinders* quarterly compendium, also free to the production.

Film festivals are a major marketing opportunity for independent features, and much of the publicity budget is directed at festival submission, attendance, and press kits for AEs. In Hollywood, many sales of films to distributors are called “popcorn deals” as they are made at the snack counter in the theater just after the showing of a film at a festival.

Other festivals also can create buzz, and attendance is valuable, but first and foremost attention must be made to the festivals frequented by AEs.

Executive Producer Doc Benson has utilized festival showings in the past to build awareness of feature films such as *Seven Deadly Words*, *Losing Breen*, and *Shadow of the Missing*. This awareness led to international distribution deals with various companies for all three films, receipt of numerous awards, and a screening during the Cannes Film festival.

The easiest type of deal made with a mainstream distribution house is a straight buyout, where the distributor pays one lump sum for rights to all theatrical exhibits in North America and the world, as well as rights to revenue streams from additional windows. Other deals are known as “Split-Rights” deals where distributors take portions of the stream, most commonly Theatrical, VOD, and DVD sales, and leave World distribution rights to the producer to sell. Most larger distributors spend excessive amounts on P&A (prints and advertising), and so they lose money in the theatrical window, in hopes that the advertising will inspire people to purchase the DVD or stream it online.

With regard to how much might actually flow back for the purposes of producers or financiers or agents below the distributor, there are three main types of theatrical distribution deal:

i. "Costs off the Top Deal": the distributor recoups their prints and advertising (P & A) spend from the net theatrical rentals. From the balance, the distributor retains a distribution fee of up to 50% and from the remaining balance recoups any advance plus interest before paying the final balance into the pot;

ii. "Net Deal": the distributor retains a distribution fee of up to 50% of the net theatrical rentals. From the balance, the distributor recoups P&A expenditure and any advances plus interest. The net receipts after these have been recouped are put into the pot;

iii. "Gross Deal": the producer / financier / agent receives an agreed percentage from the net theatrical rentals before any P&A spend or advances have been recouped by the distributor. Out of the balance, the distributor retains their distribution fee and recoups P&A spend, advances and interest. After recoupment, any remaining receipts are considered Gross Producer's Profits.

Of these three models, the net deal is the one most commonly used. The primary benefit of securing a major, mini-major, or presale theatrical distribution is to transition the film into an “American Movie” which greatly increases world revenues from the 35 international film markets. Foreign market sales for a movie with a major theatrical

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distribution can range from 3 to 10 million on average. Without theatrical distribution, foreign sales rarely amount to more than \$100,000.

The international box office has accounted for slightly less than half of the major studios' total income from theatrical markets since the 1960s. The international market for U.S. films continues to grow. Standard & Poor's estimates that, in 2008, foreign consumers spent nearly \$18 billion watching U.S. movies (the worldwide box office is \$28 billion, including nearly \$10 billion of domestic box office revenue). The largest foreign consumers of films are those in the U.K., Japan, Germany, France, Spain, and Australia/New Zealand. Of course, not all of the \$18 billion in revenues went to U.S. studios because the exhibitors kept approximately 50% of box office receipts.

Massive profit potential exists in the Mainstream Distribution channels, as demonstrated by the following chart of the top 20 Theatrical Grosses for Documentary films.

### Documentary 1982-Present NOTE: Documentary as sub-genre of Non-Fiction.

<u>Rank</u>	<u>Title (click to view)</u>	<u>Stu- dio</u>	<u>Lifetime Gross / Thea- ters</u>	<u>Opening / Theaters</u>	<u>Date</u>
1	<a href="#"><u>Fahrenheit 9/11</u></a>	<a href="#"><u>Lions</u></a>	\$119,194,771    2,011	\$23,920,637    868	<a href="#"><u>6/23/04</u></a>
2	<a href="#"><u>March of the Penguins</u></a>	<a href="#"><u>WIP</u></a>	\$77,437,223    2,506	\$137,492    4	<a href="#"><u>6/24/05</u></a>
3	<a href="#"><u>Justin Bieber: Never Say Never</u></a>	<a href="#"><u>Par.</u></a>	\$73,013,910    3,118	\$29,514,054    3,105	<a href="#"><u>2/11/11</u></a>
4	<a href="#"><u>Michael Jackson's This Is It</u></a>	<a href="#"><u>Sony</u></a>	\$72,091,016    3,481	\$23,234,394    3,481	<a href="#"><u>10/28/09</u></a>
5	<a href="#"><u>2016 Obama's America</u></a>	<a href="#"><u>RM</u></a>	\$33,449,086    2,017	\$31,610    1	<a href="#"><u>7/13/12</u></a>
6	<a href="#"><u>Earth (2009)</u></a>	<a href="#"><u>BV</u></a>	\$32,011,576    1,804	\$8,825,760    1,804	<a href="#"><u>4/22/09</u></a>
7	<a href="#"><u>Chimpanzee</u></a>	<a href="#"><u>BV</u></a>	\$28,972,764    1,567	\$10,673,748    1,563	<a href="#"><u>4/20/12</u></a>
8	<a href="#"><u>One Direction: This is Us</u></a>	<a href="#"><u>TriS</u></a>	\$28,873,374    2,735	\$15,815,497    2,735	<a href="#"><u>8/30/13</u></a>
9	<a href="#"><u>Katy Perry: Part of Me</u></a>	<a href="#"><u>Par.</u></a>	\$25,326,071    2,732	\$7,138,266    2,730	<a href="#"><u>7/5/12</u></a>
10	<a href="#"><u>Sicko</u></a>	<a href="#"><u>LGF</u></a>	\$24,540,079    1,117	\$68,969    1	<a href="#"><u>6/22/07</u></a>
11	<a href="#"><u>An Inconvenient Truth</u></a>	<a href="#"><u>ParC</u></a>	\$24,146,161    587	\$281,330    4	<a href="#"><u>5/24/06</u></a>
12	<a href="#"><u>Bowling for Columbine</u></a>	<a href="#"><u>UA</u></a>	\$21,576,018    248	\$209,148    8	<a href="#"><u>10/11/02</u></a>
13	<a href="#"><u>Oceans</u></a>	<a href="#"><u>BV</u></a>	\$19,422,319    1,232	\$6,058,958    1,206	<a href="#"><u>4/22/10</u></a>



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14	<b><u>Bears</u></b>	<u>BV</u>	<b>\$17,780,194</b>	1,790	\$4,776,267	1,720	<u>4/18/14</u>
15	<b><u>Monkey Kingdom</u></b>	<u>BV</u>	<b>\$16,432,322</b>	2,012	\$4,577,861	2,012	<u>4/17/15</u>
16	<b><u>African Cats</u></b>	<u>BV</u>	<b>\$15,428,747</b>	1,224	\$6,003,200	1,220	<u>4/22/11</u>
17	<b><u>Madonna: Truth or Dare</u></b>	<u>Mira.</u>	<b>\$15,012,935</b>	652	\$543,250	51	<u>5/10/91</u>
18	<b><u>America (2014)</u></b>	<u>LGF</u>	<b>\$14,444,502</b>	1,105	\$38,608	3	<u>6/27/14</u>
19	<b><u>Capitalism: A Love Story</u></b>	<u>Over.</u>	<b>\$14,363,397</b>	995	\$231,964	4	<u>9/23/09</u>
20	<b><u>A Beautiful Planet</u></b>	<u>Imax</u>	<b>\$14,084,865</b>	155	\$223,983	137	<u>4/29/16</u>

But of course, past performance of these films is not a guarantee of future success. Over time, the percentage of people who actually go to a movie theater has declined from a high of 65% of the population in 1930 (before television) to about 10% over the last several decades. Box office attendance has been decreasing for several reasons--chief among them the smorgasbord of entertainment options, such as video games, music, movies, television, and user-generated content (as might be viewed on social network sites) in a variety of formats and through innovative methods of delivery that include online and mobile devices.

These easy-to-access options compete with the motion picture industry for consumer dollars--a scenario very different from that of the 1930s when consumers had no other option but to attend a theater if they wanted to see a movie. Today approximately three out of four people prefer to watch movies in locations other than a theater because their satisfaction with the movie theater experience has declined, citing high ticket prices, boring commercials, rude behavior among other patrons, and dirty theaters.

Second, box office revenues have reached this record level primarily because of the large increases in ticket prices. For instance, in 1930 the average ticket price was \$0.24, in 1990 it was \$4.25, and in 2008 it was \$7.18. In major cities, the average movie ticket costs \$11 on a weekday and \$13 on weekends, so, at these prices, many consumers wait to see a film in the comfort of their own homes.

Third, movie piracy, especially illegal downloads from the Internet, affects revenue. The Motion Picture Association of America (MPAA) estimates that more than \$6.1 billion of revenue was lost because of piracy. While most piracy occurs in China, Russia, and India, the U.S. has its fair share. Piracy takes many forms, the most common being the unlawful release of a stolen print that is then uploaded to a file-sharing site, such as Pirate Bay. A recent high-profile case of piracy involved the film X-Men Origins: Wolverine. In early April 2009, an almost completed, illegal copy leaked onto the Internet, and approximately one million people illegally downloaded it. Fortunately for 20th Century Fox, the film had a very strong box office weekend opening of \$85 million. Nevertheless, while hard to estimate, a great deal of revenue was still lost because of piracy.

Mainstream film distributors take an average of 75% of consumer revenue from retail video/DVD activity compared to about 25 - 33% from rental activity (hence their keenness to get titles into the sell-through market as quickly as possible). There are various kinds of video/DVD distribution deals.

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Rental royalty deal: distributor pays royalty to producer / financier / agent of 35 - 45%.

Rental "Off the Top" deal: distributor takes fee of between 25 and 35%, deducts their costs (typically up to 25%) and remits the balance to the producer/financier/agent.

Retail royalty deal: distributor pays royalty to the producer / financier of 12.5 to 20%.

Retail "Off the Top" deal: distributor takes fee of between 25 and 35%, deducts their costs (typically up to 50%) and remits the balance to the producer/financier/agent.

Royalty deals, under which the distributor usually keeps more of the revenues, tend to be more common.

With television windows, the structure is somewhat different. VOD services retain about 40 to 50% of the viewer's fee, recoups the distributor's advance and pays any balance to the distributor. The distributor usually retains around 25 to 35% in commission and remits the balance to the producer / financier / agent.

With Pay Cable sales (HBO , Etc.) a fixed fee is paid to the distributor (ranging from \$50k to \$1.2m) and dependent upon on the film's performance at the Box Office. The distributor takes between 25 and 35% commission with the balance to the producer / financier / agent.

Free TV: the license fee paid by the broadcaster usually depends on the film's Box Office performance. The distributor takes percentage fees of between 25 and 50%, with the balance to the producer / financier / agent.

While a mainstream theatrical buyout would potentially create unknown distribution opportunities, it is more likely that "Dancing Joy" will be theatrically distributed using a method and distributor that has already committed to the success of this endeavor.

### *Road Show Presale Theatrical Distribution Track*

For Documentary films that do not garner a mainstream theatrical distribution channel, there is an incredible and proven opportunity in the use of "road show" distribution networks for theater release.

In this approach, the film is exhibited at a number of smaller, market centered film festivals to create awareness and garner media attention. After successful festival submissions, three to twenty "prints" or digital 2k and 4k files DCP are created and placed on specially designed hard drives. Deals are then made with between 50 and 300 theater markets in America through a small independent distributor, placing the film in theaters on a rotating basis across the country with a large media and promotional "push" at between 6 and 30 markets on an opening weekend.

Tickets are presold for these showings by creating partnerships with local pastors and churches, thereby guaranteeing high turnout and large "per screen" grosses during the opening weekend. The large per screen numbers catch the attention of other theater owners and the film media, creating a demand for additional prints. Further per screen distribution

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grosses are reported to the trades and mainstream distributors. The entire process can take upwards of nine months. However, total theatrical grosses can and have exceeded several million dollars.

As always, past performance of other projects is not a guarantee of future returns for any project. In addition, not every film project is able to recover expenditures during the theatrical window. Hence the secondary desire to exploit other revenue windows such as digital sales.

While a theatrical gross of a couple million dollars for *Dancing Joy* may seem small in today's mega budget Hollywood production environment, it would be considered a success in the world of independent film, and would create the conditions need to potentially repay and reward member's investment even before exploitation of other revenue windows.

According to a recent article in the industry magazine IndieWire entitled *Hybrid Distribution: One-Night-Only Screenings Could Make Your Documentary a Theatrical Hit*, Peter Broderick reviewed distributor Richard Abramowitz's success of combining one night screening events with week long theatrical runs. We are including the text of that article in this PPM for your consideration.

The dream of a national theatrical release still burns bright for most feature documentary filmmakers, but the reality is that traditional releases with week-long runs across the country have gotten much harder. Exhibitors complain that too many movies are opening, while viewers are increasingly watching documentaries at home via Netflix, PBS, HBO, iTunes or Amazon.

Knowing how challenging theatrical has gotten, it's exciting to discover an innovative alternative model for releasing documentaries, which I call "Hybrid Theatrical Distribution." It combines full runs in selected cities where seven-day engagements are viable and single special event screenings in many other cities.

Richard Abramowitz, one of the earliest and most successful pioneers of this approach, has been utilizing a hybrid approach to achieve remarkable results, most recently with "The Beatles: Eight Days a Week – The Touring Years." During a series of in-depth interviews, Abramowitz revealed why, and under what circumstances, Hybrid Theatrical Distribution can be the optimal method for releasing a documentary nationwide.

### One Night Engagements

In 2011 Abramowitz had a significant breakthrough with "Pearl Jam Twenty," Cameron Crowe's documentary on the 20th anniversary of the rock band. He arranged full-week runs in six cities and one-night engagements in 55 locations. Abramowitz chose markets by geo-targeting the band's fan club and utilizing the band's touring schedule and airplay results. Even though not a penny was spent on paid ads, the film grossed \$471,000, exceeding all expectations.

This release showed Abramowitz the true potential of one-night theatrical engagements. Their key benefits include:

**Urgency:** Films that can only be seen on a single night are more compelling to attend than films that will have many screenings daily for a week or more. Too often friends tell Abramowitz they can't wait to see one of his films but then miss all theatrical screenings and end up watching it at home.

**Community:** A special event screening in a theater provides a unique opportunity for viewers to experience a film with other members of their core audience or tribe.

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**Cost-Effectiveness:** The economics of one-night engagements are significantly better than those of full-week runs. Instead of having to pay a Virtual Print Fee for a whole week, the fee is prorated for a single screening. Abramowitz and his clients receive 50% of ticket sales for single engagements, which is a better split than they get for week runs, which is around 43%. Abramowitz emphasizes that the lack of an ad spend is what really increases the margin, as social media is utilized in place of paid advertising.

He is also able to make a persuasive case for single screenings to exhibitors, arguing that a special event will bring in more people than usually attend on a Monday, Tuesday, or Wednesday night, and sell more tickets and more concessions.

### Hybrid

Abramowitz combines these one-night engagements with full-week runs in two or more markets, including New York City (where there is the most prominent media) and Los Angeles (which is a tough market but can enable Oscar-qualification in tandem with New York). The benefits of this Hybrid Theatrical Distribution include:

**Flexibility:** If a single screening sells out in advance, it is usually possible to schedule a second screening the same night in that theater. If a film has a very strong opening nationally, it is often possible to convert successful single engagements into full seven-day bookings the following week.

**National Release:** A rollout mixing two or three full runs with many single night engagements will be perceived by the press and the public as a national release. Two or three full runs without complementary single engagements won't be.

**Awareness:** The challenge of every film is how to achieve a critical mass of awareness. While major studios can afford to buy an audience for the first weekend, independent filmmakers cannot. Independents need to target core audiences. The more members of a core audience who see a film, like it, and spread the word within that audience, the better. The excitement and buzz they generate will help a film in each subsequent stage of its distribution, including non-theatrical screenings, educational sales, television, digital and DVD.

### When a Hybrid Will Work

Abramowitz emphasizes the importance of being clear about the goals for a theatrical release. Many of the films he has worked with have focused on maximizing impact rather than revenues. Recent social issue films have included: "This Changes Everything" (which played full-week runs in New York, Los Angeles and three other markets, and single engagements in 92 other cities) and "Time To Choose" (which had 19 full-weeks and 78 one-nighters).

In other cases, the primary goal was marketing. For "Pearl Jam Twenty," the objective was to keep the band visible when it was not touring and didn't have a new album. It was important for Pearl Jam to maintain a personal connection with their fans. The fact that Abramowitz could send their record label a check for a couple hundred thousand dollars was an unexpected bonus. Abramowitz learned from "Pearl Jam Twenty" that you can work with music-related films in a very cost-effective way. Since then he has handled several music films, including "Zen of Bennett" (Tony Bennett), "In Your Dreams" (Stevie Nicks) and multiple Neil Young films. What he has learned from these is it is better to have more of a character-based music film, rather than a straight concert film.

When Abramowitz analyzes the theatrical possibilities for a film, he considers how "tribal" it is. Music-related films can appeal directly to a performer's loyal fan base. Political films can appeal to individuals and organizations engaged with specific social issues. Mind-body-spirit films can appeal to people devoted to certain beliefs.

In 2014 Abramowitz handled the theatrical release of "Awake: The Life of Yogananda," which was very successful, grossing \$1.4 million. Counterpoint Films, the North American distributor of the film, hired Abramowitz to book the film into theaters. He began with week runs in three cities, and ten single engagements. Many of the single engagements were so successful they

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turned into multiple-week runs. “It was an exceptional release,” said Abramowitz. “It was not an amorphous New Age movie, but a film about a specific person with a specific organization — the Self-Realization Fellowship — supporting the release. We could call SRF’s office and request that devotees attend a 7pm Friday night show with three friends, and they would be there with three friends.”

Last year he opened “The Beatles: Eight Days a Week – The Touring Years” theatrically while it was available on Hulu at the same time. He began with 60 full-week runs and 90 one-night engagements. The film was overwhelmingly successful, enabling him to bump up at least a third of the one-night engagements into full-week runs. The film grossed \$2.9 million theatrically.

It benefitted from director Ron Howard’s active promotion of the film and 30 minutes of rare bonus footage of a Beatles Shea Stadium concert that was only available in theaters (not on Hulu or the DVD)

“Never underestimate the Beatles, who are the exception to every rule,” said Abramowitz, who noted that film’s uniquely multi-generational audience, spanning from grandparents to grandkids.

### Preparation

Abramowitz cautioned that maximizing a hybrid release requires at least four months of outreach. He emphasized the importance of social media in attracting core audiences and the need to make single engagements special events rather than just screenings. He organizes post screening discussions as often as possible. For “Mr. Gaga” he arranged for instructors (Gaga is a movement language developed to help dancers reconnect to the way they move) to lead the audience in five-minute exercises after screenings.

Allowing lead time for the bookings is also essential, more so for the full-week runs than the one-nighters. Abramowitz noted that theaters are less eager to work directly with filmmakers than with experienced bookers. “Exhibitors are too busy to go through ‘Distribution 101’ each time,” said Abramowitz.

Filmmakers who would like to arrange single-night engagements, but are not working with a booker, may not be able to negotiate no-fee bookings with a 50/50 split. Instead the theater may require renting the theater, which is known as “four-walling.” If so, rental costs are lowest on Monday and Tuesday nights and filmmakers keep 100% of ticket sales.

It is also possible to use Tugg or Gathr, which can arrange single theatrical screenings if a minimum number of tickets are purchased in advance. Another option is to organize single screenings outside of theaters—on campuses, in libraries and museums, and at churches, JCCs, and other venues.

For films with a substantial core audience that can be activated, Hybrid Theatrical Distribution can be the best way to maximize a national release. It’s more cost-effective than a full traditional theatrical release, and has a built-in flexibility if a film exceeds expectations. Any documentary filmmaker considering a US theatrical release should explore whether Hybrid Theatrical Distribution is the best approach.

### *Streaming Windows*

These large numbers for a film of limited release have in the past automatically triggered spending thresholds by digital distributors such as Netflix. For instance, a three million dollar box office gross permitted Netflix to pay a use and rights fee of approximately \$ 500,000. Some independent distribution houses possess a push-through relationship with Netflix based upon Theatrical grosses. For Instance, the Christiano Brothers have a deal that

gives them a rate of 17% of gross for films distributed on 599 screens of less, ensuring a sale after theatrical release.

### *Licensing*

In addition to exploitation of the subsequent windows utilized under the traditional mainstream track, there is the addition of an additional window. This window will be used as an ongoing means of profitability. We will call the window "Licensing".

A number of movies are licensed for home use only, therefore, to show these films in a public setting, an additional license is required. For 50 years, the Faith-based film industry had survived from churches and groups renting and showing films, mainly in the congregation. But, in the 1990's, the rental of films virtually came to a complete halt. Now, we are seeing a revived interest as more churches recognize the power of films and are showing movies to their congregation again.

Churches, synagoges, and other religious institutions consider the public showing of movies by churches as helpful for two main reasons. First, churches wish to present an alternative to "inappropriate" cultural cinema options. It is believed by church media experts that movies shown in congregations can be powerful in presentation value. Secondly, there is a lack of moral based films due to a lack of funding to produce new films. A Hollywood film has the box office in theaters to gain income.

Another distribution chain not normally utilized as a window is the Christian Book stores/book distributors. Sales through these markets generally equate in operation to secular online and retail distributors such as Amazon.com.

Once the film is completed, it is estimated that approximately one (1) year will be necessary for recoupment of production costs through normal distribution channels. The producers intend to use their best efforts in securing a distribution pattern that will not only maximize the rate of return to the Members, but also to work to insure that a generous profit can be realized.

### **Budgetary Considerations**

The production anticipates expenditures to produce *Dancing Joy* at \$ 364,409.96, which will be met through member investment and offset through product placement, inserted advertising, and negotiated reductions via gifts in kind.

### *Product Placement and Inserted Advertising*

Product placement, or embedded marketing is according to the European Union any form of audiovisual commercial communication consisting of the inclusion of or reference to a product, a service or the trade mark thereof so that it is featured within a program. Product placement stands out as a marketing strategy because it is imperative to attach the utmost

importance to the context and environment within which the product is displayed or used.

Actual product placement falls into two categories: products or locations that are obtained from manufacturers or owners to reduce the cost of production, and products deliberately placed into productions in exchange for fees. In Amanda D. Lotz's book *The Television will be Revolutionized* she refers to two classifications within these two categories, what she refers to as "basic" and "advanced" placement. Basic placement is when the logo of an object or a brand name is visible but the characters don't draw attention to the brand. Advanced placement is when the product or brand is mentioned by name by characters in the movie.

For the indie filmmaker, product integrations can be helpful in offsetting production costs, such as props, wardrobe, picture vehicles and signage, even if the brand doesn't pay for the placement. For example, Nathan Pettijohn, Founder CEO of Corduroy branding arranged integrations for one film that shot in rural Colorado. Pettijohn reached out to local vineyards and used their wine for the scenes, getting them exposure and helping the film on cost of props. That film's budget was somewhere near 300k and the product/wardrobe secured was worth somewhere near 30k in rental or purchase costs.

Utilizing the services of companies such as Green Product Placement and Stone Management, Contact can be made with products and companies beyond the scope of the management's normal communication lines, allowing for broader placement opportunities and greater cost savings.

#### *Gift In Kind Offsets*

A gift-in-kind means a gift of goods, services, and property, other than cash. In relation to the film project, it can include props, accommodations for cast or crew, donations of real estate space, food and beverages for craft services and catering, vehicle usage, wardrobe, and personal items. Such gifts are often made for charitable purposes and will be coordinated through church partnerships.

In the movie *Seven Deadly Words*, many thousands of dollars were saved thanks to donated items, space, and services that the production company on that film would have otherwise been required to purchase. Thanks to relationships already forming between Kate Tsubata and local business/churches, it is anticipated that this will occur on "Dancing Joy" production as well. Many items currently budgeted for would no longer require expenditures, effecting a reduction in actual expense.

**Timetable for *Dancing Joy***

The following is a tentative time table for the benefit of the member to better understand the time involved in making a motion picture. These are not firm commitments, but are anticipated time periods and may change as need requires.

<i>April - May</i>	<i>schedule polishing begin casting develop crew allocation complete location scouting lock production schedule secure LLC members</i>
<i>May</i>	<i>casting completed crew allocation completed locations secured begin filming domestically secure remaining LLC members</i>
<i>June</i>	<i>International Travel Filming</i>
<i>July 4th</i>	<i>end international production</i>
<i>July</i>	<i>Complete domestic filming begin editing</i>
<i>Aug. - Nov.</i>	<i>first cut completed second cut completed</i>
<i>Dec. - Jan.</i>	<i>fine cut completed sound editing completed mix sound begin festival submission process</i>
<i>Feb.-Mar.</i>	<i>begin first trial answer printing test market screening screen answer print at festivals</i>



**Risk Factors**

Investment in the film industry is highly speculative and inherently risky. There can be no assurance of the economic success of any motion picture since the revenues derived from the production and distribution of a motion picture depend primarily upon its acceptance by the public, which cannot be predicted.

While the Documentary film market has generally shown acceptance and profitability, the commercial success of a motion picture also depends upon the quality and acceptance of other competing films released into the marketplace at or near the same time, general economic factors and other tangible and intangible factors, all of which can change and cannot be predicted with certainty.

The entertainment industry in general, and the motion picture industry in particular, are continuing to undergo significant changes, primarily due to technological developments. Although these developments have 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 motion pictures.

In addition, the theatrical success of a motion picture remains a crucial factor in generating revenues in other media such as streaming 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 predict the overall effect these factors will have on the potential revenue from and profitability of feature-length motion pictures.

The Company itself is in the organizational stage and is subject to all the risks incident to the creation and development of a new business, including the absence of a history of operations and minimal net worth. In order to prosper, the success of *Dancing Joy* will depend partly upon the ability of management to produce a film of exceptional quality at a lower cost, which can compete in appeal with higher-budgeted films of the same genre.

In order to minimize this risk, management plans to participate as much as possible throughout the process and will aim to mitigate financial risks where possible. Fulfilling this goal depends on the timing of financing, the ability to manage distribution contracts with satisfactory terms, the obtaining of quality crew and talent, and the continued participation of the current management.

The ultimate revenue generating capacity of this Company is contingent upon sufficient capitalization of the Company as described in this Private Placement Memorandum. The Managing Member represents to each Class A Member that production and distribution operations for this venture will occur in stages as set forth in the Production Budget and Investment Thresholds below. There is an inherent risk that if the Company achieves less than 100 percent capitalization required to complete the project, it will result in the necessity of the management team to develop alternative sources for completion funds such as presales of foreign markets, completion loans against returns, advance sales of distribution windows, downsizing of talent, etc. In such an event, the Managing Member reserves the right to make such changes in the operating plan described in this document and the Operating Agreement

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that accompanies it to achieve final distribution of the film project contemplated herein. If any such operational modification includes some form of completion loan indebtedness, no Class A Member would be held personally liable for any portion of the repayment of such completion loan. However, due to the challenges a partially funded film product may face in seeking ultimate distribution of the film product, incomplete capitalization resulting in any modification to the operational plan for this project, including completion loan indebtedness, would impact the return of investment to Class A Member investors.

Each Class A Member understands that feature length documentary filmmaking is a highly complex project that occurs in several stages of preparation, development, production, marketing, and distribution. Each of the stages of this project described in the Production Budget and Investment Thresholds below will occur and be triggered by the Company achieving the Class A subscription thresholds set forth in this document. At each subscription threshold stage, the expenditure of Class A investment capital for the activities contemplated at that stage will occur as reasonably possible within the timeframes set forth for each stage set forth in this Private Placement Memorandum.

## Current Production Team Attachments and Partnerships

### **Kate Tsubata, Producer**

As a journalist who has worked globally, reporting on human development issues, Kate also pursued theater and music from her early teens, producing three albums of original songs with writing partner and composer Mehrdad Mizani. In 2002, she founded WAIT, teaching HIV and AIDS awareness through the performing arts. Gained skills in broadcast and film production through Public Access Cable, Dov S'simens Film School and Kenny Chaplin's Film Industry Training Seminars. Wrote and produced three feature films (Soul Search, Cashing Out, Ai Means Love), and more than a hundred documentary and message videos. She has also worked on larger-scale productions for CMT, (NASCAR, The Rise of American Speed), the independent film "Money," and the National Restaurant Association.



### **Henrik Meyer, Director of Photography**

Henrik A. Meyer studied cinematography while working in the field, since 1996. He has worked as first AC with award-winning cinematographers and directors in Denmark and the U.S. including work on three International Emmy® Award-winning series, including UNIT 1 and FORSVAR with acclaimed director Niels Arden Oplev (director of THE GIRL WITH THE DRAGON TATTOO, Swedish version). As a freelance cinematographer, he has done narrative features, shorts, documentaries, music videos and commercials. MEDICINE MEN won 4 awards of excellence, was an official selection for the Short Film Corner 2012 at Festival de Cannes. CIGARETTE was selected for several festivals around the world. An accomplished still photographer who has traveled to 36 countries, he has won awards for his travel photography. Speaks several languages.

### **Lan Tsubata Lee, Dance Coordinator**

"Born to Dance" could caption Lan's story. Since childhood, she has always been able to see, and replicate, nearly any dance or movement. Trained in ballet and martial arts, she also studied and performed hip hop, Spanish Classical dance, Ballet, African and Modern. She began choreographing and has incorporated traditional movement into contemporary dance work performing before thousands of audiences in venues around the world. A skilled public speaker, Lan has entertained audiences both in live events and on-camera, appearing in several speaking roles in films but also, hosting her own podcast "Pajama Mama Drama." In this production, she will be hosting a "behind the scenes" vlog of the making of the movie, titled "Following Joy." Lan speaks conversational Korean.



### **Yousuke Kiname, First Camera**

Born in the USA but raised in Japan, Yousuke returned to the US and graduated NYU with BFA in film. Since then, Yousuke has worked continually in productions for television, film web and commercial usage. His skills include cinematography, electrician, drone operator, and Director of Photography. He has native speaker proficiency in English and Japanese.

**Mie Smith, Film Editor**

Beginning with a one-year training and internship at a local public access cable television facility, Mie continually developed her skills in production and editing for both broadcast and video projects. Co-owner of LightSmith Productions since 2005, she has shot hundreds of projects in the U.S. and overseas. Her editing projects included more than a hundred short-form corporate videos, including start-ups, large established companies, and government clients. She has co-produced three full-length feature narrative films: "Soul Search," "Cashing Out," and "Ai Means Love." She served as unit production manager on "Seven Deadly Words." She has shot and edited more than 20 dance productions. Her work has received awards in film festivals and has delighted audiences around the world.



**SunJae Smith, Post-production Consultant**

By the time he graduated Shepherd University with a Bachelor's in Communications, SunJae had already started his own production company, LightSmith Productions, producing dozens of high-impact video products for corporate, nonprofit and institutional clients. He was DP on four independent full-length movies, and developed his animation skills, creating dozens of explanatory videos for clients to help them attract customers and investors. He joined the National Restaurant Association in 2012, producing more than 60 videos each year, featuring high-profile industry leaders and politicians as well as smaller independent restaurateurs. Most recently, he has added drone aerial shooting to his existing specialties--food prep shooting, time-lapse, and good use of slow motion.

**Eric "Doc" Benson, Executive Producer**

Doc started out in the field of railroad management, eventually making the move to media in the late 1990's. First serving as a news producer, Doc later went on to manage a television station, act as an on-air talent and produce programming seen across the country. His first feature film, "Seven Deadly Words" received international distribution and earned Doc three "Best Director" awards. he later served as a producer, director, and actor for various projects on three continents. In addition to his work in motion pictures, he is also a award-winning writer for his screenplays and has earned the "Top Columnist" award from the West Virginia Press Association. He served for 16 years as a pastor, and travels the country speaking at film festivals and conferences about the business of indie filmmaking.



**Theresa Nguyen, Accountant**

Theresa Nguyen is a CPA registered in the State of Nebraska and works for HDR, Inc. as a Staff Accountant. She previously was a Senior Audit Associate at public accounting firm BKD, LLP. Theresa started her career at Thomas S. Thomas, CPA as a Junior Accountant focusing on small business bookkeeping and personal tax returns. She earned her BSBA in Accounting at the University of Nebraska at Omaha.

**Sarah Tsubata, Production Coordinator**

Sarah has been trained in various aspects of production by the Film Institute Training Seminars. She has also studied film editing and bookkeeping for film. She was script supervisor on the full-length feature “Seven Deadly Words,” and helped with numerous short productions for LightSmith Productions, including “Cashing Out” and “Ai Means Love.” As the production coordinator and anchorperson for the Dancing Joy, she handles the calendar, locations, communications and logistics for the 20-plus groups and venues, as well as administrative matters.



**Nicholas Chiaia, Attorney**

With some 25 years experience as a media business executive and attorney, Nick has helped transition media companies from licensing to advertising revenue bases. He successfully collaborated with leading media professionals to move an existing news organization to an online platform fueled by emerging independent journalists. As a corporate generalist, he has performed litigation management and prevention, mediation, and employment and labor. Successes include negotiating multi-faceted transactions and disputes involving complex international legal, political, and brand identity issues.

**Additional Information**

Included with this Private Placement Memorandum is a copy of Top Sheet budget for the movie. Also attached is the Members’ Operating Agreement for Dancing Joy, LLC.

The operating agreement helps to guard the limited liability status, head off financial and management misunderstandings, and ensure that courts will respect your limited personal liability. Co-owned LLCs need to document their profit-sharing and decision-making protocols as well as their procedures for handling the departure and addition of members.

There are a host of issues covered in the LLC operating agreement, some of which include:

- the members' rights and responsibilities
- the members' voting powers
- how profits and losses will be allocated
- how the LLC will be managed
- rules for holding meetings and taking votes, and
- buyout or buy-sell provisions, which determine what happens when a member wants to sell his or her interest, dies, or becomes disabled.

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Please take time to review the operating agreement to better understand the roles and responsibilities of the Members of Dancing Joy, LLC.

In addition, provided with this memorandum is the member's Subscription Agreement, which the member can use to apply for membership and secure member units in Dancing Joy, LLC. Please take time to review the Subscription Agreement to better understand the terms of Membership in Dancing Joy, LLC.

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<b>PRODUCTION BUDGET (TOP SHEET)</b>		
Title: "Dancing Joy"		Producer: Kate Tsubata
Location: Worldwide		DP: Henrick Meyer
<b>ACCOUNT NO.</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>
01-00	Story & Rights	500.00
02-00	Producer/Production Management	34,000.00
03-00	Director	19,825.00
04-00	Cast Payments	22,980.00
05-00	ATL Travel / Living	10,395.00
<b>TOTAL ABOVE - THE - LINE BUDGET</b>		\$ 87,700.00
<b>BELOW - THE - LINE</b>		
06-00	Location Management	6,500.00
07-00	Set Design	6,500.00
08-00	Set Striking	0.00
09-00	Crew Payments	5,050.00
10-00	Production Photography	72,492.00
11-00	Catering & Craft Services	10,735.00
12-00	BTL Travel / Living	25,400.00
13-00	Property	2,050.00
14-00	Set Transport / Rental	2,200.00
15-00	Insurance Coverage	1,200.00
<b>TOTAL PRODUCTION BUDGET</b>		\$ 132,127.00
<b>TOTAL ABOVE AND BELOW (The Shoot)</b>		
16-00	Film Editor	37,000.00
17-00	Color, Titles, and Transcode	13,000.00
18-00	Music Composition and Edit	9,500.00
19-00	Sound / ADR Edit	11,500.00
20-00	Deliverables	12,990.00
<b>TOTAL EDIT BUDGET</b>		\$ 83,990.00
21-00	Business and Office	7,300.00
22-00	Festival Promotion	25,200.00
23-00	Localized Promotion	5,000.00
24-00	Advanced Screenings	2,400.00
25-00	Consulting Fees	500.00
26-00	Contingency	20,192.96
<b>TOTAL POST EDIT BUDGET</b>		\$ 60,592.96
<b>TOTAL PRODUCTION COSTS</b>		\$ <b>364,409.96</b>