



wanderingeye

motion pictures ●

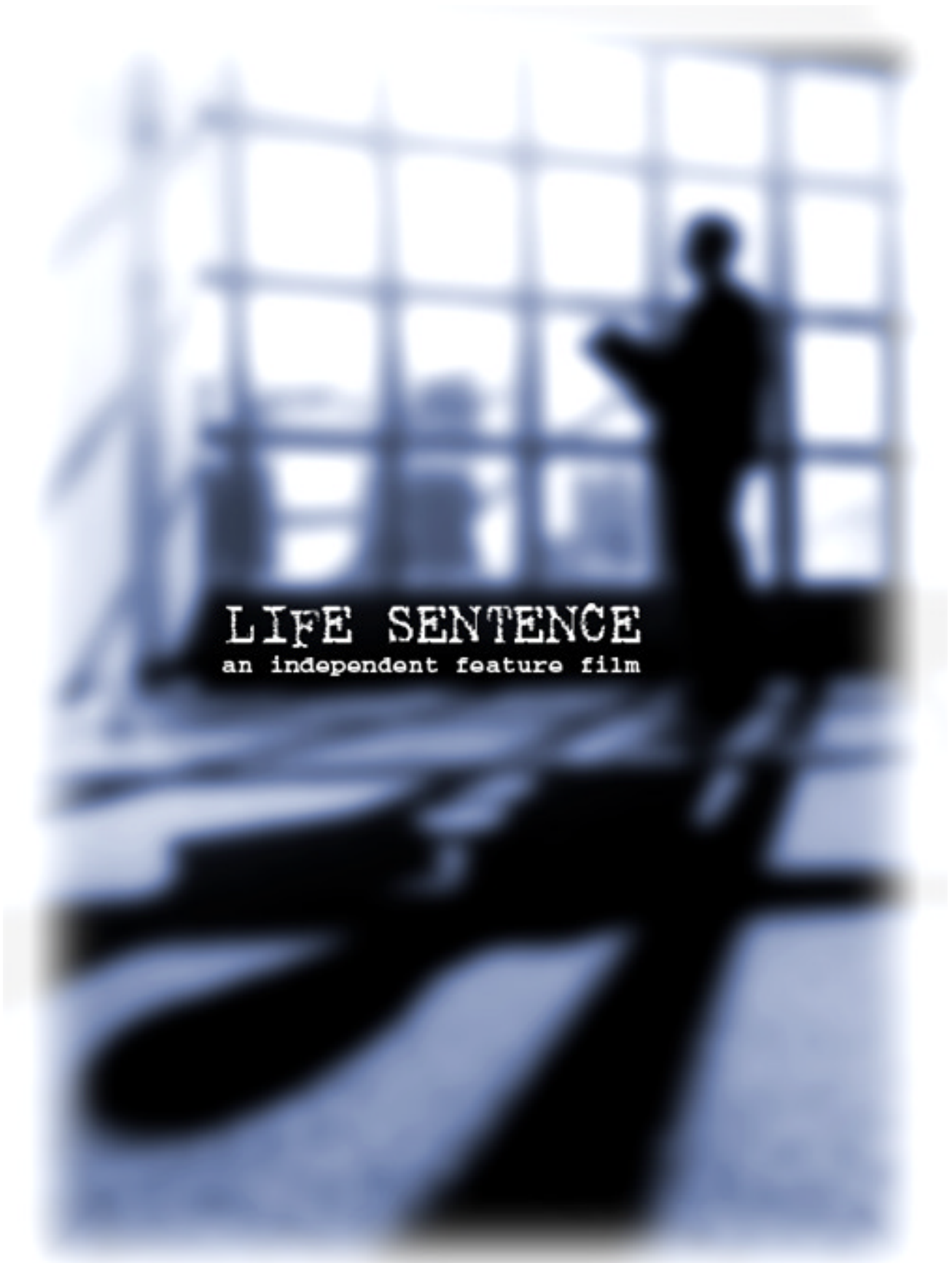
1033 dempster street #2 west
Evanston IL. 60201

contact: **C. WEBB YOUNG** 773.793.3222 or **ANDY GRAYDON** 847.864.5482

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LIFE SENTENCE

an independent feature film

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EXECUTIVE SUMMARY



Potential investors should understand that investment in a motion picture is highly speculative and involves a high degree of risk. Investors should be prepared to lose part or all of their investment (*See Risk Factors*).

Introduction

WANDERING EYE MOTION PICTURES is a Chicago-based partnership between Christopher Webb Young, Andy Graydon and Scott Edelstein to develop, produce and secure the distribution of *Life Sentence*, a high-quality feature-length motion picture for theatrical distribution. Each investor in *Life Sentence* will become a Member of the Limited Liability Company WANDERING EYE MOTION PICTURES, LLC.

Management Team

Andy Graydon, Christopher Webb Young and Scott Edelstein are a dedicated team of established filmmaking professionals with a track record of producing award-winning projects. Their diverse and complementary skills ensure that their collaboration on this project will result in a well-executed, expertly crafted, smart and compelling motion picture. The trio met at Northwestern University in the Masters of Fine Arts program in the Department of Radio/TV/Film and to date has successfully worked together on several other independent and commercial productions.

The Project

Over the next year and a half, WANDERING EYE will shoot, edit, complete, and begin to distribute *Life Sentence*, a psychological thriller about the reignition of a burned-out critic's faith and passion as he tries to champion the work of an unruly young writer to the public. Refusing to let his prize slip away, the critic begins to mold the tempestuous writer in his own image until the line between them begins to blur and their relationships with friends and lovers sour. A suspicious death upsets the balance between the pair as the truth behind several layers of lies unravels.

The Industry

By the year 2001, worldwide movie box-office totals are expected to exceed \$26 billion. New international markets for feature films like home video, satellite, the internet and pay-per-view are growing every year. Independent low-budget filmmaking has been the phenomenon of the 90's. With the costs of a studio-produced film skyrocketing out of control, lower-budgeted independent films are making a profit and stealing the show with an ever-growing outlet for smaller specialty films.

Production Plan

Life Sentence is a unique hybrid professional-university film. The synergy of this relationship will result in a motion picture with on-screen production values several times greater than the financed budget. The film is in post-production following a grueling 24-day shoot in July 1999. Our production benefits from professional crew and actors as well as first-feature discounts and university-related in-kind donations. Chicago is an ideal town for low-budget movie productions like *Life Sentence*. The film was shot on the commercially viable 35mm film format.

Distribution Plan

Films about complex, artistic characters and their struggles and relationships are increasing in popularity. A whole industry has sprung up around low-budget independent films like those premiered at the Sundance Film Festival. We have crafted our film with what we believe to be some of the key success points of Sundance films: high production values, unique vision, tried and true story themes, and presence of experienced talent. The story, style, and genre of *Life Sentence* make for a motion picture with international appeal. We will focus on promoting the film to independent distributors with the intent of maximizing the profit potential of the initial sale with less focus on exhibition grosses. We are in the process of developing an internet-based marketing plan around the existing WANDERING EYE web site

Financial Highlights

WANDERING EYE MOTION PICTURES is currently seeking equity funding in the range of \$125,000-190,000 from investors who will serve as Non-managing Members (Members) of WANDERING EYE MOTION PICTURES, LLC. Shares are \$2500 each with a minimum investment of \$5000. We've prepared a \$160,000 budget that represents what we believe to be the appropriate level of funding to insure the completion of a high-quality and desirable motion picture while still providing the opportunity for significant returns on investment. A Limited Liability Company has been formed with the management team of WANDERING EYE MOTION PICTURES serving as Managing Members (Managers).

After payment of all distribution fees, the Members shall receive 125% of their capital contribution prior to any distribution of revenue to the Managers. After the Members have received 125% of their capital contribution, the remaining revenue will be split 50/50 among the Managers and Investing Members. After net income to the LLC surpasses \$1,000,000, the equity split reapportions to the ratio of 60% to the Managers and 40% to the Members. If net income surpasses \$2,000,000, the equity split becomes 70% to the Managers and 30% to the Members. We have currently received \$80,000 in investments for the project. Additionally, we are seeking non-equity non-recoupment donations from Northwestern alumni and fund-raisers to cover administrative and promotional expenses.

THE COMPANY



WANDERING EYE MOTION PICTURES is a Chicago-based partnership between Christopher Webb Young, Andy Graydon and Scott Edelstein established to develop, produce and secure the distribution of *Life Sentence*, an independent high-quality feature-length motion picture for theatrical distribution. The management team of WANDERING EYE MOTION PICTURES serves as the Managing Members of the Limited Liability Company, WANDERING EYE MOTION PICTURES, LLC.

The trio met at the prestigious Northwestern University while completing the Masters of Fine Arts degree in the Department of Radio/TV/Film. Their professional backgrounds are diverse with a variety of complimentary talents and skills ensuring a well-executed, expertly crafted, smart, and compelling motion picture. To date the members of the team have worked effectively together on several successful collaborations. Additionally, each filmmaker has an acclaimed individual track record.

MANAGEMENT TEAM

Andy Graydon (Writer/Director/Editor)

In 1990, during a break from his stint at the University of Washington, Andy earned a certificate in film and video production from the UW Extension College where he wrote and directed his first movie on video. Andy created seven more short subjects in the following four years, developing a taste for darkly comic stories and brooding, often surreal imagery. In order to produce these low-budget films, Andy scoured Seattle's production resources for the tools to realize his dreams. During this time he co-founded Fifth Story Productions, a modest production group dedicated to practicing the art of filmmaking by creating inexpensive yet innovative works.

From this formative training Andy went on to work in commercial video and multimedia production with Seattle company Watts-Silverstein and Associates (now Carabiner Multimedia). Unsatisfied with the creative limitations of the corporate media environment, he was accepted into Northwestern University's MFA program in film production in 1995 on the strength of his previous films. In Chicago, he continues to produce acclaimed work both as a screenwriter and director while teaching film and multimedia production at Northwestern. His film, *Locus Solarus*, won the "Best Experimental Film" award at Flicker 1997, Northwestern's intercollegiate film festival, and he is the recent recipient of a grant from the Princess Grace Foundation to be used for *Life Sentence*.

Christopher Webb Young (*Producer*)

C. Webb Young is the award-winning producer and director of the half-hour film *The Devolution of Ethan Chadwick* which was completed in 1998 and is currently traveling the festival circuit. His film was awarded “Best Drama” at the 1998 Flicker Festival and the “Grand Award for Best Experimental Film” at the Worldfest-Flagstaff International Film Festival. Chris has produced and directed several other films and videos that have shown at festivals, conferences and on television.

In 1998 Chris completed his MFA degree in the Northwestern University Department of Radio/TV/Film where he served as a digital media production lecturer. He received his undergraduate degree from the Massachusetts Institute of Technology (MIT) and then returned to school after almost a year working with a documentary film company to study film at NU, where he also became interested in digital media. For the last three years Chris has been the director of OMNI:EYE media, a production company for commercials, digital video, websites, and interactive multimedia.

Chris previously collaborated with Andy and Scott on the film *Last Light* and in 1998 worked as Producer with Andy as Director on a video-for-hire production for the office of then Illinois Secretary of State and current Governor George Ryan.

Scott Edelstein (*Cinematographer*)

After receiving his BA in film production from California State University at Northridge, Scott began a professional career in filmmaking. Moving up through the lighting, electric, and camera departments, he has worked on such films as *Bound* and the TV series *Millennium*. Scott has worked primarily as a gaffer for six years, on over 100 commercials and more than twice as many music videos. As a Director of Photography Scott has worked on nearly 20 short films, several commercials, and one other independent feature, proving himself adaptable to many film styles, from baroque fantasy to gritty road picture.

In 1996 he returned to school at Northwestern University for the opportunity to share his experience and passion for the art of filmmaking as an instructor, and to get his MFA. He continues to hone his skills as both a director and cinematographer in Los Angeles, striving to bring powerful stories to light. Scott recently received an award from Eastman-Kodak as a promising young cinematographer.

Andy and Scott have collaborated on two films to date, the most recent being the mystical suspense drama, *Last Light*.

Key Crewmembers

Alison Hartshorn (Co-Producer/Line Producer)

Alison has worked on over twenty videos, short films, and feature length projects. She has earned experience in a variety of positions including: Associate Producer/Marketing Manager, *Ortwin Productions* - Los Angeles, Asst. Production Coordinator, *Entertainment Tonight U.K.* - Hollywood, First Assistant Director (AD) on numerous Chicago-based films, and Line Producer on several more. Producing credits at Northwestern University include the music video *Players*; the clay-animation film *Baucis and Philemon*, and *The Last Call at the Warbler*, a twenty-minute narrative.

Christina Varotsis (Associate Producer)

Christina has managed the production of over 20 independent projects, music videos, and commercials since redirecting her career from marketing to filmmaking over three years ago. She currently serves on the board of directors of the IFP/Midwest (Independent Feature Project) while producing a documentary on ghosts and coordinating the development efforts of several independent features slated for summer and fall 1999. In addition, she just wrapped three independent features including *Lawrence Melm*, produced by Steve Jones (*Wild Things*, *Mad Dog and Glory*), *Kwik Stop*, and *Bored Silly*.

Karen Lisondra (Production Designer)

Building an old fashioned circus and creating a dungeon-esque mental institution on super-low budgets were two of Karen's most recent triumphs. A 1998 graduate of Northwestern University, she designed and art-directed numerous projects, including Northwestern's first live action/computer animated music video, and a film used in a professional stage adaptation of *Singin' In the Rain*.

Not just handy with a bandsaw and a paintbrush, Karen has also exhibited her talents as the producer of an award-winning clay animation film and a director for both stage and screen. To date, Karen has worked on two feature films and previously collaborated with Andy, Chris, and Scott as the Production Designer on *Last Light*.

Walter Bithell (Gaffer)

Walter is a union lighting technician based in Los Angeles. He has worked on over 15 feature films, 50 music videos and hundreds of commercials. Production credits as gaffer and best boy include the films *Deep Impact*, *Gattica*, and *Bound*, and music videos for *Nine Inch Nails*, *Jewel* and *Snoop Doggy Dog*.

Amelia Dombrowski (Costume Designer)

Amelia is a recent graduate of Northwestern University's Film Program, where she also had a concentration in Costume Design for the Stage. Amelia costumed a dozen short films as well as

student and mainstage school theatre productions. In 1998 she did wardrobe and costume design for several independent films in Los Angeles. Amelia also worked on the costume design for the Steppenwolf Theatre's 1999 production of "The Beauty Queen of Leenane" and is currently doing costume design for theatre in London.

Benjamin Meyer (*Co-screenwriter*)

Benjamin Meyer is the writer and director of *Bothered*, which won awards at the Chicago International Film Festival and at the Central Florida Film Festival. Other production credits include his short film *Sold*, on which he was also the writer, producer, director, and editor, and has shown at the New York International Film Festival and won "Best of Show" at Flicker Fest. This past July, he attended the Sundance Independent Producers' Conference on a scholarship from the Sundance Channel.

Timothy S. Kelley (*Attorney*)

Timothy has devoted his practice to working in the arts and entertainment. For many years he was the "legal guru" of *Lawyers for the Creative Arts*, a not-for-profit that provides free legal assistance to artists and non-profit arts organizations. While he represents artists working in all mediums, Kelley has focused on music and film. In the music industry, he has represented both musicians and record labels. In film, he represents several independent producers and provided legal services for films including *Loose Women* featuring Charlie Sheen. He also served as music consultant for that film. In addition to his practice, Kelley does extensive public speaking on entertainment law. For the past six years, he has taught at Columbia College Chicago, the School of the Art Institute of Chicago, and the American Academy of Art.

Victor Sapphire (*Business Advisor*)

Victor is a law student in the Northwestern University JD/MBA program. For the past two years, he has attended the annual UCLA Entertainment Tax & Finance Institute in Los Angeles to learn about recent developments in the financial and legal aspects of motion picture production. Victor has consulted with WANDERING EYE on both legal and business matters during various stages of development.

Jennifer Walshe (*Composer*)

Jennifer is from Dublin, Ireland. She has studied composition at the Royal Scottish Academy of Music and at Northwestern University as the result of a post-graduate Composers' Study Award from the Arts Council of Ireland. Jennifer's work encompasses a great deal of genres and has been performed by many ensembles in America, Ireland, Scotland and England, including the BBC Scottish Symphony Orchestra Brass Quintet, the Scottish Chamber Orchestra Wind Quintet, Scottish Voices, Concorde and the Birmingham Contemporary Music Group. Jennifer was the winner of the 1999 William T. Faricy Award for Outstanding Composition, the 1997 Patron's Fund Prize for Composition, and was a finalist in the RTE Composer of the Future Competition in Dublin in 1998. She is currently scoring several short films while studying for her doctoral degree in composition.

THE PROJECT



"No matter how grand our quest to become global entertainment giants, or pioneers of revolutionary technology, we cannot forget that the story lies at the core of every successful form of entertainment."

- Peter Guber, Chairman & CEO of Mandalay Pictures Entertainment

Over the next 18 to 24 months WANDERING EYE will shoot, edit, complete, and begin distribution of the feature-length motion picture *Life Sentence*, which was written by Andy Graydon, who has granted all exclusive rights to WANDERING EYE.

The project is currently in the post-production phase. Principal photography was completed in July 1999 after a grueling 4-week location shoot in Chicago. Post-production will last for between eight months to one year with the final product being a completed negative available for sale as early as Fall 2000. We expect to have an exhibition print available for several 2001 film festivals and markets including the Sundance Film Festival, Toronto, Venice, Cannes, Berlin and the IFFM.

Life Sentence Story Synopsis

With a jolt, Richard Barrow, an enigmatic and burned-out literary critic finds himself sucked into the turbulence of a disarming and chaotic young writer named B.Rian Garrity. Richard's fascination with B.Rian turns to obsession when he seizes upon an opportunity to help B.Rian in his struggle to complete a new book; an opportunity which is a chance for Richard to salvage his own languishing career and disappointing life.

Five years after writing a celebrated first novel, B.Rian seems to have dropped off the face of the earth with no plans to return. His only occupation now is indulging in the low life, catered by Celeste, a cagey street urchin who brings out the worst in him. In the meantime, B.Rian's live-in girlfriend, Maddie Alton, is getting tired of always having to pick up the pieces and putting her own dreams of being a photographer on hold.

Seeing a bit of himself in the brilliant young drop-out, Richard devotes himself to reforming B.Rian's life and molding him back into the writer he once was. Richard is convinced that under his strict tutelage B.Rian will create his next work of genius. B.Rian, however, is not so sure and locks himself into his apartment to escape the pressure. Maddie finds herself forced to stay with Richard who is secretly scheming more drastic measures. He begins to turn B.Rian's longings for Maddie to his advantage by asserting the falsehood that she won't return home until he's finished the book. Slowly Richard reveals his true duplicitous and controlling nature as he begins to manipulate all aspects of the unwitting writer's life while becoming B.Rian's only conduit to the outside world.

B.Rian finally gives in and begins to write. And the writing is brilliant. To much acclaim, Richard publishes the new book, chapter by chapter, exploiting his exclusive connection to this

rising star. Even Maddie finds herself enamored with the man who seems to be raising B.Rian Garrity from the dead.

But soon reality creeps back in. Richard discovers Celeste sneaking out of B.Rian's apartment. And Maddie has taken up her camera again, this time choosing B.Rian and Richard as her subjects, keeping a curious eye on their progress from the street below. Back at Richard's place, Maddie stumbles across traces of his hidden past: disturbing photos of a dead brother and evidence of a disappeared wife which raise many questions in her mind about the man with whom she thought she was falling in love.

Nearing the completion of the book, Richard confronts B.Rian about his lack of progress and discovers that Celeste is in fact the true author of B.Rian's masterpieces. Stricken with the fear that his well-ordered world might come crashing down, Richard strikes out at B.Rian in a moment of rage, killing the young pretender, leaving only Celeste between him and his victory. But Richard has forgotten about Maddie with her camera down below. When he encounters several of Maddie's photos developing in his apartment, Richard is left to wonder what she has witnessed through her lens. With some of her belongings strewn about, Maddie seems to have left in a hurry.

Richard finds that as the subject of the inscrutable public eye now cast upon him by the success of the completed book, many of the details of his own past are called into question. Richard weaves one lie within another in an attempt to deflect any questions about the whereabouts of the illusive young B.Rian. As Richard becomes completely entangled in his own web, he runs into Maddie at a gallery exhibition of her haunting documentary-style photographs. A picture of two threatening silhouettes in B.Rian's window catches his eye in particular. In a moment of reckoning Richard faces Maddie as she proceeds to strip away the layers of his deceptions, rendering him a victim of his own hidden darkness.

Set amid the shadows of Chicago's urban landscape, *Life Sentence* is equal parts psychological thriller and darkly comic character study, combining the themes of *Barton Fink* with the tone and energy of *Shallow Grave*. *Life Sentence* explores the nightmares we will endure for a chance to realize our dreams.

The Cast of *Life Sentence*

Patrick Clear (*Richard Barrow*)

Patrick's film and television credits include: *Losing Isaiah*, *The Babe*, *In the Best Interest of the Children*, *Logan's War*, *Bound by Honor*, *Graceland*, *Early Edition* and the TV series *The Untouchables*. The majority of his career, however, has been spent on the stage. He appeared on Broadway as Garry Lejuene in *Noises Off* and shared the 1984 Drama Desk Award for Ensemble Performance. Since moving to Chicago twelve years ago, Patrick has appeared in dozens of productions, most notably as Bernard Nightingale in Tom Stoppard's *Arcadia* and Gerry Evans in the Goodman Theatre's production of *Dancing at Lughnasa*.

Andrew Rothenberg (*B.Rian Garrity*)

Originally from Los Angeles, Andrew has been doing theater, film, and TV work in Chicago for the past nine years. He has worked on the long-running hit *Hellcab* and appears in the recent film version of the same name. Andrew worked opposite Mel Gibson on *Payback* (although his part was cut) and has appeared in numerous independent films in Chicago and Los Angeles. He guest-starred on *E. R.* this season and played a recurring role on the short-lived Ken Olin series *E.Z. Streets*. Other TV series appearances include *Early Edition*, *Turks* and *Missing Persons*. Andrew works constantly in the off-loop theaters that Chicago is known for in such projects as *Tracers*, winner of 5 Joseph Jefferson Citations and *The Killer and the Comic* for which he received a Joseph Jefferson Citation for his performance. Andrew also worked at the Steppenwolf Theater with Gary Sinise on *A Streetcar Named Desire*.

Mariann Mayberry (*Maddie Alton*)

Mariann is a Steppenwolf Theatre Ensemble Member and is currently appearing in *Hysteria* directed by John Malkovich. She recently starred as Athena in Mary Zimmerman's production of *The Odyssey* at the Goodman Theatre. Mariann has performed in a variety of Steppenwolf productions including *The Berlin Circle* with Amy Morton, directed by Tina Landau, *Space* with Robert Brueler, Tom Irwin and Amy Morton, and in 1996 she appeared with John Malkovich in *The Libertine*. Film credits include *Since You've Been Gone* (directed by David Schwimmer), *Hole in the Wall*, *Conflicts of Interest*, and the TV movie *Dillinger*.

Louise Lampson (*Celeste Kern*)

Life Sentence is Louise's second feature film. She has appeared in numerous commercials and short films but her passion is theater. She is currently touring with Mary Zimmerman's production of *Metamorphoses*. Louise recently appeared in *The Odyssey* at the Goodman Theatre also directed by Mary Zimmerman and participated in the 1997 Edinburgh Fringe Festival with Great Jones Theatre's *Boys' Life*. She is a graduate of Northwestern University with a degree in Performance Studies.

Shanesia Williams (*Beth Austin*)

Shanesia currently stars as series regular *Marissa* in her third season on the CBS primetime television series *Early Edition*. Motion picture credits included *Chicago Cab*, *With Honors* and *Backdraft*. She appeared in the acclaimed Goodman Theatre productions of *Black Star Line* and *Ties that Bind* and is a graduate of DePaul University's Goodman School of Drama.

Yasen Peyankov (*No Exit MC*)

Originally from Bulgaria, Yasen was recently featured in *Screen* magazine as one of Chicago's rising stars. On the big screen Yasen has appeared opposite Mel Gibson in *Payback* and opposite Wesley Snipes in *U.S. Marshals*. TV appearances include *Early Edition* and *Turks*. Yasen has been nominated for several Joseph Jefferson Citations for his work in the theater and is currently starring as Freud in the Steppenwolf Theatre's production of *Hysteria* directed by John Malkovich.

THE INDUSTRY



The motion picture industry is a constantly changing and multi-faceted business. It consists of three principal activities: production, distribution and exhibition. Production involves the development, financing and making of motion pictures; distribution involves the advertising, publicizing, licensing, promotion, physical reproduction, and delivery of the completed motion picture to exhibitors who present the film to an audience through a wide range of venues including movie theaters, television, and home video. The following is an overview of how the business works.

The Independent Production Process

Development is the first phase of Production when a producer packages an idea in order to attract investors. A script is either commissioned or acquired and a budget is developed based upon this initial draft. If the budget seems reasonable, the producer will attempt to secure financing so that the project can enter Production. At this time a director, cinematographer, and actors may become attached to the project as selling points.

If a film is successful at locating financing it will enter Pre-production, a preparation phase for the actual filming or Production of the film. At this stage key elements are secured, casting takes place, equipment is rented, storyboards are drawn, commitments are sought for talent, the director and crew are hired, and contracts are finalized and signed. During this period all of the scheduling and planning is done for how and where the production will take place. This is a busy time when every detail must be considered so that Production can proceed as easily as possible.

The actual Production or filming of a motion picture is called Principal Photography. It can take from a few weeks to several months, depending on the scope and budget of the film, although principal cast members may not be used for the entire period. Principal Photography wraps when all of the scenes necessary to tell the story have been shot. A second unit will pick-up less critical shots which don't require the direct supervision of the director or participation of the principal talent. Occasionally it is necessary to reshoot scenes after Principal Photography has wrapped.

Post-production follows Principal Photography. The film is edited and synchronized with music and dialogue. Special effects may be added at this point. The motion picture lab will take the original footage and conform it to match the edits made by an editor on a digital editing system. The soundtrack is added and a release print is struck from the resulting negative.

At this point the negative is made available for sale to a distributor who will promote and secure exhibition of the film in a variety of markets including domestic and foreign theatrical, home video and DVD, pay-per-view, cable, satellite and broadcast television. The producers may also choose to submit the film to film festivals in order to obtain critical recognition and additional exposure.

The Motion Picture Market

The motion picture industry is booming. 1999 annual domestic box office receipts were \$7.46 billion; up 8.5% over the record total in 1998 (Variety) and home video rentals topped \$8.1 billion. From 1987 to 1996, film industry receipts grew by nearly 117%. Over the same time period, receipts from U.S. theaters increased by nearly 74% and receipts from video stores increased by almost 138%. The number of movie screens in the U.S. is expected to grow from 24,500 in 1992 to well over 35,000 by the middle of this decade. There are more than 28,000 video stores in the U.S. alone with hundreds-of-thousands of videos being sold over the Internet.

The marketplace for motion pictures is changing. Fourteen years ago, 90% of a feature film's earnings came from box office ticket sales from theaters in the United States. The remaining 10% of earnings resulted from network and cable television exhibition and specialized markets such as colleges and airlines. Since that time, numerous new markets have opened up with the birth of home video, DVD, cable, satellite television, the internet, and the explosive growth of foreign box office receipts.

Today, the domestic box office receipts for a typical film contribute only 17% of a film's total revenue. This drop is not the result of a withering domestic box office, however. On the contrary, domestic ticket sales have remained constant at an average of one billion tickets annually (1.39 billion in 1998). These new "ancillary" markets have simply added onto the revenue stream for feature films. Foreign countries are extremely hungry for American content. And the advent of global 500-channel digitally distributed entertainment virtually guarantees the continued growth of niche markets which cater to a wide variety of tastes.

Every year between 250 and 300 films are exhibited theatrically in the U.S. Major motion picture studios are only able to produce individually between 10 and 15. Their distribution wings will each acquire or co-produce 20-30 pictures a year to fulfill their distribution agreements with major theater chains. Over half the theaters in this country are independent and look also to smaller independent distributors for programming.

The early 1990s saw the birth of a new breed of independent distributor like Miramax, October Films, Artisan, Fine Line, Gramercy, Savoy Pictures, Orion Classics and Sony Classics, whose emphasis is distributing quality motion pictures. Dedicated to the belief that, in large part, Hollywood is stale and overpriced, these distributors are firmly committed to recognizing, championing, and -- most importantly -- purchasing innovative and intelligent films from fresh and independent talent.

Today is the era of the independent filmmaker. When the average Hollywood film costs \$30 million to produce, high-quality lower budgeted independent films have rushed in to steal the show - not only at the box office but also at the awards ceremonies. In 1999 independently produced (that is, the monies to make these films came from outside the traditional Hollywood sources) and independently distributed motion pictures received more nominations for Academy Awards than studio films.

Miramax's Oscar Award-winning films, *Shakespeare in Love* and *Life is Beautiful*, have combined grossed over \$128.8 million at the domestic box office (Variety). Second-run theatrical release, home video, pay-per-view, cable, or broadcast television, could more than triple the total. The success of independent films at the Oscars first caught the public's attention three years ago when out of the five films nominated for the Best Picture of 1996 by the Academy of Motion Picture Arts and Sciences, four were independent productions. These four films (*The English Patient*, *Fargo*, *Shine* and *Secrets and Lies*) combined have generated a domestic box office take of \$91.9 million, and a foreign box office take of \$69.3 million (Entertainment Weekly).

While modestly budgeted independent films have caught the Academy's eye, the phenomenon of the 1990s has been the success of low-budget indie feature films. *Metropolitan*, directed by Whit Stillman and made for \$500,000 has grossed over \$2,900,000. *Chasing Amy*, made for \$500,000 grossed more than \$12 Million in its first year of domestic theatrical release.

Other super-low-budget successes include *Clerks*, made for less than \$50,000 and grossed over \$8 million worldwide. *The Brothers McMullen* was made for \$50,000 and grossed over \$10 Million. *She's Gotta Have It* was made by Spike Lee for \$175,000 in black-and-white and has grossed \$6.5 million. And of-course the 1999 sensation *The Blair Witch Project*, made for less than \$60,000, has grossed over \$140,000,000 at the box-office alone.

Examples of recent low-budget films (source: Variety):

(Disclaimer: Past performance is not an indicator of future profits)

TITLE	COST	BOX OFFICE *	BOX OFFICE TO COST RATIO
BLAIR WITCH PROJECT	\$60,000	\$140,000,000+(to date)	2166.6667
CHASING AMY	\$500,000	\$12,000,000	24.0000
IN THE COMPANY OF MEN	\$200,000	\$2,800,000	14.0000
METROPOLITAN	\$500,000	\$2,923,846	5.8477
HUSTLER WHITE	\$90,000	\$250,000	2.7778
GIRLS TOWN	\$200,000	\$500,000	2.5000
FRISK	\$40,000	\$90,000	2.2500
EVERYTHING RELATIVE	\$100,000	\$100,000	1.0000
SICK	\$125,000	\$98,000	0.7840
HYPE!	\$500,000	\$200,000	0.4000

* NOTE: These figures represent only domestic box office receipts and not additional income from the lucrative ancillary markets such as foreign, home video and broadcast.

It is possible for an independent low-budget hit film to return its investment many times over. But most films have difficulty making their money back through box office gross alone. Expensive publicity campaigns can eat into the profits and the exhibitors and distributors will take up to 70% of the gross. Fortunately, ever-expanding international markets, and new modes of exhibition can make even a box office "flop" turn a profit.

PRODUCTION STRATEGY

LIFE SENTENCE

Life Sentence is a unique production. It is a hybrid professional and university motion picture, and the synergy of this association will result in a movie with production values several times greater than the \$160,000 budget. WANDERING EYE MOTION PICTURE's dedicated management team of C. Webb Young, Andy Graydon and Scott Edelstein have worked successfully together on other low-budget independent and commercial projects ensuring the production of a professional-quality yet economical feature film.

While most low-budget independent films are shot on lesser industrial film and video formats, *Life Sentence* was shot on the professional 35mm format used by the major motion picture studios. We filled key crew positions with seasoned professionals from Chicago and Los Angeles. The rest of the positions were filled with young talent, many of them recent graduates or current students at Northwestern with experience in the University setting and enthusiastic to work on a professional production.

We worked with Chicago agency HollyRik & Heitz Casting to locate, audition and negotiate with Chicago's most prominent actors. The quality of our project attracted the best that Chicago had to offer and we were able to fill our cast with actors with a wide variety of motion picture, television and theatrical experience. Our status as a financed low-budget feature allowed us to hire talented SAG actors as part of their Limited Exhibition Agreement which defers some costs. Although we were lucky enough to get the commitment of Martha Plimpton (*Mosquito Coast*, *Goonies*, *Parenthood*, *Pecker*, *Eye of God*) for the role of Celeste, we were disappointed that we were unable to match our schedules so that we could work her into our limited production window.

Chicago is an ideal town for low-budget movie production. As a large urban center it attracts a high number of professional actors and crew who live here and work in the entertainment industry. There is a significant production infrastructure of equipment rental houses, raw stock dealers, motion picture labs, and post houses so that most services can be contracted locally. Chicago also has both city and state film offices ready and willing to assist in all aspects of production. However, because Chicago does not attract as many feature films as New York or LA, our project represented a significant opportunity for talented up-and-coming actors and crewmembers who were looking for experience and exposure. This leverage allowed us to strike deals saving money over features shot on either coast. Additionally, local merchants were more than happy to offer their location or service at a discount in exchange for a credit in the film and the opportunity to be affiliated with an exciting independent motion picture. In LA and New York they are less sympathetic to the hundreds of films each year and often take advantage of film crews.

Even though our budget affords the production of a professional-quality film, we are also reaping the rewards of affiliation with a major university. These benefits include student and first-feature discounts as well as access to free equipment and eager, experienced crew willing to work hard at an affordable price. We were also able to secure donations of goods and

services which local and national companies, like Fuji, offer in support of student filmmaking. These donations included free food, discounted locations, discounted film, equipment use, etc. The University also offered free and discounted liability insurance covering the production of *Life Sentence*.

The majority of post-production will be done in the Northwestern University Department of Radio/TV/Film's state-of-the-art digital studio environment. We are able to work freely on the completion of the film without the hassle and expense of hustling limited discounted time in costly outside editing facilities. The different in-kind and discounted services received will nearly match the value of the budgeted funds spent on the film thereby raising the level of the overall production.

Other intangibles of university affiliation include the guidance of Northwestern faculty, some who are successful industry professionals, in the development of the script as well as the shooting and the editing of the resulting film.

Production Advantages:

- ◀Dedicated and Talented Management Team with a Successful History of Collaboration
- ◀Professional Commercially Desirable Format
- ◀Skilled and Professional Key Crew Members
- ◀Professional and Seasoned SAG talent
- ◀Chicago is Very Conducive for Making Low-Budget Films
- ◀First Feature and Student Discounts
- ◀Invaluable Free Access to University Production Equipment and Facilities
- ◀University Insurance Coverage
- ◀Donation of In-kind Goods and Services
- ◀Guidance by Faculty who are Industry Professionals



DISTRIBUTION STRATEGY



This is a great time for independent filmmakers because of all the new formats that need to be fed. The business today is analogous to book publishing, with studios releasing the equivalent of mass-market paperbacks and independents making the "hardcovers" for a smaller audience."

- Henry Jaglom, Filmmaker

Dramatic films involving complex characters, their inner struggles, and interpersonal relationships have been and continue to be successful in specialty theaters, foreign markets and home video release. The success of both foreign and domestic films of this type (examples include *Barton Fink*, *Three Colors: Blue*, *Shine*, *Basquiat*, *Love and Death on Long Island*, *Henry Fool*, *I Shot Andy Warhol* and *High Art*), centering around artistic characters and addressing universal life themes, demonstrates the market potential for the genre, and for *Life Sentence* particularly.

Life Sentence follows in a successful line of psychological thrillers and artist-themed dramas. Like many films in this emergent genre, the story focuses on audiences' undying fascination with creativity and its mysterious connections to both genius and madness. *Life Sentence*, however, delivers an innovative and intelligent variation on this theme - exactly the type of film that has international appeal and is sought out by distributors of specialty films.

The specialty film market is growing. All across the United States there are individual, independently owned theaters that maintain their own mailing lists of faithful moviegoers. Often, a film made for \$500,000 or less can earn back its costs from these regulars alone. Until recently, the independently owned theaters were thought of as the only home of offbeat and unique specialty film.

The specialty film market these days is almost inseparable from the phenomenon of low-budget independent filmmaking most frequently identified with the Sundance Film Festival. The festival takes place every January in Park City, Utah and has become the premiere venue for edgy and market-worthy American independent films. In fact, the success of the Sundance Film Festival has spawned a whole industry around indie film including the Sundance Channel on cable and a new chain of Sundance movie theaters dedicated to programming specialty films. Competitors like the Independent Film Channel and specialty theater chains like Landmark are expanding their reach across the country to showcase more independent and "small" films in a variety of new venues.

In recent years, films that have premiered at the Sundance Film Festival have gone on to achieve various levels of box office success. Lower-budgeted films often offered a greater return-on-investment.

1998 Sundance Domestic Box Office (Filmmaker Magazine)

(Disclaimer: Past performance is not an indicator of future profits)

FILM TITLE	BUDGET	DISTRIBUTOR	BOX OFFICE *	BOX OFFICE TO COST RATIO
HAV PLENTY	\$65,000	Miramax	\$2,280,000	35.1
Pi	\$135,000	Artisan	\$3,140,000	23.3
HIGH ART	\$600,000	October	\$1,960,000	3.3
SMOKE SIGNALS	\$3,000,000	Miramax	\$6,750,000	2.3
WHATEVER	\$250,000	Sony Classics	\$307,000	1.2
CUBE	\$1,100,000	Lions Gate	\$431,000	0.4
NIAGRA, NIAGRA	\$1,200,000	Artisan	\$215,000	0.2
BUFFALO 66	\$3,500,000	Lions Gate	\$2,380,000	0.7

* NOTE: These figures represent only domestic box-office receipts and not additional income from the lucrative ancillary markets such as foreign, home video and broadcast.

WANDERING EYE has been studying the variables which make up a successful Sundance Film Festival motion picture including: high production values, unique vision, tried and true story themes, and presence of experienced actors. In developing *Life Sentence* as a desirable property we have been conscious of these factors. We are attempting to craft our motion picture to be a film which will play at Sundance or comparable film festival (Toronto, Venice, Berlin); a film which contains elements which have international market value while retaining the integrity and vision of the filmmakers.

At Sundance 1999, producer C. Webb Young observed a significant number of acquisitions made by distributors at prices that represent a sizable return-on-investment for a film in our budget range.

Below are the acquisition prices for some of the films from Sundance 1999, which turned into one of the biggest shopping sprees of its 15-year history (Variety Online).

FILM TITLE	SOLD FOR	SOLD TO
AMERICAN MOVIE	\$800,000	Sony Picture Classics
THE BLAIR WITCH PROJECT	\$1,200,000	Artisan
HAPPY, TEXAS	\$2,500,000	Miramax
SUGAR TOWN	\$1,250,000	October
TRICK	\$400,000	Fine Line
TUMBLEWEEDS	\$1,000,000+	Fine Line
TWIN FALLS, IDAHO	Low six figures	Sony Picture Classics

Often distributors will acquire more films than they can distribute each year. Some are released to theaters, others straight to video, while others may never be seen again except for at festivals. Miramax acquired almost 10 films at Sundance 1998 and released only 1 theatrically (IndieWIRE).

Examples of other recent successful independent films and their acquisition price:

FILM TITLE	YEAR	BUDGET	SOLD FOR	SOLD TO
BROTHERS MCMULLEN	1995	\$23,000	\$500,000	Fox Searchlight
GIRLS TOWN	1996	\$200,000	\$400,000	October Films
GO FISH	1994	\$63,000	\$400,000	Samuel Goldwyn
CLERKS	1994	\$27,575	\$227,000	Miramax
EL MARIACHI	1992	\$7,000	\$150,000	Columbia

Although selling a finished film in a high-profile situation like Sundance is desirable because it can create a bidding war among distributors, we will seek to sell the film at that moment when it has the most potential for a return on the investment. This could be anytime before or after our festival window. We began promoting *Life Sentence* before and during production through production notices in *Variety* and the *Hollywood Reporter*. We've created a video trailer and other promotional materials to show independent distributors in order to establish relationships and to raise their awareness of our film. Additionally *Life Sentence* has its own World Wide Web site on the internet that will be used to launch a buzz-creating marketing campaign.

Independent distributors often have the knowledge and patience to give special care to eclectic or mixed-genre films. This does not mean, however, that independent distributors will not want to release films with mass appeal. For films with smaller budgets and lesser names, independent distributors often have an expertise that the studios lack. Many independents will allow a film to find its audience gradually. In addition, by focusing their marketing and promotional efforts on a handful of primary markets, these companies are able to keep their costs relatively low. Because their focus is on fewer films, we feel that *Life Sentence* will receive the best care from an independent.

It is not uncommon that different rights and territories for a film will be sold to different distribution entities. Some distribution companies specialize in certain types of distribution. The domestic territory is defined as both the United States and Canada combined. Many of the independent distributors consider the United States and Canada to be one package and prefer not to have them separated beforehand. Domestic rights refer not only to theatrical distribution but also to other media, such as video, cable, pay-per-view, and television.

In terms of foreign sales, there are U.S.-based distributors who specialize in the rest of the world. These companies deal with networks of sub distributors in various countries. 1998 was a record year for international sales by independent American distributors. Receipts for the 17 biggest companies, which account for 54% of foreign sales, were up 27% over the previous year for a total of \$2.3 billion. Overseas home video ballooned 35% last year with foreign television remaining the largest market for American independent fare (*Variety*).

There is no typical distribution deal. The distribution company will take as much as it can get. It is WANDERING EYE's job to give away as little as possible. The low end of the distribution fee can be 10 to 15 percent, and the high end as much as 50 percent or more of the revenues from the film. These percentages apply only to the revenues generated by the distributor's deals; if that company is only making foreign sales, then it takes a percentage of only foreign revenues. How much the distribution company wants depends on its participation in the entire film package. The greater the up front expense that the company assumes when purchasing the rights of the film for distribution, 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, genre, ability of the cast members to attract audiences or buyers on their names alone, past successes of the producers and/or director, name tie-in from another medium – for example a best-selling novel, special audience segment for the type or genre of film, and attached money.

Our film will meet some of these elements easily. Selling a film requires a mix of elements, although the story is always the first concern. The exhibitors to whom the distributor sells must see something in the film that they can promote to their audiences. This changes from country to country and depends on the perspective of the buyer. We believe that *Life Sentence* is a film that will have significant potential in both foreign and domestic markets because of its genre, style and story. A recent meeting between WANDERING EYE and the president of the international distribution company Palm Pictures confirms that there is both interest and a market for a film like *Life Sentence*.

The actual marketing of the film itself is the distributor's job. It involves the representation of the film in terms of genre, the placement of advertisements in various media, the selection of a sales approach for exhibitors and foreign buyers, and the "hype" (word of mouth, promotional events, alliances with special interest groups, and so on).

Competitive Challenges

Life Sentence is a unique production because once the funding levels described in this memorandum are reached, it will be both produced and completed. The majority of our expenses are for production with most of postproduction services provided in-kind. Having successfully completed production, the biggest challenge WANDERING EYE faces is securing distribution of *Life Sentence* so that it can return the investment.

For many independent motion pictures, the process of finding the right distributor may take years after the completion of the film. Or like the majority of independent feature films completed, a distributor may not be found. The president of an independent distribution company estimates that for every 1000 independent low-budget feature films completed like *Life Sentence*, 2 will be hits, 65 will be picked-up for theatrical release and between 250-300 will receive distribution to other outlets such as video and broadcast.

Our research of several independent films that didn't receive distribution revealed that many of them were fatally flawed in a variety of ways and fell victim to preventable mistakes. Mistakes which we are aware of and actively working to prevent.

Yes there are risks, but we believe that with the talented, intelligent, and experienced team that we have assembled combined with the impressive and marketable script, we have produced a superior film. A film that is as, if not more, market-worthy as the estimated 33% of independent films that do return money to their investors.

If a distributor is not found in a reasonable amount of time, we will consider self-distribution, the process of booking the film directly with exhibitors in markets like Chicago and New York where the film has a good chance of gathering a following and turning a profit. We currently have a tentative agreement with the owners of the Chicago-based Meridian theater chain, owners of several prominent movie theaters in the city, for a premiere and local limited-exhibition if a national distributor is not found. We are also fortunate that we live in an age when we are able to market video copies of the film directly to our audience through internet e-tailers like Amazon.com or via direct digital downloads through companies like Sightsound.com or MeTV.com thereby making a distributor virtually unnecessary.

Competitive Advantages

WANDERING EYE MOTION PICTURES has several market advantages:

- 1) The management team is devoted to presenting *Life Sentence* as an entertaining and cost-effective film. Our commitment to quality filmmaking and to putting every dollar on the screen will result in a low-budget feature with much higher production values on-screen than its budget might indicate.
- 2) In developing the story of *Life Sentence* and planning the production we took into account those variables which we believe have contributed to the sale of well-made low-budget films like those premiered at the Sundance Film Festival.
- 3) The genre, style and story of *Life Sentence* have international appeal, which can open doors to lucrative foreign markets.
- 4) The relatively low cost of *Life Sentence* will allow for an early return-on-investment (possibly upon acquisition) if it is distributed and successful.
- 5) Management commits to promoting the film wherever and whenever possible. This includes entry in film festivals and developing an internet-based marketing strategy while seeking distribution.
- 6) A distributor will always look at a finished film.

FINANCIAL PLAN



WANDERING EYE MOTION PICTURES, LLC is currently seeking total equity investment in the range of \$125,000-190,000 from a group of individual investors. We've prepared a \$160,000 budget (*Attachment A*) that represents what we believe to be the appropriate level of funding which will insure the completion of a high-quality and desirable motion picture while still providing the opportunity for significant returns on the investment. Shares are \$2500 each with a minimum investment of \$5000. A Limited Liability Company has been formed with the management team of WANDERING EYE MOTION PICTURES functioning as Managing Members (Managers) and with the financial equity investors to serve as Non-managing Members (Members).

The Limited Liability Company is a relatively new business entity available in most states. It combines the best aspects of both a Corporation and a Limited Partnership. Like a Corporation, the members of an LLC enjoy limited liability status. The LLC also shares the tax benefits of a Limited Partnership, which allows funds to flow through the entity untaxed.

The production value of *Life Sentence* will be several times higher than the amount of capital invested in the venture. Much of the above-the-line costs associated with making an equivalent feature film are not present in this project. The expense of acquiring the rights to the screenplay can be significant, but all rights of the script for *Life Sentence* have been made available to WANDERING EYE without cost. The salaries of the management team that includes the writer/director, producer and cinematographer have been waived in exchange for equity positions in the success of the venture. Additionally, affiliation with Northwestern University will result in significant savings in many areas of production and post-production.

The financial strategy of WANDERING EYE is to produce an economical and high-quality motion picture that will be finished on film and reasonably free of obligations upon completion. This is the most desirable product for both a distributor and investor. We believe that a strategy that focuses on a well-timed and beneficial sale for distribution represents the greatest opportunity for financial gain for this project. This strategy focuses on the strength of the initial sale thereby lessening the impact of theatrical or commercial exhibition "success" in determining the successful financial outcome of the venture. But many factors affect the success of any film project including critical acclaim, commercial appeal, casting, direction, marketing, timing of release, and distribution patterns.

Because of the fickle nature of the movie-going public and the possibility that a distributor will fail to promote a film properly, the Managers' interests are in successfully producing, completing and securing distribution of the film thereby maximizing the return-on-investment upon its initial sale. Further success in terms of box office revenues (which can take years to trickle in and must be split with exhibitors, distributors, agents and actors as well as the Members) represent additional opportunity for profit by the LLC but will not be our primary focus.

By focusing our efforts on the areas over which we have the most control (the production and sale of our film to an independent distributor), we hope to establish a successful track record and to build a series of positive relationships that may give rise to opportunities for future ventures.

WANDERING EYE MOTION PICTURES, LLC raised approximately 1/2 of the \$160,000 production budget prior to principal photography. Fundraising will continue until all debts are repaid, funds for finishing the film are secured, and the crew is paid, or alternately until the film is sold for distribution.

Return on Investment

After payment of all distribution fees, the Investors shall receive 125% of their capital contribution prior to any distribution of revenue to the Managers. Thereafter, the Investors and Managers split a 50/50 equity share of distribution fees following the repayment of any third party expenses. Individual investors will each receive a percentage of the Members' equity position in proportion to their percentage of the total investment. After income to the LLC surpasses \$1,000,000, the equity split reapporions to the ratio of 60% to the Managers and 40% to the Members. If income surpasses \$2,000,000 the equity split becomes 70% to the Managers and 30% to the Members.

A typical amount of time for investors to start seeing returns on an independent film picked-up for theatrical distribution is approximately 2 years following the start of production. Additional revenue may flow into the company for several more years depending upon the public success of the film and the number of different types of distribution secured. WANDERING EYE expects to have *Life Sentence* completed and available for sale by fall 2000.

It may become possible that third parties such as actors or crew may be offered points of the Managers' equity share or deferred payment if such negotiations are necessitated in order to leverage successful completion of the film for distribution. Deferred salary repayment and profit participation may occur before or after the Members receive their share of the distribution fees, depending upon the agreement.

At present WANDERING EYE has negotiated a deferred arrangement with HollyRik and Heitz Casting which will pay them a total of \$2000 for each of three major markets (domestic theatrical, home video and broadcast) to be paid upon distribution in each market. According to the SAG Limited Exhibition Agreement which allows films budgeted under \$200,000 to pay a lower scale, the talent will be compensated up to their full SAG Modified Low Budget Agreement rate (an estimated additional \$15,000) out of profits if theatrical distribution is secured beyond an art house, festival, or public television limited release. The principal SAG actors will also receive residuals equal to 7.2% of the Distributor's Gross Receipts for cable and free television sales and 9% DGR for home video.

Investors will receive credit for their participation in the film, copies of the finished film on videotape, and VIP invitations to all public non-commercial screenings including the premiere. Investors of \$50,000 or more will receive Executive Producer credit at the beginning of the motion picture and in all publicity materials relating to the film.

Financial Projections

The following are projections based on the performance of other films similar to **Life Sentence** and are provided to help illustrate possible scenarios (source: Kagan Associates). Past-performance is not an indicator for future success and these are not meant to be representative of the likely performance of **Life Sentence**. (Please refer to the section on Risk Factors.)

The return-on-investment calculated below is for 10 shares or a \$25,000 investment. Assuming that the company intends to raise around \$160,000 of equity investment - a \$25,000 investment receives a 16% investment equity share or about 8 points in WANDERING EYE's total profit from the film.

Three possible scenarios:

I. The film is good but only moderately received. Some film festivals show the film but no domestic distributor is interested. Through arrangement that we currently have with the Meridian theater chain in Chicago, we run the film in their theaters for as long as we draw an audience. The film is sold for foreign distribution and domestic cable and video.

Domestic theatrical:	\$60,000
Cable and video:	\$80,000
Foreign:	\$200,000
TOTAL REVENUE FOR COMPANY:	\$340,000
\$340,000 - \$30,000 (debt and deferred) =	\$310,000 net

Investors paid 125% (\$200,000), remaining \$110,000 profit split 50/50

Scenario I: A \$25,000 investment returns \$40,050 - or a 60% return on investment

II. The film is good and is well received at Sundance (or similar) film festival. A smaller distribution company picks up the film for theatrical distribution. The film is released for an art house distribution with adequate promotion. Video, cable, internet and foreign distribution follow. The film is well received but not a big-hit. People have heard about it through reviews and advertising.

Distribution advance upon acquisition:	\$400,000
Box office: \$2,200,000	return to company: \$600,000
Foreign: \$2,000,000	return to company: \$450,000
Video: \$700,000	return to company: \$300,000

Other sales (TV, Cable, Internet):	\$250,000
TOTAL REVENUE FOR COMPANY:	\$2,000,000
\$2,000,000 - \$40,000 (debt and deferred) =	\$1,960,000 net

Investors paid 125% (\$200,000), remaining \$1,760,000 profit split 50/50 for first \$1 million, 60/40 thereafter.

Scenario II: A \$25,000 investment returns \$160,000 - or a 540% return on investment

III. The film is good and is very well received at the Sundance and other film festivals. There is a buzz about the film and a well-known company picks up the film for theatrical distribution. The film is released with a moderately-wide distribution (200 theaters) with respectable promotion and is a moderate crossover hit. Video, cable and foreign sales follow. People have heard about it through reviews and advertising and there is good press and word-of-mouth.

Distribution advance upon acquisition:	\$1,200,000
Box office: \$8,200,000 return to company:	\$2,500,000
Foreign: \$7,800,000 return to company:	\$3,300,000
Video: \$4,000,000 return to company:	\$1,800,000
Other sales (TV, Cable, Internet):	\$3,050,000
TOTAL REVENUE FOR COMPANY:	\$11,850,000
\$11,850,000 - \$50,000 (debt and deferred) =	\$11,800,000 net

Investors paid 125% (\$200,000), remaining \$11,600,000 profit split 50/50 for first \$1 million, 60/40 until \$2,000,000, and 70/30 thereafter.

Scenario III: A \$25,000 investment returns \$645,650 - or a 2480% return on investment

Other possible scenarios: The film bombs and makes no money (0% return), or the film goes *Blair Witch* (10,000% return). The final outcome could be any combination of the above scenarios.

Additional Funding

WANDERING EYE MOTION PICTURES is also currently seeking non-equity non-recoupment production funds in the form of monetary donations from alumni of Northwestern University and friends and family of the management team. Additionally, WANDERING EYE MOTION PICTURES will be holding a series of fund-raisers for operating monies for the administration of the LLC and promotion of the film, *Life Sentence*, to distributors and festivals and will not affect the return-on-investment for the Members.

RISK FACTORS

POTENTIAL INVESTORS SHOULD UNDERSTAND THAT INVESTMENT IN A MOTION PICTURE IS A RISKY VENTURE AND SHOULD BE PREPARED TO LOSE PART OR ALL OF THEIR INVESTMENT.

Investment in a motion picture is highly speculative and involves a high degree of risk. Investment should only be done by persons who can afford to lose their entire investment in the company. Each prospective investor should, therefore, prior to investment consider the following risk factors as well as the other information contained within this memorandum.

WANDERING EYE MOTION PICTURES (The Company) has no operating history and has never produced a feature-length motion picture before. There is no assurance that The Company's business will be profitable.

A market may not exist for the Members' securities and it is not presently contemplated that any of such securities will be registered for distribution under federal or state securities laws. Accordingly, because such an investment is highly illiquid, no person should invest funds that may be needed for other purposes at some point in the future.

There can be no assurance that there will in fact be sufficient Company income or gain in any year so that The Company will actually meet its projections. Although accurate projections of income cannot be made because of the numerous variables, for the convenience of potential investors the Managers have included a tabulation of what the Members' share of income would be.

The issuer of the securities represented hereby will be the LLC that is yet to be formed. Accordingly, no financial statements are presently available. After the formation of the LLC, all financial statements will be prepared and distributed by the Managers in accordance with the requirements of Illinois law.

CONCLUSION



We live in an age when intellectual property has become the United States' greatest export. Americans now spend more money on entertainment (\$480 billion) than they do on healthcare or even clothing, representing 8.4% of consumer expenditures (WIRED). The advent of global 500-channel interactive television dictates that the demand for content will continue to grow. There has never been a better time to invest in a media-related venture.

WANDERING EYE MOTION PICTURES, LLC believes that its film *Life Sentence* represents a remarkable opportunity for investors willing to take the risk of becoming involved with the financing of a feature-length motion picture. Our movie's status as a professional-university hybrid as well as a high-quality low-budget film will result in a finished product with value significantly higher than the amount of the financed budget.

The recent success of *The Blair Witch Project* demonstrates the strength of the growing markets for independent films that are engaging and clever. The potential exists for a well-made film like *Life Sentence* to return a respectable profit upon distribution. If all goes as planned, everyone involved will be able to be proud of not only his or her involvement in a successful business venture but also in the production of a work of art.

