

CONFIDENTIAL EXECUTIVE SUMMARY

\$ 1,000,000 PRODUCTION FUNDING

To be subscribed for

PRODUCER'S GROSS EQUITY INTERESTS

In

The Feature Length Motion Picture:

“C.A.T.s”

Offered by

CATs, LLC

December 5, 2010

For Information, Contact:
Frank Zanca

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Benefits to Investors

SOME SELECTED BENEFITS

- Ownership percentage of CATS, LLC equity in the film
- Lifetime investment - no early (such as 7 year) cut off
- No ceiling on return - many film deals limit profits to 200 percent
- Quality newsletter informing investors of all details of CATS, LLC projects including press clippings
- Access where applicable to movie sets while filming
- Invitations to screenings and world premieres
- Opportunity to bring friends, family, and business associates to actual filming when doing crowd scenes and or audience tapings
- Opportunity to meet, when schedule permits, movie stars and celebrities
- Complete access to any and all financial records

CONFIDENTIAL
EXECUTIVE SUMMARY

\$2,000,000 of Production Funding Producer's Gross Equity Interests
in
The Feature Length Motion Picture "C.A.T.S"

CATS, LLC
(A Florida Limited Liability Company)

	<u>Gross Offering Proceeds¹</u>	<u>Discounts and Commissions²</u>	<u>Proceeds to Company</u>
Minimum Offering	\$1,000,000	15%	\$ 850,000
Maximum Offering	\$1,250,000	15%	\$1,062,500

1. Payable in full in cash at the time of subscription.
 2. The Company may pay a broker and/or finder commission or fee provided that said fee is paid for services in addition to fundraising, which are contained as a line item in the production budget of the motion picture. Broker and/or finder will be given an option to put his percentage back into the film in exchange for points.
-

THE FOLLOWING CONFIDENTIAL EXECUTIVE SUMMARY OUTLINES A PROPOSED PRIVATE PLACEMENT OFFERING ("OFFERING"). THIS SUMMARY IS INTENDED TO FURNISH INFORMATION TO PROSPECTIVE INVESTORS REGARDING THE INVESTMENT DESCRIBED HEREIN. THIS DOCUMENT IS ONLY A BRIEF SUMMARY OF CERTAIN ASPECTS OF THE INVESTMENT, AND OF THE TRANSACTIONS CONTEMPLATED AND IT DOES NOT PURPORT TO BE COMPLETE. EACH PROSPECTIVE INVESTOR IS URGED TO OBTAIN ADDITIONAL INFORMATION FROM THE COMPANY OR ITS AGENTS FOR THE PURPOSE OF EVALUATING THE MERITS AND RISKS OF THIS OFFERING. EACH PROSPECTIVE INVESTOR IS ALSO URGED TO CONSULT HIS OR HER OWN LEGAL AND FINANCIAL ADVISORS FOR LEGAL, TAX, AND RELATED MATTERS CONCERNING THIS INVESTMENT.

THIS INVESTMENT IS SPECULATIVE, CONTAINS RESTRICTIONS ON TRANSFER, AND INVOLVES RISKS, INCLUDING TAX RISKS. THERE WILL BE NO MARKET FOR THE PRODUCER'S GROSS EQUITY INTERESTS. THESE INTERESTS MUST BE HELD INDEFINITELY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE LAW OR AN EXEMPTION FROM REGISTRATION IS DETERMINED BY COUNSEL TO BE AVAILABLE. THE COMPANY IS UNDER NO OBLIGATION AND HAS NO INTENTION TO REGISTER THE PRODUCER'S GROSS EQUITY INTERESTS AND IS UNDER NO OBLIGATION TO ATTEMPT TO SECURE AN EXEMPTION FOR ANY SUBSEQUENT SALE. NO REPRESENTATIONS, WARRANTIES OR ASSURANCES OF ANY KIND ARE MADE OR SHOULD

BE INFERRED WITH RESPECT TO THE ECONOMIC RETURNS, WHICH MAY ACCRUE TO AN INVESTOR.

[i]

BY SUBSCRIBING TO THIS INVESTMENT, EACH INVESTOR ACKNOWLEDGES THAT HE OR SHE HAS SUFFICIENT KNOWLEDGE, EXPERTISE, AND ABILITY TO EVALUATE THIS INVESTMENT AND TO BEAR THE ECONOMIC LOSS OF THE ENTIRE INVESTMENT.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION, OR OF ANY STATE AND WILL BE OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE LAWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION, THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION, NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED ON OR ENDORSED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

EACH INVESTOR, BY ACCEPTING DELIVERY OF THIS EXECUTIVE SUMMARY AGREES TO RETURN IT AND ALL ENCLOSED DOCUMENTS TO THE COMPANY IF THE INVESTOR DOES NOT UNDERTAKE THE PURCHASE OF ANY OF THE PRODUCERS GROSS EQUITY INTERESTS OFFERED HEREBY.

ANY SALE MADE PURSUANT TO SUBSECTION 517.061 (II) OF THE CALIFORNIA SECURITIES ACT SHALL BE VOIDABLE BY SUCH FLORIDA PURCHASERS EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO ISSUER, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF SUCH PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER. TO ACCOMPLISH THIS WITHDRAWAL, IT IS SUFFICIENT FOR THE SUBSCRIBER TO SEND A LETTER OR TELECOPY TO THE COMPANY INDICATING THE INTENTION TO WITHDRAW. THE LETTER OR TELECOPY SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY.

THIS DOCUMENT, TOGETHER WITH ALL EXHIBITS AND DOCUMENTATION FURNISHED TO THE PROSPECTIVE INVESTOR, IS FOR THE CONFIDENTIAL USE OF THE OFFEREE ONLY AND MAY NOT BE REPRODUCED OR DISTRIBUTED IN WHOLE OR IN PART.

CONFIDENTIAL EXECUTIVE SUMMARY

PRODUCER'S GROSS EQUITY INTERESTS

I. CATS, LLC (The "Company")

CATS, LLC, a Florida Limited Liability Company, will be formed to finance the development and production of the commercial feature length motion picture "C.A.T.S." The company has business offices in Los Angeles, California. Since CATS, LLC has not yet been formed no income statement is included.

Funds have been contributed to the development and packaging of the project. The expenditure of those funds has resulted in the completion of the shooting script, an industry standard budgeting with full detail, and continuation of the packaging of the motion picture to secure key talent and crew.

Unless otherwise indicated, all references herein to the Company are to CATS, LLC, the Florida Limited Liability Company.

II. PURPOSE OF THE COMPANY

CATS, LLC will be formed for the specific purpose of developing obtaining production financing for the feature length motion picture "C.A.T.S.," contracting for the commercial exploitation of the motion picture, and for administering the distribution of Producer's Gross Equity therein. The Company is a discrete entity whose business has been, and will be conducted solely for this purpose.

III. THE MOTION PICTURE

The motion picture, currently in active development and to be produced, is entitled "C.A.T.S." The film's story is set forth in the synopsis contained in the materials which accompany this Confidential Executive Summary.

The Company will contract with a production company to produce "C.A.T.S" as a theatrical feature film on High Definition in Surround Stereo.

Although there is no advance method of obtaining a rating of this motion picture from the Motion Picture Association of America, the Company expects that the Film will receive an MPAA rating of: *PG-13 or R*

IV. DISTRIBUTION PLAN

CATS, LLC will own all rights for worldwide licensing of the Film. All rights for the screenplay will be assigned and transferred to the company from Destiny Horizons, Inc. All future changes or additions to the screenplay will be done as Work-For-Hire arrangements between the

Company and any writers commissioned to perform said changes. The dates for the production of the motion picture have not been finalized, and will be determined upon the completion of this offering.

This Offering shall remain in effect for no longer than four (4) months, and shall be terminated on January 13th, 2009. Should the total budget amount necessary to complete the motion picture not be raised by January 13th, 2009, this Offering and all Subscription Agreements shall terminate and all investors shall be refunded their total investment dollars within not more than Thirty Days. In that event, Subscribers will be given the option to extend their investment for an additional period to facilitate finalizing production funding, or move forward and greenlight the project with current monies raised while reworking the budget to reflect the current funding.

Upon the completion of post-production and the obtaining of a color corrected answer print for *C.A.T.S*, the film may be entered into major film festivals. Special theatrical screenings may be made, but a distribution agreement through prior relationships of the parties will most probably be in place prior to completion of the film. Although there is no guarantee of a specific distribution result, it is the intent of the Company to negotiate a negative pick up deal from a major distributor(s) with an up front acquisition payment sufficient to repay all investors in full, and return a net profit to all investors. No specific time limit can be adhered to in this process, however, the Producer believes that significant progress can be effected within twelve (12) months of completion of the answer print.

VI. USE OF PROCEEDS

Funds from the subscriptions of this offering will be held in escrow until the minimum sum of One Million Dollars (\$1,000,000) has been obtained and is available to the production company to make the film. At that time, the Producers shall have the option to commence production and complete the film for the amount of One Million Dollars (\$1,000,000). An industry standard budget with full detail has been prepared for One Million Dollars (\$1,000,000) to ensure that the film can be produced and delivered in the form of a color corrected answer print for that amount.

In the event that the Producers obtain One Million Dollars (\$1,000,000) of production funding, but desire to add certain talent and/or production elements which would have additional budget impact, the Producers reserve the right to continue to raise production funding up to a maximum amount of One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000).

If the Producers elect to continue to raise production funding over the amount of One Million Dollars (\$1,000,000), then all funds received shall remain in escrow until the Producers elect to break escrow at any amount between the minimum amount of One Million Dollars (\$1,000,000) and the maximum amount of One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000). At such time as the Producers elect to break escrow and commence pre-production and production of the film, the amount elected by the producers to be the amount to break escrow, shall be the full and complete budget for the motion picture, and such amount shall be budgeted to produce and deliver the finished film in the form of a color corrected answer print with no additional funds.

Upon release of the production funds, the production company will immediately commence pre-production of the motion picture, locking in the production schedule, key talent and vendors, and thereafter commence principal photography and post-production to obtain an HD digital color corrected answer print of the motion picture.

VII. STRUCTURE OF THE PRODUCTION FINANCING INVESTMENT

To commence and complete production of the motion picture "C.A.T.S," a total of Forty Percent (40.0%) of Producer's Gross Equity will be allocated in return for a total production investment fund of a minimum of One Million Dollars (\$1,000,000) and a maximum of One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000). The balance of Producer's Gross Equity, constituting Forty Five Percent (45.0%) plus Fifteen (15.0%) intended for above the line personnel, talent and other production personnel affiliated with the Producer, has been reserved by the Producer. Allocations of Producer's Gross Equity to above the line personnel, talent and other production personnel affiliated with Producer, shall be made from Producer's share of Producer's Gross Equity, and shall not diminish or alter the allocations of Producer's Gross Equity subscribed to hereunder by production investors.

The minimum investment in this Production Funding Offering is Fifty Thousand Dollars (\$50,000).

Twenty (20) units of Fifty Thousand Dollars (\$50,000) will be subscribed for a Producer's Gross Equity participation of Two Percent (2.0%) each.

Ten (10) additional units of Fifty Thousand (\$25,000) will be subscribed for a Producer's Gross Equity participation at One Percent (1.0%) each.

In addition to the Producer's Gross Equity subscribed to production investors, the Company may assign such portions of its own allocation of Producer's Gross Equity to talent or above the line production personnel, or may elect to sell such portions of its own equity as it may determine in its sole discretion. In such case, the assignment or sale of Producer's Gross Equity shall be payable from the production company's own participation in Producer's Gross Equity and shall not in any way dilute the ownership, allocation, or value of the Producer's Gross Equity subscribed to hereunder by the production investors.

All rights in and to the motion picture will be assigned to the CATS, LLC, formed to secure the production funds, sell the motion picture to a distributor, and administer the repayment of all production investments, as well as administer the distribution of all Producer's Gross Equity Interests in the motion picture.

All production subscriptions to Producer's Gross Equity Interests will be direct percentages of One Hundred Percent (100%) of Producer's Gross Equity, not a share of the Producer's Gross Equity reserved to the Producer.

Producer's Gross Equity shall be defined as gross proceeds less expenses, which shall include attorney, accounting and administrative expenses and any other direct expenses in connection with the distribution and marketing of the film.

VIII. DISTRIBUTIONS TO INVESTORS

The company will distribute Producer's Gross proceeds as follows:

1. PHASE ONE: 100% of all Producer's Gross income shall be first applied to fully repaying all production investment plus Ten Percent (10%) for interest of use of said funds. The first three (3) investors in the Project will be the first investors to receive funds equaling the full return on their investment, after which all other revenues will be split evenly among Production Investors until all investment funds have been repaid plus the additional Ten Percent (10%).

2. PHASE TWO: After all investments have been recouped in full, then Production Investors, and the Producers shall receive sums to their respective ownership percentages of Producer's Gross Equity as set forth in Section VII herein above.

The Producer's Gross Equity Interests shall be effective for the commercial life of the motion picture "C.A.T.S" without limitation upon the amount of time over which returns may continue to be payable from the continued commercial exploitation in all existing and future markets and territories, and in all forms of media whether or not now known or invented in the future.

Producer's Gross Equity shall be payable from all sources of revenue in connection with the commercial exploitation of the motion picture "C.A.T.S," and all ancillary revenues derived directly therefrom. Any sequels, prequels, television spin-offs, or other commercial products and the revenues ancillary thereto, shall be deemed separate works not ancillary to the Film and not revenue therefrom shall be included in the Producer's Gross Revenue for the purposes of this offering.

IX. PRODUCTION ACCOUNT

Subscription proceeds from the sale of Producer's Gross Equity interest will be placed in a discreet bank account directed solely to production of the motion picture "C.A.T.S."

X. RISK FACTORS

The purchase of Producer's Gross Equity Interests offered hereby involves various significant risks. Prospective Investors should consider the risks noted elsewhere in this Confidential Executive Summary, as well as the following:

A. Illiquidity of Investment

The Investor is aware that he must bear the risks of an investment in the Company for an indefinite period of time because the Producer's Equity Interests have not been registered under the Securities Act of 1933 (the "Securities Act"), or any other applicable law, and therefore, cannot be sold and must be held indefinitely unless they are subsequently registered under the Securities Act, and any other applicable law, or exemptions from such registration are available; and the Investor is aware that such registration is unlikely in the future.

B. Risk of Loss of Entire Investment

An investor who purchases a Producer's Gross Equity Interest should be aware that the investment in the company is highly speculative and that he/she risks losing his/her entire investment. During the development phase, there is no binding agreement with any above the line principal, because production financing will not have been obtained until the script and budget are completed, and no filming will take place. There is no assurance that the company will obtain production funding, or if production funding is obtained, and the film is completed, there is no assurance that a distributor will be contracted to distribute the Film or that even if it does, that there will be sufficient revenues to return the original investment of Producer's Gross Equity Interests.

C. Inherent Uncertainty of Projections

The information included in these materials is based on certain assumptions and other information. However, the underlying estimates, assumptions and future events are inherently uncertain, and unanticipated events including changes in income tax laws may occur which would cause actual results to vary, perhaps materially from any forecasted results. Each Investor should be aware that many films do not get released or if released are not commercially successful, and lose money. As a consequence, each Investor should be aware that the company and its Officers do not and cannot guarantee or warrant any specific projected result of an investment in the company. Accordingly, Investors should retain and rely upon the advice of their own professional advisors with respect to their individual suitability for an investment in the company and the tax consequences resulting therefrom.

D. Control of Company

The Company's Managers, with the advice and assistance of other professionals, will administer all business aspects of the Film. Purchasers of Producer's Gross Equity Interests will receive Member Certificates in addition to executing Subscription Agreements evidencing their ownership of Producer's Gross Equity, but shall not be participants in the management of operations of the Company. Accordingly, an investor will have no right to vote on, or to veto actions of the Managers, no creative control and officer approved actions may be approved despite the Investors' dissent from such actions. No action by the Company shall be authorized that would in any way alter, change, or diminish the full right and entitlement of each owner of a Producer's Gross Equity Interest. Upon acceptance of Subscription proceeds, and acceptance and execution by

the Company of each Subscription Agreement for a Producer's Gross Equity Interest, the Company hereby expressly consents to and adopts this restriction against dilution of Producer's Gross Equity Interests.

The respective rights and obligations of the company are included in the company's Articles of Organization, and the Operating Agreement that may be reviewed by Investors upon request.

E. Dependence on Management/Prior Experience of Management

The success of the Company is dependent upon a number of factors, and investors are dependent on the Managers of the Company and the talent hired by the Company's production company for the commercial success of the Film. The production company and its Producers have prior experience in creating and producing motion pictures, and dealing with budgets, and the creative management of film projects. There is no guarantee, however, that the company can produce and distribute the Film as a commercially successful feature length motion picture.

F. Federal Income Tax Risks

1. Classification as a Passive Entity for State and Federal Taxes

The tax consequences reflected in the Projections are based upon the CATS, LLC being a Limited Liability Company, and therefore passive for state and federal income tax purposes under applicable State of California and United States statutes and regulations. At the time the Company was formed, it elected treatment as a partnership for Federal tax purposes.

Legal Counsel for the Company has previously formed production entities which have been reviewed by other Attorneys and by Certified Public Accountants and which were determined to meet the applicable criteria for structures which meet the criteria of the United States Internal Revenue Service as a tax passive Limited Liability Company. However, in the absence of a private letter ruling from the Internal Revenue Service, no absolute assurance can be given that the Company will, in fact, be treated by the Internal Revenue Service as passive. If the Company were to be characterized for federal income tax purposes as a "C" corporation, or non-passive entity, any distributions to Members would be subject to taxation at corporate rates at the Company level, and again, as dividends, at the Investor level. This would have a material adverse impact upon the Projections and income to the Investors.

2. Passive Activities and Investment Income

Under the Internal Revenue Code, income may be characterized as non-passive income, investment income or "passively activity income." The characterization of income is important since, in general, passive activity losses may be currently deducted only the extent of passive activity income, and investment interest expense may be currently deducted only to the extent of investment income. Investment income, also referred to as "portfolio income," includes gain from certain property held for investment, interest, dividends, and royalties. Passive activity income is, in general, income from a passive activity. Subject to certain qualifications, a passive activity is a

trade or business in which the taxpayer does not materially participate. Generally, the interest of an Investor who is not an officer, of a production entity is also treated as an interest in a passive activity.

G. Conflicts of Interest

The Managers and the Company and Producers of the film may also be a principal in, or have a profit interest in, the production company for the motion picture. They will disperse to other persons affiliated with the production company payments from subscription proceeds of this offering for services to the Company with respect to production activity as set forth in the use of proceeds. Also, counsel for the company, will receive payments for legal services. These payments will be made from the production funds obtained pursuant to the offering of Producer's Gross Equity Interests and upon the production funds being released from escrow. Accordingly, said payments will be made regardless of whether the Film is a commercial success or whether investors receive any distributions from the company. The terms of such payments will not be result of arms-length negotiation, but are considered to be equal to, or less than, industry standards for the association services rendered to the company.

THE SUITABILITY OF THIS INVESTMENT, AS WELL AS CERTAIN TAX ASPECTS OF THE OFFERING, MAY NOT BE THE SAME FOR ALL PROSPECTIVE INVESTORS. INVESTORS ARE STRONGLY ADVISED TO CONSULT THEIR TAX ADVISORS REGARDING THEIR OWN GENERAL FINANCIAL AND SPECIFIC TAX SITUATIONS PRIOR TO AN INVESTMENT IN THE COMPANY.

XI. MANAGEMENT

The Manager shall have the exclusive right to manage the business of the Company. Generally, the Manager is authorized and empowered to carry out and implement the purpose of the Company and to manage and control and make all decisions affecting the business and assets of the Company in his full and exclusive discretion in accordance with this Offering. The Managers of the Company are:

<u>Name</u>	<u>Title</u>
Frank Zanca	Pres.
Timothy Ryder	VP

C.A.T.S

The Live Action Feature Film



BUSINESS PLAN & FINANCIAL PROJECTIONS

C.A.T.S

BUSINESS PLAN AND FINANCIAL PROJECTIONS

Prepared for
CATS, LLC

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BUSINESS PLAN FOR C.A.T.S

THE BUSINESS PLAN

1. OVERVIEW

STRATEGIC OPPORTUNITY

The Global box office reached \$30 billion in 2009, surpassing the \$8 billion mark for the first time, up 7.6% over 2008 based on data from the Motion Picture Association of America (MPAA).

Worldwide Sales for independent films in 2009 are estimated to be \$7.9 billion. This number includes U.S. box office of \$4.1 billion, an additional \$1 billion in U.S. ancillary revenues as calculated by Business Strategies, and aggregate international sales (i.e. countries outside of the United States) for independent film companies of \$3.8 billion according to a statistical survey conducted by the American Film Marketing Association (AFMA). There are significant potential returns for independent motion picture investments as no other time before in history.

Generation Y, which includes the most active movie-going age group of 18-to-30, is estimated at 70 million people.

THE COMPANY

CATS MOVIE, LLC is an independent entertainment company formed to produce the feature film *C.A.T.s*. As today's marketplace supports well-made, low budget independent films, and because of the broad appeal of *C.A.T.s*, the filmmakers expect this film to be a success. The film's main characters include, Abby Fletcher, a thirty-five year old mother of two, who has a secret life running a small team that hunts down other spies. The film combines intrigue with action and comedy with a few twists and turns. Moral and contemporary issues such as relationships, family and friendships are focused on as well as the traditional battle of good vs. evil. The present-day world backdrops the pulse-pounding action of the story.

THE FILM

C.A.T.S: The film *C.A.T.s* was written by producer and novelist, Frank Zanca. Abby Fletcher is the head of one of the many C.A.T.s Groups (Covert Anti-Espionage Team). She's also one of the few that have been permitted to rear a family and have a semi-normal life. Her life turns upside down as she is forced by her former teammate to abduct a government agent possessing valuable information in order to rescue her husband, who will die from a deadly poison in less than twelve hours.

The producers envision the film to spawn future sequels and/or a television series as well as other ancillary products, such as video games.

THE INDUSTRY

Independent films can vary widely in budget, from as low as \$30,000 to as high as \$100 million but their similarity is a freedom from the creative confines of studio productions. By definition, an independent film is one that is financed by any source other than a major movie studio. Unlike studios, independent producers are able to avoid substantial overhead costs by hiring personnel on a project-by-project basis. The absence of overhead, combined with budgets lower than typical studio films, independent films can be directed at small niche markets rather than appealing to the entire movie-going audience.

The success of 1999's low-budget film mega-hit *The Blair Witch Project*, which earned close to \$300 million in worldwide revenues from all distribution media, has signaled a new day for independent films. It has revolutionized how studios and distributors look at the production and marketing of films. Since then there has been literally hundreds of independent films that have been huge successes on very small budgets.

THE MARKET

C.A.T.S is a mixture of the most popular genres: action/suspense/comedy. The key to successful films at any budgetary level is that the filmmakers pay more attention to their core, or target audience. With lower-budgeted films, they often are able to emphasize substance over form. As an independent production, *C.A.T.S* can be an original, distinctive film that is entertaining and uniquely interesting. Although there is no boilerplate for making a successful film, the producers' chances are increased with a strong story, and the right elements, meaning the right director and cast and other creative people involved. Being able to greenlight our own product, with the support of investors, allows the Company to produce a quality movie without interference from outsiders.

The market for independent films is growing. Formerly thought to play only in art houses, specialty films have crossed over to mainstream theaters and attained ever-rising grosses. The strategy of making films in well-established genres has been shown time and time again to be an effective one. Genre films (movies that can be clustered together due to a specific similarity of theme, style or time-period) use time-honored storytelling techniques in a way that is familiar to the viewer. Whether large or small productions, film genres include Western, Horror, Film Noir, Thriller, Mystery, Action-Adventure, Science Fiction and Fantasy, among others. Placing a film in a genre is a way of pre-selling it to the audience. The viewer comes into the theater with a certain expectation as to how the story will be told. This initially attracts a specific type of moviegoer. There is comfort for these film fans if they have some indication, up front, that the movie will appeal to them.

The success of low-budget films has been helped by the number of new independent production and distribution companies gearing up every day. There has also been a rise in the number of screens available for independent films due to a general belief that there are not enough theaters for such films. Robert Redford, among others, plans to build new specialty cinema houses. In addition, in mall cineplexes, one or more screens are dedicated to showing independent films. And several major European exhibitors have built or are building 4-to-16 plex theaters dedicated to specialty films.

DISTRIBUTION

The motion picture industry is highly competitive, with much of a film's success depending on the skill of its distribution strategy. As producers, the filmmakers intend and expect to negotiate with a primary independent distributor; however, to maximize the Company's bargaining strength, distribution agreement negotiations will begin during or after principal photography on *C.A.T.S.* Inasmuch as distribution terms are determined in part by the perceived potential of a motion picture and the relative bargaining strength of the parties, it is not possible to predict with certainty the nature of the distribution arrangements.

INVESTMENT OPPORTUNITY

C.A.T.S. is seeking minimum capitalization of One Million Dollars (\$1,000,000) for the production of the film. Using a conservative, or moderate, revenue projection and an assumption of general industry distribution costs, the Company projects gross revenues of over Three Million Dollars (\$3,000,000) during limited theatrical, international and ancillary market distribution, generating net producer/investor profit of approximately One Million Dollars (\$1,000,000) before taxes and investor interest payments. The filmmakers are ready to commence pre-production upon securing financing.

2. THE COMPANY

CATS, LLC is an independent company formed in Delray Beach, FL, to make the film *C.A.T.S.* The film is an Action/Thriller with elements of paranormal, film noir and suspense designed to appeal to a wide audience. The Company boasts valuable relationships in the moviemaking community and has the goal of producing a sound, low-budget film product, with a good potential for ongoing commercial gain.

The Company's objectives are to:

- Develop and produce an intelligent production that has both domestic and foreign appeal.
- Maintain strong management control on production to obtain the best quality.
- Utilize the principals' combined entertainment backgrounds to attach commercial talent to the project.
- Maintain totally independent production financing in order to make the best possible deals with distributors, thereby maximizing potential returns to the investors.

MANAGEMENT

Frank J. Zanca, Writer/Producer: Frank J. Zanca copyrighted the property of *Shadow Raven* in 1993. Destiny Horizons, Inc. was incorporated by Frank J. Zanca in 1999 with the

intention of creating a multi-media company with subsidiaries that deal in Film and Television Production, Publishing of comics and novels, Video Game design and distribution, Toy and game production and distribution as well as Internet sales.

Frank Zanca began working in local television at the age of 22 when he became a Promotional Producer for Channel 9, the Orlando ABC affiliate. During this time he wrote and produced thirty-second spots for the newscast and syndicated shows such as Geraldo and Sally Jesse Raphael. Later he worked as a Production Assistant on NBC's Gonzo Games and Dick Clark's Sea World Summer Spectacular. Frank created and wrote his first comic book, which was distributed internationally, under the name of *Shadow Raven*. For a number of years Frank worked in Sales and then moved into Marketing where he became CFO and later President of two Independent marketing firms that were later sold for several million dollars. Recently Frank helped design *Shadow Raven: the Combat Card Game*, which was distributed internationally and has written a *Shadow Raven* novel. Other copyrighted works by Frank Zanca include: *Guardians of the Golden Dawn*, *Breaking News*, *Dream Quest*, *Day of the Drow* and *The Kat Files*.

In 2006 Frank moved to Los Angeles and began in internet marketing firm, called Action Marketing Solutions, to assist in on-line film and print distribution and sales. In 2008 he partnered with Timothy Ryder, and together produced three pilots for the web along with the construction and near-future launch of www.StayTunedTV.net, a website geared completely towards airing independent webisodes.

Timothy Ryder, Producer: He joined Carsey-Werner Productions in 1989 on the critically acclaimed but short-lived *Davis Rules*, starring Randy Quaid and Jonathan Winters. He went on to work for ABC, CBS and NBC prime-time sitcoms and reality programs. He also worked for Arsenio Hall Productions as an associate producer/producer for their television specials and home video releases.

Mr. Ryder was then invited back to Carsey-Werner as Co-Producer of the smash hit 3rd *Rock From The Sun*. He subsequently served as Consulting Producer for the company, handling the shows *Men Behaving Badly*, *Townies*, *Damon*, *Earth Scum*, and *That 70's Show*. He eventually served as Associate Director for two seasons on Bill Cosby's second series for CBS, *Cosby*.

Mr. Ryder also produced A&E's two-hour television movie, *Lucifer's Child*, with Julie Harris. He has since produced various independent feature films, including the award winning *Follow Me Home* with Alfre Woodard and Benjamin Bratt. After a three-year stint on the NBC hit 3rd *Rock From The Sun*, Mr. Ryder accepted a more artistic position within Carsey-Werner Productions, taking on the responsibility of Picture Editor and Associate Director for *That 70's Show*. He edited the first five seasons of the popular sitcom before departing amicably from Carsey-Werner to establish Raptor Productions, which presently has several feature film projects and television shows in development.

His most recent work includes the Fox Network's smash-hit *Stacked*, starring Pamela Anderson, and the feature short, *Peace*, starring Kurtwood Smith and Nancy Lenihan, where he served as Executive Producer. He has Bachelor of Arts Degree from Santa Clara University (CA), and where he majored in German and minored in Business Management.

Jason Connery, (Possible Director): Jason Connery has appeared in over 30 films, television movies and series combined since his breakthrough role as Robert of Huntington in the UK television series *Robin of Sherwood* in 1985.

Born the son of Sean Connery and Diane Cilento, Connery grew up in London and Scotland. Connery also took on directing duties and directed fellow classmate, Prince Edward in *Hotel Paradiso*. His big break came in 1985 when he took on the role of Robert of Huntington in the popular UK television series *Robin of Sherwood*. The role launched Connery to stardom in England and he remains a cult-favorite with the show's passionate fans. Connery has since had starring roles in feature films including *Return of the Thief of Baghdad*, *Private Moments*, *Wishmaster 3: Beyond the Gates of Hell*, *Requiem*, *Shanghai Noon*, *Urban Ghost Story*, and *Macbeth*. He has also starred in television movies (*Liberty Kids*, *Merlin*, *Bullet to Beijing*, and *The Secret Life of Ian Fleming*) and series (*Smallville* and *Shoe Box Zoo*.)

In 1996 he was married to actress Mia Sara and they have one son, Dashiell Quinn. The couple divorced in 2002. Connery is most proud of his role as father to Dashiell, whom he refers to as 'the most wonderful person I know.' Connery now resides in Los Angeles and spends every bit of free time with his son.

After achieving success as an actor for two decades, Connery is busy working behind the cameras as a director with several projects for film and television. Jason cut his directing teeth on short films developed for "Short Mondays" a film night on the first Monday of every month in Hollywood where film makers bring their short movies for viewing and Q & A. He then moved on to his feature directorial debut, *Pandemic* with Ray Wise and Graham McTavish. The film is being sold by Artistview Entertainment. The next project, *The Devil's Tomb* starring Cuba Gooding Jr and Ron Perlman, has been released by Sony domestically, and being sold in the foreign Market by Voltage Entertainment. Lionsgate is releasing the film in the UK and Japan.

3. THE FILM

C.A.T.s: Abby Fletcher is the head of one of the many C.A.T.s Groups (Covert Anti-Espionage Team). She's also one of the few that have been permitted to rear a family and have a semi-normal life. Though her team has been together for six years they know very little about each other's personal lives. Each team is made up of three women: a tactical leader, a tech and a weapons/demolitions expert. Min May, a Korean with a mind like a steel trap and the moral compass of the group, maintains the role of the tech while the wise-cracking Italian, Frankie Rosatti, is the weapons expert.

When an op goes wrong and a man dies in the arms of his twelve-year old daughter from a sniper's bullet, the young girl mistakenly blames Abby for his murder. Bobbi-Jean subsequently loses her mind, but is the only one that knows the location of the code her father had stolen. It's half of a virus program that, when uploaded to SATCOM, will disable all of the satellite communication in U.S. inoperable and vulnerable to hackers. Early warning detection defenses would be offline, nuclear subs could be given erroneous orders to fire on friendly cities, and abroad undercover operatives would be left without exit strategies.

A former member of Abby's team, Tatiana Ivanov, who also blames Abby for the death of her family while fleeing the Soviet Union, tracks Bobbi-Jean down and coaxes her into giving up the location of the code. Tatiana then reveals herself to Abby as her brother's new "girlfriend" and kisses Abby's husband, slipping him a poisonous substance that becomes fatal in twelve hours. To obtain the antidote she must kidnap and deliver her male counterpart, who has the key to the second half of the code. Abby must choose between her duty to her country and to her family.

The producers envision the film to spawn future sequels and/or a television series.

4. THE INDUSTRY

The success of three independent films – *The Blair Witch Project*, a \$350,000 movie that has earned nearly \$300 million in worldwide revenues, *The Sixth Sense*, a \$40 million film that earned over \$600 million in worldwide revenues, and *Saw*, a \$2 million dollar film that earned \$102 million in worldwide revenues – have signaled a new day for independent films. They revolutionized how studios and distributors look at the production and marketing of films. Over the past decade, "independents" – individual entrepreneurs, smaller film production companies and distributors – have played an increasingly significant role in filling the worldwide demand for filmed entertainment, as well as producing and distributing films at a lower cost. With an ability to make a more carefully structured film, these companies are able to give more to their films.

The U.S. box office reached over \$10.6 billion in 2009, surpassing the \$10 billion mark for the first time, up 5% over 2008, and 10% since 2007, based on data from the Motion Picture Association of America (MPAA). Worldwide sales for independent films in 2008 are estimated to be \$7.9 billion. This number includes a U.S. box office of \$4.1 billion, an additional \$1.5 billion in U.S. ancillary revenues as calculated by Business Strategies, and aggregate international sales (i.e., countries outside of the United States) for independent film companies of \$3.8 billion according to a statistical survey conducted by the American Film Marketing Association (AFMA).

Independent films can vary widely in budget, from as low as \$30,000 to as high as \$100 million, but their similarity is a freedom from the homogeneity of studio production. By definition, an independent film is one that is financed by any source other than a U.S. studio. With their ability to take more time and the need to plan budgets more carefully than studios tend to do with their big-budget films, smaller companies are able to give full attention to their lower-budgeted, intelligent dramas. Unlike studios, the independent production companies are able to avoid substantial overhead costs by hiring creative and other production personnel on a project-by-project basis. And due to their lower budgets, these films can be directed at niche markets rather than needing to appeal to the entire body of the film-going audience. They typically finance their production activities from discrete sources, and their goal is to complete financing of their motion pictures before the commencement of principal photography.

The structure of the motion picture business has been changing over the past few years. The studios, the largest companies in this business, are generally called the "Majors" and include Universal Pictures (owned by Vivendi/Seagrams), Warner Bros. (owned by Time-Warner Inc.), Twentieth Century Fox Film Corporation (owned by Rupert Murdoch's News Corp.), Viacom/Paramount Pictures, Sony Pictures Entertainment (which includes Columbia and the

former TriStar Pictures), MGM and The Walt Disney Company. In most cases, the Majors own their own production studios and have a nationwide (and in some cases worldwide) distribution organization. With a large corporate hierarchy making production decisions and a large amount of corporate debt to service, the studio aims most of its films at mass audiences. The Majors generally have sufficient cash flow from motion picture and related activities, or, in some cases, from unrelated businesses (e.g., theme parks, publishing, electronics), to pay or otherwise provide for their production costs. They also have tremendously high overhead costs for staff and physical facilities, which they maintain on a full-time basis. In addition, as providers of production financing, studio executives often act as bankers without much attention to the dramatic quality of the films they produce.

Whether a studio or independent film, there are four typical steps in the production of a motion picture: development, pre-production, production and post-production. During development and pre-production, a writer may be engaged to write a screenplay or a screenplay may be acquired and rewritten. Certain creative personnel, including a director, actors and various technical personnel, are hired, shooting schedules and locations are also planned and other steps necessary to prepare the motion picture for principal photography are completed. Production commences when principal photography begins, and generally continues for a period of not more than three months. In post-production, the film is edited and synchronized with music and dialogue and, in certain cases, special effects are added. The final edited, synchronized negative is used to manufacture release prints suitable for public exhibition. The costs up to this point are generally referred to as the film's production or "negative cost." The expense for release prints and advertising for the film (often referred to as the "P&A") is not part of the negative cost. Those expenses are part of marketing and distribution.

The Action/Suspense/Thriller Genre

More specifically, *C.A.T.S* lends itself to the Action/Suspense genre are types of films known to promote intense excitement, suspense, a high level of anticipation, ultra-heightened expectation, uncertainty, anxiety, and nerve-wracking tension. Thrillers are often hybrids - there are suspense-thrillers, *action-* or *adventure-* thrillers, *sci-fi* thrillers (such as *Alien (1979)*), *crime-caper* thrillers (such as *The French Connection (1971)*), *western*-thrillers (such as *High Noon (1952)*), *film-noir* thrillers (such as *Double Indemnity (1944)*), even romantic comedy-thrillers (such as *Safety Last (1923)*).

Characters in thrillers include convicts, criminals, stalkers, assassins, down-on-their-luck losers, innocent victims (often on the run), prison inmates, menaced women, characters with dark pasts, psychotic individuals, terrorists, cops and escaped cons, fugitives, private eyes, drifters, duplicitous individuals, people involved in twisted relationships, world-weary men and women, psycho-fiends, and more. The themes of thrillers frequently include terrorism, political conspiracy, pursuit, or romantic triangles leading to murder.

Action/Suspense/Thrillers are very popular with television as well as film. Shows such as the hit series *24* includes high tension throughout every episode. Audiences are forced to sit on the edge of their seat wondering what will happen to the characters that exist in constant mortal danger throughout the film or show. Often in Action/Suspense/Thrillers, there are no rules and any

character can be killed or hurt at any moment. Knowing this keeps the audience guessing. Tossing the Mystery genre into the mix allows the audience the period of time from the start of the film till the end to figure out who the villain is. When and if they do discern his or her identity, the audience is now forced to sit and watch as the villain moves dangerously close to the hero for the characters on-screen have yet to figure it out.

Probably the most well-known and revered father of the Suspense genre is Alfred Hitchcock. He began his long career with his silent Jack-the-Ripper film called, *The Lodger* in 1926 and followed up with many classic films such as, *The Rear Window* in 1954 and *Vertigo* in 1958. Hitchcock was master in creating mood and paying attention to the most minute detail in creating suspense. During a scene in the 1956 Suspense/Thriller, *The Man Who Knew Too Much*, Doris Day's character knows that there is going to be an assassination attempt during an opera. When she sees the gun she remains frozen with fear. The killer waits only for the clash of the cymbals to cover the sound of the shot. Tension is heightened to incredible levels as the cymbals are about to clash and Doris Day lets out a blood-curdling scream. These types of slow to boil scenes gave Hitchcock a place as one of the best directors in film history.

In 1971, Gene Hackman starred in the *French Connection* which quickly became a classic police thriller. This was immediately followed up with *Deliverance* in 1972. Other thrillers didn't involve murder, like the *China Syndrome* and *All the President's Men* in 1976, but still dealt with the mortal fate's of their main characters. The 1980's saw successful suspense/thrillers like *Fatal Attraction*, *Witness* and *No Way Out*. While the 1990's drew chills of their own with *Reservoir Dogs*, *Sleeping with the Enemy*, *Basic Instinct*, *The Fugitive*, *Single White Female*, *The Hand that Rocks the Cradle* and *The Usual Suspects*.

As time continues, the suspense/thriller genre becomes more and more popular mostly due to teenagers who are very willing to plunk down ten dollars to be scared and feel the rush of natural adrenaline. This has not changed since the early 1900's where the black and white film medium was perfect for creating shadows and suspenseful moods in which to lure audiences. With a mere budget of just over \$1 million, *Saw* produced a worldwide box office phenomenon with two sequels thus far each earning over \$100 million. *Saw* also utilized a single set mentality with over eighty percent of the film taking place in a over-sized industrial bathroom.

All evidence leads to the continued production of more suspense/thrillers, whether they are based on familiar characters or newcomers. However the "strike while the iron is hot" motto definitely applies here. The time for *C.A.T.S* to hit the market is *now*, while the appetite for such suspense/thriller films is strong and audiences are looking for the next hot chiller that will leave them dying for more.

THEATRICAL EXHIBITION

In 2008, there were 37,185 theater screens (including drive-in screens) in the United States. This is an increase of 29 percent since the 1990's. Firm revenues from all other sources are driven by theatrical distribution. Revenues for pictures that skip the theatrical circuit and go directly into foreign markets or another medium are not likely to be as high as those for films with a history of

US box-office revenues and promotion. Major studio films may be distributed to as many as 3,000 theaters in the first few weeks, but independent films start slower and build. The exhibitor pays a percentage of the picture's box office receipts (called "rentals") to the studio or distributor. The size of the percentage depends on the distributor's strength and the exhibitor's desire to show the film. A major studio release usually has a 50/50 split, while independent films average 47 percent (up from 45 percent in 1994) from the box office. Of course, the exhibitor keeps all proceeds from popcorn, candy, and soft drinks.

Rentals will decline toward the end of a film's run, but they may very well increase during the first few months. It is not unusual for a smaller film to gain theaters as it becomes more popular. Exhibitors, however, have always maintained that they will show any film that they think their customers will pay to see. Depending on the location of the individual theater or the chain, local pressures or activities may play a part in the distributor's decision. Not all pictures are appropriate for all theaters. The distribution of a motion picture involves licensing of the picture in both the United States and Canada (often combined as "North America") and all foreign territories for theatrical exhibition, home video, television (including cable, network and pay-per-view), non-theatrical exhibition (airlines, hotels, etc.) and other rights to the film, such as books, music soundtrack and merchandise.

Despite the new technologies on the horizon, theatrical exhibition is not likely to disappear during our lifetime. Forecasts in 2007 by Paul Kagan Associates, Inc. (Carmel, CA) called for the industry to grow from \$30 billion to \$40 billion in about five years. We see that these predictions have come true with an annually compounded revenue growth rate between 1996 and 2006 of about 8.6 percent (projected for 2006).

OTHER SOURCES OF REVENUE

Cable and Broadcast Television

Television exhibition includes over-the-air reception for views either through a fee system (cable) or "free television" (national and independent broadcast stations). The proliferation of new cable networks in the last fifteen years has made cable (both basic and premium stations one of the most important outlets for feature films and documentaries. Whereas network and independent television stations were a substantial part of the revenue picture in the seventies and early eighties, cable has become a far more important ancillary outlet. The pay-per-view (PPV) business had a banner year in 2007, according to analyst Paul Kagan, up nearly 35 percent to \$981 million, thanks to continued DBS (direct broadcast satellite) growth and significant NVOD (near video on demand) rollouts by cable operators. Pay-per-view and pay television allow cable television subscribers to purchase individual films or special events or subscribe to premium cable channels for a fee. Both acquire their film programming by purchasing the distribution rights from motion picture distributors.

Home Video and DVD

A large source of motion picture revenues continues to be the worldwide home video market. Home video companies promote and sell videocassettes and DVD's to local, regional and national video retailers, which then rent or sell the cassettes and DVD's to consumers for private viewing. They also sell directly to consumers in what is termed the "sell-through" market. In 2009, the total spent in buying and renting DVD's was \$33.1 billion. While rental has been steady for the last several years, the new DVD sell through market contributed nearly \$26.8 billion. DVD sales have decreased from 2008 by 9%, but Blu-Ray sales have increase 119% to \$6.5 billion.

International Theatrical and Ancillaries

Much of the projected growth in the worldwide film business comes from the international markets. Distributors and exhibitors keep finding new ways to increase the box-office revenue pool. The growth in multiplexes in Europe is being followed by more screens in Asia and Latin America. Other factors are the privatization of television station overseas, the introduction of direct broadcast satellite services and increased cable penetration. In 1998, an estimated 58 percent of all worldwide revenues for American films came from the United States, where 42 percent came from foreign sources. The same data for 2006 is projected to change slightly, with 56 percent from the US and 44 percent from foreign venues of all types.

Future Trends

New technologies are volatile in their movements and can change at any time. DVDs, for example, which came into the American market later than expected due to problems with determining standards, is now supported by all the major studios. What impact will the new technologies have on theater attendance? Many different projections appear in the news media. Blu-Ray, Video-on-Demand, etc. are all major players in Film Distribution. Most experts believe that theatrical exhibition will always be the vehicle that drives the popularity of products played in the home and other outlets. However, new digital technology for exhibition has recently been developed which will dynamically lower the cost of filmmaking in the next five to 10 years. New technologies aside, theatrical exhibition is not likely to disappear during our lifetime.

The Independent Filmmaking Marketplace

The market for independent films is growing. Formerly thought to play only in art houses, specialty films have crossed over to mainstream theatres and attained ever-rising grosses. The strategy of making films in well-established genres has been shown time and time again to be an effective one. Genre films (movies that can be clustered together due to a specific similarity of theme, style or time-period) use time-honored storytelling techniques in a way that is familiar to the viewer. Whether large or small productions, film genres include western, horror, film noir, thriller, mystery, action-adventure, science fiction and fantasy, among others. Placing a film in a genre is a way of pre-selling it to the audience. The viewer comes into the theatre with a certain expectation as to how the story will be told. This initially attracts a specific type of moviegoer. There is comfort for these film fans if they have some indication, up front, that the movie will appeal to them.

The number of new independent production and distribution companies gearing up every day has helped secure the success of low-budget films. There has also been a rise in the number of screens available for independent films due to a general belief that there are not enough theaters for such films. Robert Redford, among others, plans to build new specialty cinema houses. In addition, in mall cineplexes, one or more screens are dedicated to showing independent films. And several major European exhibitors have built or are building 4-to-16 plex theaters dedicated to specialty films.

5. TARGET MARKETS

Ages 18 – 30

Hollywood can't do enough to lure teens, which are considered the keys to mainstream success. Suspense/thrillers have been staples of the film community for decades. A 2002 study by the Motion Picture Association of America (MPAA) indicates 31 percent of the movie going audience was made up of 13-to-20-year-olds and another 10 percent was in the 21-to-24-year age group. In the general population, Generation Y, also known as the Echo Boomers (the Census Bureau uses the age range of 5 to 22), number 70 million, and Generation X is now 46 million (ages ranging from 22 to 34).

Although often ignored by the studios trying to appeal to every moviegoer at one time, niche products, that appeal to more select audiences often finds gratifying financial success. Movie viewers in the modern world are becoming more sophisticated. The rise in showbiz television shows and the weekly "box office statistics" has made many niche audiences more informed and more sophisticated about their movie choices. *C.A.T.S* will be a suspense/thriller/film noir genre film in the vein of *Basic Instinct*, *the Usual Suspects* and *Notorious* while maintaining strong cohesiveness between the characters. It will be stylized with a unique story different on many levels from typical Hollywood films. Statistics from the Motion Picture Association (MPAA) show that young audiences attend films more often than their older counterparts. Young men tend to attend films more often than young women, however, the film also appeals to the female audiences by introducing a strong female character and by utilizing romantic sequences. Our film appeals directly to the lucrative younger marketplace, but *C.A.T.S* distinguishes itself by targeting audiences who have attended the proven suspense/thriller genres and adding the paranormal element similar to the hit televisions show *Medium* and *The Dead Zone*.

C.A.T.S lends itself to the largest filmgoers' demographics. The teenage market up to those in their mid-twenties makes up almost forty percent (40%) of all movie-going audiences. The film, *C.A.T.S* has an extremely wide range of depth in regards to all markets due to the combination of Thriller, Mystery, and Suspense genres. Since the story allows for a strong female character, female moviegoers will also be attracted to the film. Its dark, brooding tone while touching on moralistic issues such as trust, relationships and the timeless conflict of good vs. evil will also allow for success in distribution of not only the American market but the Asian and European markets as well.

The demographics below were compiled by the MPAA in the year 2000 concerning the ages, genders and income of worldwide moviegoers. From these demographics it is easy to see that *C.A.T.S* fits into the highest niche of target market moviegoers.

TRADE FORUM

- 51% are male
- 49% are female
- 36% are younger than 25
- 54% are between 26 and 45
- 51% earn \$55,000 to \$75,000
- 24% earn over \$75,000

6. DISTRIBUTION

The motion picture industry is highly competitive, with much of a film's success often depending on the skill of its distribution strategy. As an independent producer, the Company intends and expects to negotiate with a major distributor; however, to maximize the Company's bargaining strength, distribution agreement negotiations will begin during or after principal photography on *C.A.T.S*. Inasmuch as distribution terms are determined in part by the perceived potential of a motion picture and the relative bargaining strength of the parties, it is not possible to predict with certainty the nature of the distribution arrangements. Distribution terms between producers and distributors vary greatly. However, there are certain standard arrangements, which form the basis for most distribution agreements.

The distributor will generally license the film to exhibitors, both domestic and foreign in all media, for a percentage of the gross box office dollars. The initial release for most feature films is U.S. theatrical (i.e., in movie theaters). For a picture in initial release, the exhibitor will split the revenue derived from ticket purchases ("gross box office") with the distributor; revenue derived from the various theater concessions remains with the exhibitor. The percentage of box office receipts remitted to the distributor is known as "film rentals" and customarily diminishes during the course of a picture's theatrical run. Although different formulas may be used to determine the splits from week to week, on average a distributor will be able to retain 48-50 percent of total box office. In turn, the distributor will pay to the motion picture producer a negotiated percentage of the film rentals less its costs for film prints and advertising.

Film rentals become part of the "distributor's gross," from which all other deals are computed. As the distributor often re-licenses the picture to domestic ancillaries (cable, television, home video), foreign theatrical and ancillaries, these monies all become part of the distributor's gross and add to the total revenue for the film in the same way as the rentals. The distribution deal with the producer includes a negotiated percentage for each revenue source; e.g., the producer's share of foreign rentals may vary from the percentage of domestic theatrical rentals. The basic elements of a film distribution deal include the distributor's commitment to advance funds for distribution expenses (including multiple prints of the film and advertising) and the percentage of the film's income the distributor will receive for its services. Theoretically, the distributor recoups the cost of its print and advertising expenses from the initial revenue from the film. Generally, the distributor will split the next monies between paying back the investor and taking his fee until the investor has been paid back for the production cost. However, the specifics of the distribution deal

and the timing of all money disbursements depend on the agreement that is finally negotiated. The “net” that is left after the distributor has taken all his fees and the production cost has been repaid flows to the profit line for the producers and the Investor Group.

There is an active market for completed motion pictures, with virtually all the studios and independent producers seeking to acquire films. Over the past few years, an increasing number of films distributed by studios have been acquired for distribution after their completion. There have also been a large number of independent distributors with substantial distributing capabilities and particular skill in distributing specialized films. The Company believes that *C.A.T.S* will be an exceptionally attractive offering to this market.

RELEASE STRATEGIES

The typical method of releasing films begins with domestic theatrical, which gives value to the film’s various “windows” (the period that has to pass after a domestic theatrical release before a film can be released in other markets). Historically, the sequencing pattern has been to license to pay-cable program distributors, foreign theatrical, home video, television networks, foreign ancillary and U.S. television syndication. As the rate of return varies from different windows, shifts in these sequencing strategies will occur.

Distributors plan release schedules with certain target audiences in mind. For high-budget, mass appeal films, studios have done best with a wide release strategy – release in 750 or more theaters on opening weekend. Given the cost of prints (\$1,200-\$1,500 each), this method can create an initial marketing expense of over \$1 million accompanied by an equally high advertising program. These films often reflect “lowbrow” entertainment, which depends on high-priced stars and costly special effects. Films with more specialized appeal will often get a “platform” release. In this case, the film is given a build-up by opening initially in a few regional or limited local theaters to build positive movie patron awareness throughout the country. The time between a limited opening and its release in the balance of the country may be from a few weeks to several months.

A distributor looks at several factors when evaluating a potential acquisition, such as the uniqueness of the story, genre, drawing power of the cast, audience segment for the type of film and source financing. With a \$2 million budget, the Company feels it will be able to attract at least one experienced cast member. Most contracts with distributors leave the final decisions on marketing strategies up to them.

Film Festivals

If it appears appropriate upon completion of the film, we will submit it to the Sundance Film Festival as well as others. Sundance stands out over the past few years, as several films have done well at that festival by being purchased outright. Although the Company cannot guarantee either acceptance at Sundance or any other festival, it is sometimes possible to pay back investors from pre-theatrical purchases before the film appears in theaters. Prices paid for low-budget films have ranged from \$500,000 to \$6 million. At the 1999 Sundance Festival, Artisan Entertainment paid \$1.2 million for *The Blair Witch Project*, a “no-budget” film, and \$4 million for *Saw*. In both

these cases, the deals allowed the producers and investors to share at certain escalation levels in box office performance. Previous Sundance Festivals have seen as much as \$6 million paid (i.e., *Next Stop Wonderland* and *The Castle* in 1998). However, some of the sums paid at the festival are buyout prices with no further remuneration to the filmmakers or investors.

7. 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. 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 DVD's 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 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 *C.A.T.S* 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 investor financing, the ability to obtain distribution contracts with satisfactory terms, the obtaining of completion bonding and the contractual participation of the current management.

8. FINANCIAL PLAN

STRATEGY

The producer proposes to secure production financing from private investors. As a film's commercial appeal is the most important factor in determining its financial success, being able to self-finance the production of a film puts us in the strongest position possible to control the story that we want to tell, the quality and the costs of the film. In the end, the real opportunity for

profitable filmmaking is in having product that has independent financing in place and appeal to its target audience.

FINANCIAL ASSUMPTIONS

For the purposes of the business plan, several assumptions have been included in the financial scenarios and are noted accordingly:

(1) **Box Office** reflects gross dollars of ticket sales before the exhibitor splits the total with the distributor. **Domestic Rentals** reflect the distributor's share of the box office split with the exhibitor in the United States and Canada, assuming the film has the same distributor in both countries. **Domestic Other** (also known as "ancillary") includes home video, cable, network television and television syndication. **Foreign Revenue** includes all monies returned to distributors from all venues outside the U.S. and Canada.

(2) All funds flow from each revenue source to the distributor, whose expenses are deducted before any money goes to the producer/investor; therefore, gross profit is shown as the **Distributor's Gross Profit**. This is the income before the distributor takes his fee. Depending on negotiations, after the distributor deducts the costs for prints and ads, the investor generally is paid back the budget cost. Then the distributor deducts his fees. The timing of disbursements, however, is always subject to negotiation.

(3) The **Budget**, also known as the film's "negative costs," covers only the expenses that are needed to create the master print of each film. All marketing costs are included under **P&A** (Prints and Advertising), often referred to as "releasing costs" or "distribution expenses." These expenses also include the cost of making copies of the print from the master and advertising.

(4) The films shown in Tables 1 and 2 have been used in Table 3 as the basis for the projections. The rationale for the projections is explained in Section (7). The films relate in either genre, feeling or budget to *C.A.T.S.* It should be noted that these groups do not include films whose results are known but that have lost money. In addition, there are no databases that collect all the films ever made, nor are budgets available for all films released. There is, therefore, a built-in bias in the data used.

(5) Table 1, "Gross Profits Of Selected Films With Varied Genres With Budgets of \$4.0 Million & Below, Years 2002-2007," shows gross profit results for films before distributor fees have been deducted.

(6) Table 2, "Films With Varied Genres With Budgets \$4.0 Million or Below, U.S. Box Office And Budgets Only, Years 1999-2006," shows gross income results for films with comparative budgets. These numbers do not include ancillary and foreign venues.

(7) The three revenue scenarios shown in Table 3 low (breakeven), moderate and high are based on the data shown in Tables 1 and 2. The breakeven scenario indicates a case in which production costs are covered but there is very little profit. The moderate scenario is used for the cash flow in Table 4. The high scenarios are based on the results of some of the extraordinarily

successful low-budget films. Due to the wide variance in the results of individual films, simple averages of actual data are not realistic. Each element in the forecasts has been calculated as a percentage of either the box office (all other revenues) or the budget (box office and prints and ads). In this way, films of different budgets can be compared to one another without too much skewing of the data. The box office is calculated first as a percentage of the budget. Then the rest of the revenues are calculated as a percentage of box office. P&A is then calculated as a percentage of the budget. In order to keep uncommonly high or low results from affecting the projections, the high and low results in each individual revenue and cost category have been discarded in observing the data.

(8) **Distributor's Fees** (the distributor's share of the revenues as compared to his expenses, which represent out-of-pocket costs) are based on approximately 30 percent of all distributor gross revenue (note: the exhibition portion is also taken into account in this calculation), both domestic and foreign.

(9) **Net Producer/Investor Income** represents the projected pre-tax profit after the distributor's expenses and fees have been deducted and prior to negotiated distributions to investors.

(10) **The cash flow assumptions** for Table 4 are:

a) Film production will take less than one year from development through post-production, ending with the creation of a master print. The actual release date depends on finalization of distribution arrangements, which may occur either before or after the film has been completed and is an unknown variable at this time. For purposes of the cash flow, we have assumed distribution will start within six months after completion of the film.

b) The largest portion of print and advertising costs will be spent in the first quarter of the film's opening and will be paid by the distributor.

c) The majority of revenues will come back to the producers within two years after release of the film, although a smaller amount of ancillary revenues will take longer to occur and will be covered by the investor's agreement.

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TABLE 1
CATS, LLC

**GROSS PROFITS OF SELECTED FILMS WITH VARIED GENRES
WITH BUDGETS \$4 MILLION & BELOW
YEARS 2002-2004**
(Millions of Dollars)

<u>FILMS</u>	<u>DOMESTIC REVENUE</u>				<u>FOREIGN</u>	<u>TOTAL</u>	<u>COSTS</u>		<u>DIST. GROSS PROFIT (e)</u>
	<u>US BOX OFFICE</u>	<u>RENTALS (a)</u>	<u>OTHER (b)</u>	<u>REVENUE (c)</u>			<u>REVENUE (d)</u>	<u>BUDGET</u>	
2002									
Super Troopers	18.4	7.3	10.3	4.60	22.2	3.0	5.0	8.0	14.2
Bowling for Columbine	21.5	8.6	8.1	37.0	53.7	3.0	3.0	6.0	47.7
The Rules of Attraction	6.5	2.6	6.7	5.3	14.6	4.0	2.0	6.0	8.6
Kissing Jessica Stein	7.0	2.8	4.7	1.9	9.4	1.5	1.5	3.0	6.4
Tadpole	2.8	1.12	1.5	2.1	4.72	1.5	.75	.90	3.8
2003									
Lost in Translation	44.5	17.8	22.3	61.9	102.0	4.0	6.0	10.0	92.0
The Cooler	8.2	3.28	6.50	.12	9.9	4.0	2.0	6.0	3.90
Cabin Fever	21.1	8.44	12.9	6.1	27.4	1.5	12.0	13.5	13.9
Raising Victor Vargas	2.0	.80	2.3	.50	3.6	.80	1.5	2.3	1.3
Pieces of April	2.4	.96	3.1	.80	4.9	.30	2.3	2.6	2.3
2004									
De-Lovely	13.3	5.3	6.1	1.1	12.5	4.0	4.5	8.5	4.0
Saw	55.1	22.0	35.2	47.0	134.2	1.5	8.3	9.8	124.4
Napoleon Dynamite	44.5	17.8	25.6	1.1	44.5	.40	2.1	2.5	42.0
Open Water	30.5	12.2	15.3	21.6	49.1	.50	2.0	2.5	46.6
Garden State	26.7	10.6	12.3	5.6	28.5	2.5	4.0	6.5	22.0

(a) Rentals equal product company's share of U.S. box office.

(b) Domestic Revenue Other includes television, cable, video and all other non-theatrical sources of revenue.

(c) Foreign Revenue includes both theatrical and ancillary revenues.

(d) Total Revenue equals Domestic Rentals, Domestic Other and Foreign.

(e) Gross Profit before distributor's fee is removed.

Sources: Business Strategies, Paul Kagan Associates, Daily and Weekly Variety, the-Numbers.com

TABLE 2
CATS, LLC

FILMS WITH VARIED GENRES WITH BUDGETS \$4.0 MILLION OR BELOW U.S. BOX OFFICE AND BUDGETS ONLY YEARS 1999-2006 (Millions of Dollars)		
	US BOX OFFICE	BUDGET
Scoop	10.5	4.0
Monster's Ball	31.2	4.0
Hostel	47.2	4.0
Empire	17.5	3.5
Air Bud	24.6	3.0
The Deep End	8.8	3.0
Hustle & Flow	22.2	2.8
Full Frontal	2.5	2.0
The Legend of Drunken Master	11.5	2.0
Cry Wolf	10.0	1.0

Note: Domestic ancillary and all foreign data generally are not available until two years after a film's initial U.S. release; therefore, this table includes U.S. domestic box office only.
Sources: Business Strategies, Paul Kagan & Associates, Daily Variety, the-Number.com

TABLE 3

CATS, LLC

C.A.T.S

**PROJECTED INCOME
LOW, MODERATE, HIGH RESULTS**
(Millions of Dollars)

	<u>LOW</u>	<u>MODERATE</u>	<u>HIGH</u>
WORLDWIDE BOX OFFICE	1.5	3.0	5.0
REVENUE			
Domestic Rentals	0.7	1.5	2.2
Domestic Other	0.05	0.5	0.8
Foreign	<u>0.75</u>	<u>1.0</u>	<u>2.0</u>
TOTAL DISTRIBUTOR GROSS REVENUE	<u>1.5</u>	<u>3.0</u>	<u>5.0</u>
LESS:			
Budget	1.0	1.0	1.0
Prints and Advertising (Paid by Distributor)	<u>0.2</u>	<u>0.5</u>	<u>0.7</u>
TOTAL COSTS	<u>1.2</u>	<u>1.4</u>	<u>1.7</u>
DISTRIBUTOR'S GROSS INCOME	<u>0.3</u>	<u>1.6</u>	<u>3.3</u>
Distributor's Fees	<u>0.3</u>	<u>0.6</u>	<u>1.3</u>
NET INCOME BEFORE ALLOCATION TO PRODUCERS/INVESTORS	0.0	1.0	2.0

TABLE 4

CATS, LLC

C.A.T.S

**PROJECTED CASH FLOW
BASED ON MODERATE PROJECTION**
(Millions of Dollars)

	YEAR 1				YEAR 2				YEAR 3				YEAR 4	
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	
Budget	(0.12)	(0.65)												
Prints and Adv. (Paid by Distributor)			(0.08)											
Domestic Rentals		1.0	0.40	0.10										
Domestic Ancillaries			0.20	0.30										
Foreign Revenue			0.60	0.30	0.10									
Distribution Fees-P&A			(0.36)	(0.44)	(0.27)	(0.005)								
TOTAL	<u>(0.12)</u>	<u>(0.65)</u>	<u>0.56</u>	<u>0.76</u>	<u>0.43</u>	<u>0.095</u>								
CUMULATIVE TOTAL	(0.12)	(0.77)	(0.21)	0.55	0.98	1.07								

* For reference only. How and when monies are actually distributed depends on contract with distributor. Prints and advertising are usually paid back first, then the production budget.

Note: Totals may not add due to rounding.

Note: Box office revenues are for reference and not included in the totals.

SUBSCRIPTION AGREEMENT



**Big Smiley Entertainment, Inc.
& Destiny Horizons, Inc.**

“C.A.T.S”

A Live Action Feature Film Production Funding Offering



TM

December 5, 2010

DESTINY HORIZONS, INC.
c/o Frank J. Zanca
19032 Sherman Way B-105
Reseda, CA 91335

SUBSCRIPTION AGREEMENT

CATS, LLC .
A Florida Limited Liability Company
101 SE 6th Avenue, Suite D
Delray Beach, FL 33483

1. The undersigned Investor (“Subscriber”) hereby irrevocably subscribes for (\$ _____) of Production Funding Producer’s Gross Equity Interests (the “Interests”) in the motion picture “C.A.T.S” through CATS, LLC, a California Limited Liability Company (the “Company”). The minimum subscription is Fifty Thousand Dollars (\$50,000). All subscriptions shall be paid in cash at the time of execution of this Subscription Agreement.

All subscription proceeds will be made available to the Company as disclosed in that certain Confidential Executive Summary (the “Summary”), dated the 23rd day of June, 2007 relating to the offering (the “Offering”) of the interests. The subscriber will acquire a _____ Percent (____%) Producer’s Gross Equity Interest in the Producer’s Gross Equity profits of the motion picture “C.A.T.S.”

SUBSCRIBER’S EQUITY INTEREST FOR EACH UNIT PURCHASED IN PRODUCER’S GROSS EQUITY INTEREST OF THE MOTION PICTURE “C.A.T.S” SHALL BE PAYABLE AT THE SAME TIME, AND ON THE SAME DEFINITION OF PRODUCER’S GROSS EQUITY INTEREST AS APPLICABLE TO CATS, LLC. AND ITS PRINCIPALS, AS IT IS THE INTENT OF THIS SUBSCRIPTION AGREEMENT THAT NO DISTRIBUTION OF PRODUCER’S GROSS EQUITY SHALL BE MADE TO CATS, LLC, OR ITS PRINCIPALS, UNTIL ALL THE PRINCIPAL OF INVESTMENT FUNDS FOR BOTH DEVELOPMENT AND PRODUCTION INVESTORS HAVE BEEN REPAID IN FULL, AFTER WHICH TIME, ALL HOLDERS OF PRODUCER’S GROSS EQUITY SHALL RECEIVE DISTRIBUTIONS AT THE SAME TIME, IN THEIR RESPECTIVE PERCENTAGES OF OWNERSHIP OF PRODUCER’S GROSS EQUITY.

The check for this subscription of Interests should be made payable to:

CATS, LLC.

2. Subscriber acknowledges receipt, prior to the execution of this Subscription Agreement, of the Confidential Executive Summary dated September 13th, 2008.

3. Subscriber hereby acknowledges and agrees that:

The Managers shall have the sole and absolute right to accept or reject this Subscription Agreement, and that this Subscription Agreement shall be deemed accepted only when said Manager on behalf of the Company hereof has executed an acceptance in writing.

Upon acceptance of this Subscription Agreement, subscription proceeds will be deposited with the Company in escrow and made available for use by the Company when a total of not less than One Million Dollars (\$1,000,000) and a maximum of One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000) in production funds have been so deposited in accordance with, and for the purposes set forth herein and in the Confidential Executive Summary of which this Subscription Agreement is a part.

Unless terminated earlier by the Company, the Offering will continue until January 13, 2009 (the "Termination Date").

The Company may authorize certain paid or commissioned agents to represent this Offering, however, any compensation to said agents for those services shall be made from the Producer's Gross Equity owned by the production company, and shall not be recouped as an expense of the Offering. The Company reserves the right, if necessary, in its sole discretion, to pay any such cash compensation from the development or production budgets of the motion picture.

Subscriber hereby represents and warrants to the Company as follows:

Subscriber is an individual, a citizen of the United States, is at least twenty-one years of age, and is presently a bona fide resident of the State of _____. The address, social security number and signature set forth below are true and correct, and Subscriber has no intention of becoming a resident of any other State or jurisdiction for the purpose of avoiding the application of any financial disclosures required by the Securities and Exchange Commission or of any State having jurisdiction over this Offering. Subscriber has reviewed the Offering materials and executed this Subscription in the State of _____.

Subscriber's overall commitment to investments which are not readily marketable is not disproportionate to his worth and this acquisition of Interests will not cause such overall commitment to become excessive; Subscriber has an adequate net worth and means of providing for his current needs, and personal contingencies to sustain a complete loss of this investment in the Company and has no need for liquidity in this investment in the Interests herein subscribed to; and Subscriber is able to bear the economic risks of this investment and consequently is able to hold the Interests for an indefinite period of time and has a sufficient net worth to sustain a loss of this entire investment in the event such loss should occur.

Subscriber has such knowledge and experience in financial and business matters, including specific substantial knowledge and experience relating to the proposed business of the partnership that he is capable of evaluating the merits and risks of an investment in the Company, and that Subscriber has discussed with his professional, legal, tax, and financial advisor/s the suitability of this investment in the Company for his or her particular tax and financial situation.

Subscriber is acquiring the Interests subscribed for herein for his or her own account and risk, for investment purposes only, and not for resale or redistribution in any manner whatsoever, and no other person has a direct or indirect beneficial interest in such Interests.

Subscriber recognizes that the Company has only recently been formed and that the Interests, as an investment, involve special risks, including those set forth under the section entitled “Risk Factors” in the Summary.

All information which the Subscriber has provided to the Company or its Officers concerning himself, his financial position, and his knowledge of financial and business matters, is correct and complete as of the date set forth at the end hereof, and if there should be any adverse change in such information prior to this Subscription being accepted, he will immediately provide the undersigned Officer with such information.

Subscriber acknowledges that the Interests are being offered hereby without registration under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to exemptions from registration provided thereby.

Subscriber acknowledges that:

The Company has afforded Subscriber the unrestricted opportunity to ask questions of and receive answers from the Company, or its representatives, concerning the Offering Materials or with regard to any and all other matters relating to the offering; and Subscriber has been given the unrestricted opportunity to obtain such information with respect to the offering as he has desired which the Company possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the Offering Materials.

No representations or agreements, other than those set forth in the Offering materials have been made to Subscriber with respect to his decision to purchase the Interests. Subscriber understands that the Offering Materials have not been filed with or otherwise submitted to any federal or state agency and that no federal or state agency has reviewed or approved the Offering Materials or any aspect of the offering, or has given any opinion or endorsement of the merits of an investment in the Company. Accordingly, Subscriber understands that the Interests are subject to the following legend:

THE INTEREST(S) EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT HAS BEEN OFFERED PURSUANT TO EXEMPTIONS UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND THE HOLDER OF SAID INTERESTS HAS EXECUTED AN INVESTMENT REPRESENTATION WITH RESPECT THERETO. FURTHER, THE INTEREST/S HAS NOT BEEN REGISTERED WITH THE STATE OF CALIFORNIA OR ANY OTHER STATE. ACCORDINGLY, THE SALE, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF ANY OF THESE INTERESTS IS RESTRICTED AND MAY NOT BE ACCOMPLISHED EXCEPT IN ACCORDANCE WITH THIS AGREEMENT, AN APPLICABLE REGISTRATION STATEMENT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT A REGISTRATION STATEMENT IS NECESSARY.

All Interests will be subjected to the above legend, as well as to the additional restrictions on disposition and transfer, of a stop transfer notation in the records of the Company until such time as the President is satisfied that the transfer is not in violation of the restrictions against transfer under the Subscription Agreement, the Confidential Executive Summary, and the applicable provisions of the Securities Act of 1933, as amended, and applicable State securities laws.

Subscriber agrees that except as provided under applicable State securities laws, this Subscription is irrevocable for the term of the offering and Subscriber does not have the right to cancel, terminate, or revoke this Subscription during said period, and that the Subscription shall survive the death, disability, or cessation of existence as a legal entity, of Subscriber, and Company, will, upon receipt of a written request therefore, provide to Subscriber an Acknowledgement of Beneficiary confirming Subscriber's designation of the disposition of the Interest upon the death, disability, or cessation of existence as a legal entity, of Subscriber.

Subscriber hereby agrees to indemnify and hold harmless the Company, its successors and assigns and Officers, its respective affiliates and anyone acting on their behalf, from and against any loss, liability or damage, including reasonable attorney's fees, which they may incur by reason of the failure of Subscriber to fulfill any of the terms or conditions of this Subscription, or by reason of any failure of any representation or breach of any warranty, acknowledgement or covenant made by Subscriber to the Company or the Officers, however, no such representation of Subscriber shall in any manner constitute a waiver of any rights of Subscriber under federal or state securities laws.

Subscriber hereby makes, constitutes, and appoints the Manager of the Company as his or her true and lawful attorney-in-fact, for him or her and in his

or her name, place and stead for his use and benefit, to execute, acknowledge, swear to, file, record, and publish, the Company's administrative documents to effect the provisions of this agreement in the interest of Subscriber's rights hereunder, and for any other instrument which may be required to be filed under the laws of any governmental agency, or for the continuation of the Company, providing that in exercising this power the Manager shall do so in a public form and manner which shall protect the identification and privacy of Subscriber in all respects and not alter or dilute Subscriber's Interest.

The foregoing grant of authority is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the death, bankruptcy, insolvency, incapacity or adjudication of incompetency of Subscriber. It shall also survive an assignment by Subscriber of the whole or part of his or her interest in the Company, except that where the assignee becomes a substitute of the Company in the stead of Subscriber, the Special Power of Attorney shall survive the delivery of such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file an instrument necessary to effect such substitution. The Manager shall be authorized to execute the acceptance of the Subscription Agreement on behalf of the Company. The foregoing grant of authority does not supersede any part of this Subscription Agreement, or the Confidential Executive Summary, nor is it to be used to deprive the Subscriber of any of his rights. It is intended solely to provide a simplified system for executing documents. If required, Subscriber shall execute and deliver to the appropriate Manager of the Company, within five (5) days after the receipt of a request therefore, such additional designation, powers of attorney or other instruments or documents deemed necessary by the Manager for the purpose of this provision.

It is further agreed that:

All notices or communications hereunder shall be given or made in writing, and shall be delivered or mailed, first class mail, postage prepaid, if to the undersigned, at the address set forth below, and if to the Company at the address set forth above, or such other address as either party shall specify in writing to the other party.

The laws of the State of California and other applicable jurisdictions shall govern this Subscription Agreement. In the event of any dispute over the terms and conditions or enforcement of this Agreement, said dispute shall be submitted first to mediation by a licensed mediator where both parties will attend such mediation at the earliest availability of the mediator who shall be chosen by both parties with each party being solely responsible for its half of the costs of mediation and its own attorney's fees, and then to binding arbitration, should mediation not resolve the issues or claims, under the rules and regulations of the American Arbitration Association. The venue of all such proceedings shall be in Los Angeles, CA. The prevailing party shall be entitled to recover a reasonable attorney's fee as part of the costs incident to any award rendered. The attorney's

fee may be set by the court in the same action or in a separate action brought for that purpose. However, in no situation shall the Subscriber be entitled to any injunctive or equitable relief, which will prevent the Company from producing and distributing the motion picture.

The Company has the exclusive right to assign this Agreement, or any parts of Company's rights thereof to any person, firm, or corporation that acquires all or substantially all of Company's assets, or which is owned or controlled by the Manager, or to any third party.

This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and supersedes all prior contracts or agreements, whether oral or written, relating to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement. Neither this Agreement nor any of its terms may be altered, amended, modified, canceled or waived other than by written instrument executed by each party. Subscriber represents and warrants that he or she has been advised of their right to seek their own independent counsel in connection with the negotiation and execution of this contract.

All powers, rights, and obligations of the Company and its Manager shall be exercised under the Company's Articles of Organization and Operating Agreement, as well as the provisions hereof, in such manner as to absolutely protect the identification and privacy of Subscriber.

It is agreed that the terms and conditions of this Agreement are confidential and may not be disclosed or made available by Artist to any third parties without the prior written consent of the Manager and any breach of confidentiality shall be a material breach of this Agreement; however, nothing contained herein shall prevent either party from complying with applicable law, regulation or court order.

IN WITNESS WHEREOF, the undersigned have executed this Subscription Agreement as of the date set forth below.

EXECUTION OF SUBSCRIPTION AGREEMENT BY INVESTOR

SIGNATURE OF SUBSCRIBER

PRINT NAME

ADDRESS

DATE

SSN

ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY COMPANY

The foregoing Subscription Agreement, dated the ____ day of _____, 2010, having been executed by _____ as the Subscriber, is hereby:

ACCEPTED:

CATS, LLC.
A Florida Limited Liability Company

By: Frank J. Zanca
Its: President

A HISTORY OF ACTION/SUSPENSE/THRILLERS

A Summary of Action/Suspense/Thriller films through the decades



• Action, Thriller and Suspense Films

If the genre is to be defined strictly, a genuine thriller is a film that relentlessly pursues a single-minded goal - to provide thrills and keep the audience cliff-hanging at the 'edge of their seats' as the plot builds towards a climax. The tension usually arises when the main character(s) is placed in a menacing situation or mystery, or an escape or dangerous mission from which escape seems impossible. Life itself is threatened, usually because the principal character is unsuspecting or unknowingly involved in a dangerous or potentially deadly situation. Plots of thrillers involve characters which come into conflict with each other or with outside forces - the menace is sometimes abstract or shadowy.

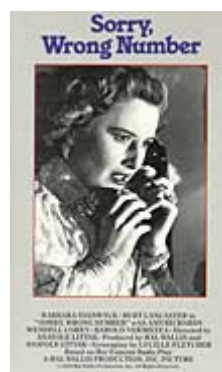
Thrillers are often hybrids designed to elicit tension and suspense, taking the viewer through agony and fear. Suspense-thrillers come in all shapes and forms: there are murder mysteries, private eye tales, chase thrillers, women-in-danger films, courtroom and legal thrillers, erotic thrillers, surreal cult-film soap operas, and atmospheric, plot-twisting psychodramas. Thrillers keep the emphasis away from the gangster, crime, or the detective in the crime-related plot, focusing more on the suspense and danger that is generated.

In mid-June, 2001, the American Film Institute in Los Angeles, California made its definitive selection of the 100 greatest American "heart-pounding" and "adrenaline-inducing" films of all time, as determined by more than 1,800 actors, directors, screenwriters, historians, studio executives, critics, and others from the American film community. To be eligible, the 400 nominated films had to be U.S.-made, feature-length fiction films, whose thrills have "enlivened and enriched America's film heritage," according to the rules. AFI also asked jurors to consider "the total adrenaline-inducing impact of a film's artistry and craft," regardless of the genre.

Early Thrillers:

One of the earliest 'thrillers' was Harold Lloyd's comic **Safety Last (1923)**, with the all-American boy performing a daredevil stunt on the side of a skyscraper. The haunting and chilling German film **M (1931)** directed by the great Fritz Lang, starred Peter Lorre (in his first film role) as a criminal deviant - a child killer. The film's story was based on the life of serial killer Peter Kurten (known as the 'Vampire of Dusseldorf'). Edward Sutherland's crime/horror thriller **Murders in the Zoo (1933)** from Paramount starred Lionel Atwill as a murderous and jealous zoologist. And various horror films of the period, **The Cat and the Canary (1927)**, director Rouben Mamoulian's **Dr. Jekyll and Mr. Hyde (1931)** with Fredric March, and **The Bat Whispers (1930)**, provided some thrills.

Director George Cukor's classic psychological thriller **Gaslight (1944)** (first made in Britain in 1939 with Anton Walbrook and Diana Wynward) featured a scheming husband (Charles Boyer) plotting to make his innocent young wife (Ingrid Bergman) go insane, in



order to acquire her inheritance. The film noir **Laura (1944)** told about a thrilling murder investigation (for a beautiful missing advertising executive named Laura) conducted by a police detective (Dana Andrews), with suspects including an acid-tongued columnist (Clifton Webb) and a gigolo fiancée (Vincent Price). And the eerie **The Picture of Dorian Gray (1945)**, from Oscar Wilde's masterful tale, refashioned the Faustian story of a man (Hurd Hatfield) who made a deal with Mephistopheles (George Sanders) to forever remain young.

A mute domestic servant (Dorothy McGuire) in a haunted house was terrorized by a serial murderer, thinking she was the next victim in **The Spiral Staircase (1946)**. In a taut thriller starring Orson Welles and Rita Hayworth titled **The Lady From Shanghai (1948)**, a beautiful woman, her crippled lawyer/husband and his partner, and an Irish sailor ended up involved in a murder scheme. In **Sorry, Wrong Number (1948)**, an invalid woman (Barbara Stanwyck) overheard a murder plot on the phone - against herself. ★**The Third Man (1949)**, one of the best suspense films of all time, told the story of a writer (Joseph Cotten) in post-WW II Vienna who found out that his old friend (Orson Welles), a black marketeer, was not dead after all.

Hitchcock: The Master of Suspense Thrillers

No list of suspense or thriller films can be complete without mention of English filmmaker/director Alfred Hitchcock. He helped to shape the modern-day thriller genre, beginning with his early silent film **The Lodger (1926)**, a suspenseful Jack-the-Ripper story, followed by his next thriller **Blackmail (1929)**, his first sound film (but also released in a silent version). Hitchcock would make a signature cameo appearance in his feature films, beginning with his third film **The Lodger (1926)**, although his record was spotty at first. After 1940, he appeared in every one, except for **The Wrong Man (1956)**. [See all of Hitchcock's cameos [here](#).] Although nominated five times as Best Director (from 1940-1960), Hitchcock never won an Academy Award.

Alfred Hitchcock is considered the acknowledged *auteur* master of the thriller or suspense genre, manipulating his audience's fears and desires, and taking viewers into a state of association with the representation of reality facing the character. He would often interweave a taboo or sexually-related theme into his films, such as the repressed memories of Marnie (Tippi Hedren) in **Marnie (1964)**, the latent homosexuality in **Strangers on a Train (1951)**, voyeurism in ★**Rear Window (1954)**, obsession in ★**Vertigo (1958)**, or the twisted Oedipus complex in ★**Psycho (1960)**.

Hitchcock's films often placed an innocent victim (an average, responsible person) into a strange, life-threatening or terrorizing situation, in a case of mistaken identity, misidentification or wrongful accusation (i.e., in **The 39 Steps (1935)**, **The Wrong Man (1956)**, and in ★**North by Northwest (1959)**).

He also utilized various cinematic techniques (i.e., the first British 'talking picture' - **Blackmail (1929)**, the extreme zoom shot of the key in ★**Notorious (1946)**, the glowing glass of milk in **Suspicion (1941)**, the prolonged cross-cutting tennis match in **Strangers on a Train (1951)**, the virtuoso set-piece of the crop duster in ★**North by Northwest (1959)**, the montage in the shower sequence accentuated with composer Bernard

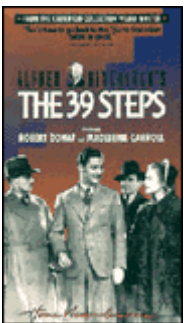
Herrmann's screeching violin score in ★**Psycho (1960)**, the dolly-zoom shots in ★**Vertigo (1958)**, or the heightening of anticipation with the long pull-back shot from inside a building to the outside and across the street in **Frenzy (1972)**).

Visually-expressive motifs were also his specialty (i.e., the surrealistic dream sequences in **Spellbound (1945)**, the key in ★**Notorious (1946)**, the staircase or the use of profiles and silhouettes in ★**Vertigo (1958)**, the murder reflected in the victim's glasses in **Strangers on a Train (1951)**, the concept of "pairs" and guilt transference in **Shadow of a Doubt (1943)**), or the making of technically-challenging films (such as **Lifeboat (1944)** and **Rope (1948)**). [**Rope** was a film of many 'firsts': it was Hitchcock's first color film and his first film as an independent producer; it was his first film released by Warner Bros.; it was his first and only attempt to make a film appear as a single shot, with a series of ten-minute takes cleverly spliced together; and it was his first film with James Stewart. The basis of the film was the famed Leopold-Loeb case.]

In many of his films, there was the inevitable life and death chase concluding with a showdown at a familiar landmark (for example, London's Albert Hall in **The Man Who Knew Too Much (1956)**, the Statue of Liberty in **Saboteur (1942)**, the UN and Mount Rushmore in ★**North by Northwest (1959)**, Westminster Cathedral in **Foreign Correspondent (1940)**, and the Golden Gate Bridge in ★**Vertigo (1958)**). He also reveled in tight and confined spaces, to heighten emotion (i.e., **Lifeboat (1944)**, **Rope (1948)**, or ★**Rear Window (1954)**, etc.) or restrictive train journeys (i.e., **The Lady Vanishes (1937)**, and ★**North by Northwest (1959)**, etc).

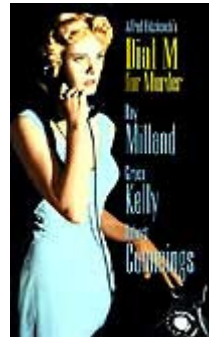
The famed director often capitalized on a 'red herring' or gimmicky plot element to catch the viewer's attention - dubbed a *McGuffin* (or *MacGuffin*), that would propel the plot along its course. Usually, the McGuffin initially appears to be of utmost importance, but functions to intentionally misdirect the audience - it then quickly fades into the background and ends up being trivial, irrelevant, or incidental to the film's story. Here is a list of various MacGuffins:

- **The 39 Steps (1935)**: the nature of the 39 Steps, and the smuggling of secret plans (vital to the country's air defense) out of the country
- **The Lady Vanishes (1938)**: the coded message contained in a piece of music
- ★**Rebecca (1940)**: the character of the *first* Mrs. De Winter - Rebecca
- ★**Notorious (1946)**: the radioactive material (uranium ore) found in vintage wine bottles
- **Strangers on a Train (1951)**: Guy's cigarette lighter
- ★**Rear Window (1954)**: the suspected 'murder' committed by apartment tenant Lars Thorwald (Raymond Burr)



- ★**North by Northwest (1959)**: the character of "George Kaplan" (mistakenly thought to be Cary Grant) who is being chased by spies, and the secret microfilm
- ★**Psycho (1960)**: the stolen money, the \$40,000 wrapped up in a newspaper in the motel bedroom
- **The Birds (1963)**: the cause of the strange bird attacks
- **Torn Curtain (1966)**: the secret formula (known by Professor Gustav Lindt) for an anti-nuclear missile device the East Germans have been developing
- **Topaz (1969)**: what is Topaz? who is it? who is in it?

Hitchcock usually cast leading actors against type (Gregory Peck, James Stewart, Cary Grant) opposite cool blondes (Madeleine Carroll, Joan Fontaine, Ingrid Bergman, Grace Kelly, Kim Novak, Janet Leigh, Tippi Hedren) who were often subject to misogynistic abuse, threatening humiliation, or murder. Hitchcock would then explore the darker sides of human nature through the situation, including sexuality and voyeurism, guilt and punishment, or paranoia and obsession. He usually let the viewer know that some horrible event would happen - creating unbearable suspense while viewers waited for the inevitable.



Notable examples of Hitchcock's early British suspense-thriller films include **The Man Who Knew Too Much (1933)**, his first great spy-chase/romantic thriller **The 39 Steps (1935)** with Robert Donat handcuffed to Madeleine Carroll, and the best film of his British period - the mystery **The Lady Vanishes (1938)**. Extending his work into the 1940s in a number of brilliant black-and-white films, Hitchcock continued to perfect his recognizable brand of suspense-thriller, producing **Foreign Correspondent (1940)**, the haunting Oscar-nominated ★**Rebecca (1940)** about the strange romance between a young woman (Joan Fontaine) and an emotionally-distant rich widower (Laurence Olivier) - overshadowed by a vindictive housekeeper (Judith Anderson), **Suspicion (1941)** about a woman in peril from her own husband (cast against type Cary Grant), **Saboteur (1942)**, **Shadow of a Doubt (1943)** - Hitchcock's own personal favorite and based upon the actual case of a 1920s serial killer known as 'The Merry Widow Murderer', **Spellbound (1945)**, and ★**Notorious (1946)**.

In the 1950s, Hitchcock added technicolor to his still-brilliant dark and moody films, now with exotic locales and glamorous stars. He reached the zenith of his career with a succession of classic films:

- the suspenseful black and white **Strangers on a Train (1951)** about two train passengers: tennis pro Guy (Farley Granger) and Bruno (Robert Walker), who staged a battle of wits and traded murders with each other
- **Dial M For Murder (1954)**, with Ray Milland as a villainous husband who attempts to murder his wealthy wife (Grace Kelly) - also shot in 3-D

- ★**Rear Window (1954)** - a masterful study of voyeurism confined to a Greenwich Village apartment complex and courtyard, with Grace Kelly as a seductive girlfriend to beau James Stewart
- **To Catch a Thief (1955)**, a lightweight thriller set in S. France
- **The Man Who Knew Too Much (1956)** - a remake of Hitchcock's own 1934 spy thriller
- ★**Vertigo (1958)**, one of Hitchcock's greatest films, with James Stewart as a retired police detective who becomes obsessed with the disturbed enigmatic 'wife' (Kim Novak) of an old friend
- and the entertaining, romantic comedy/spy thriller ★**North By Northwest (1959)** about an advertising executive (Cary Grant) mistakenly acquiring the identity of a fictional governmental agent, and his encounter with an icy blonde Eva Marie Saint

After Hitchcock's classic films of the 1950s, his films were wildly uneven, although he produced the shocking and engrossing thriller ★**Psycho (1960)** about a loner mother-fixated motel owner and taxidermist - with the classic set piece (the 'shower scene'), and the suspenseful and strangely terrifying **The Birds (1963)** about a invasion of birds in a N. California coastal town and its effect upon archetypal cool blonde Tippi Hedren. His film **Frenzy (1972)**, Hitchcock's first British film in almost two decades, was given an R rating for its vicious and explicit strangulation scene.

Influenced by Hitchcock:

To Hitchcock's tribute, there are a number of Hitchcock-like thrillers from other notable directors. All of these films serve up thrilling tales of terror, intrigue, menace, revenge, obsession, and insanity:

- the film-noirish and intriguing **Niagara (1953)** by Henry Hathaway, with Marilyn Monroe as the voluptuous and trashy *femme fatale* who schemes to kill her unstable husband (Joseph Cotten)
- director Robert Aldrich's violent and fast-paced film noirish thriller **Kiss Me Deadly (1955)** featured Ralph Meeker as a hard-nosed detective amidst fears of nuclear apocalypse
- ★**The Night of the Hunter (1955)**, director Charles Laughton's sole film, brilliantly-played with Robert Mitchum as a Bible-thumping, homicidal preacher victimizing two young children with a secret about the location of stolen money
- director Orson Welles' unique crime thriller, ★**Touch Of Evil (1958)**, with a pre-**Psycho** Janet Leigh as a terrorized wife, Charlton Heston as a Mexican-American narcotics agent, and the director himself as an evil border-town cop

- director Michael Powell's perverse, tense and reviled **Peeping Tom (1960)**, with Carl Boehm as a psychopathic, reclusive cameraman - the film was released prior to Hitchcock's ★**Psycho (1960)**, and helped pave its way
- J. Lee Thompson's **Cape Fear (1962)** with Robert Mitchum as an angry, menacing ex-con seeking revenge at an attorney (Gregory Peck) and his family; much superior to the 1991 remake by Martin Scorsese with Robert DeNiro and Nick Nolte
- director Stanley Donen's stylish, romantic thriller **Charade (1963)** with numerous plot twists, identity-changes, and a search for hidden loot, and starring the charming pair of Cary Grant and Audrey Hepburn on location in Paris
- Roman Polanski's first film in English, the frighteningly-surrealistic **Repulsion (1965)** - with Catherine Deneuve as a young woman who goes increasingly mad
- **Wait Until Dark (1967)** by director Terence Young (known for **Dr. No (1962)** and **From Russia With Love (1963)**), with Audrey Hepburn as a victimized blind woman in her Manhattan apartment and Alan Arkin as the evil and sadistic con man searching for drugs (hidden in a doll) - with a tremendous, lights-out finale
- Steven Spielberg's low-budget early TV movie **Duel (1971)**, about road rage between a hapless traveling salesman (Dennis Weaver) and the unseen, relentless driver of a truck
- Clint Eastwood's directorial debut film, **Play Misty for Me (1971)**, about a California disc jockey pursued by a disturbed female listener (Jessica Walter)
- director Nicolas Roeg's edgy, puzzling and macabre **Don't Look Now (1973)**, a tale of despair in Venice, with Donald Sutherland and Julie Christie as a couple grieving the drowning death of their daughter
- Irvin Kershner's **The Eyes of Laura Mars (1978)**, with Faye Dunaway as the title character - a stalked photographer
- Phillip Noyce's **Dead Calm (1989)**, with a riveting Nicole Kidman who must fight for her life on a yacht against a crazed castaway (Billy Zane)
- director Rob Reiner's excruciatingly frightening **Misery (1990)**, based on the best-seller by horror writer Stephen King, with Kathy Bates as an unbalanced fan named Annie who terrorizes, in her care, an incapacitated author named Paul (James Caan) of romance novels; in one horrifying scene, she 'hobbles' his ankles so that he can't escape



- Curtis Hanson's **The Hand That Rocks the Cradle (1992)**, with Rebecca De Mornay as a nanny intent on seeking revenge against her dead obstetrician husband's patient (Annabella Sciorra)
- Barbet Schroeder's suspenseful **Single White Female (1992)**, with Bridget Fonda and her obsessed roommate-from-hell Jennifer Jason Leigh
- **The Fugitive (1993)**, with Harrison Ford as the wrongfully-accused physician who is pursued by US Marshal Tommy Lee Jones - adapted from the popular 60's TV series
- Sydney Pollack's **The Firm (1993)** with Tom Cruise, based on John Grisham's best-selling novel about a corrupt, crime-ridden law-firm
- Harold Becker's **Malice (1993)**, with Alec Baldwin and Nicole Kidman
- and writer/director Anthony Minghella's psychological thriller **The Talented Mr. Ripley (1999)**

Brian De Palma:

Director Brian De Palma's earliest, heavily-stylistic films (often with reconstructed scenes from other films) are particularly reminiscent of Hitchcock's tense horror thrillers, with themes of guilt, voyeurism, paranoia and obsession. Similar plot elements include killing off a main character early on, switching points of view, and dream-like sequences, in the following:

- the innovative, visually-striking psycho-thriller **Sisters (1973)** - a tale of murderous Siamese twins, with music from Hitchcock's frequent and favorite collaborator, composer Bernard Herrmann
- the horrific telekinetic classic **Carrie (1976)**, an adaptation of a Stephen King novel, about a tormented high-schooler (Sissy Spacek) who ultimately finds revenge after being humiliated at a school prom
- the under-rated **Obsession (1976)**, somewhat inspired by *Vertigo*, with another Herrmann score
- **Dressed to Kill (1980)**, inspired by *Psycho* and *Vertigo*, with Angie Dickinson as a frustrated patient who shares her sexual fantasies with a therapist (Michael Caine) before being brutally murdered by a blonde razor-slasher
- **Blow Out (1981)**, similar to Coppola's **The Conversation (1974)** and Antonioni's **Blow-up (1966)**, about a sound-effects man who witnesses the 'accidental' killing of a presidential candidate



- the daringly-erotic **Body Double (1984)**, about a struggling B-movie actor who becomes involved in a tale of intrigue and mystery involving his next-door neighbor

Other Great Thrillers:

The acclaimed police thriller **The French Connection (1971)** was based on the true story of two New York City narcotics officers (Gene Hackman as Popeye Doyle, and Roy Scheider as Buddy) who pursue the largest heroin smuggling group in history. The film that brought Steven Spielberg to prominence was his terrifying summer blockbuster hit ★ **Jaws (1975)**, a frighteningly tense and shocking thriller inspired by real life East Coast shark attacks in 1916. John Boorman's **Deliverance (1972)** followed the perilous fate of four Southern businessmen during a weekend's shoot-the-rapids trip. Two nail-biting films, both adult shockers, **Play Misty for Me (1971)** and **Fatal Attraction (1987)**, involved the nightmarish, dangerous consequences of a philandering one-night stand - one with a psychotic girlfriend, the other a spurned lover. In Francis Ford Coppola's tense character study/thriller **The Conversation (1974)**, a bugging-device expert systematically uncovered a covert murder. A battered wife who left her sadistic husband to find a better life was vengefully pursued in **Sleeping with the Enemy (1991)**.

Jonathan Demme's highly-acclaimed Best Picture-winning horror/thriller **Silence of the Lambs (1991)** pitted young FBI agent/trainee Jodie Foster in psychological warfare against a cannibalistic psychiatrist named Dr. Hannibal "the Cannibal" Lecter (Anthony Hopkins), while tracking down transgender serial killer Buffalo Bill. And Jan De Bont's combination action/thriller **Speed (1994)** perfectly captured the heart-stopping suspense aboard a Los Angeles city bus threatened by a mad bomber (Dennis Hopper). In Michael Mann's and DreamWorks' gritty **Collateral (2004)**, Tom Cruise plays a taxi-riding hit man and Jamie Foxx as the cabbie.

Costa-Gavras' **Z (1969)** told of the assassination of a Greek, left-wing nationalist in the 1960s. Joseph Sargent's **Colossus: The Forbin Project (1970)** was a cautionary thriller about technology running amok, while Sidney Lumet's **The Anderson Tapes (1971)** was a crime-caper thriller. Robert Wise's **The Andromeda Strain (1971)**, adapted from Michael Crichton's best-seller, was about the threat of an alien virus. Alan Pakula's **All the President's Men (1976)**, starred Dustin Hoffman and Robert Redford as two *Washington Post* reporters investigating the Watergate scandal which ultimately led to President Nixon's resignation. John Schlesinger's spy-thriller **Marathon Man (1976)** contained a memorable torture scene performed by Laurence Olivier (as a former concentration camp dentist) upon hapless college student-victim Dustin Hoffman.

John Frankenheimer's **Black Sunday (1977)** was an unbelievable film (at the time) about terrorists plotting to use a Goodyear blimp to crash into the Super Bowl. James Bridges' **The China Syndrome (1979)** was a thrilling drama about a possible nuclear accident and cover-up near Los Angeles, with Jane Fonda as a television news reporter and Jack Lemmon as the nuclear power plant's whistle-blower, after discovering that the X-rays used to check key welds at the plant have been falsified. The film's title referred to the idea that a massive nuclear accident would cause enough thermonuclear heat to conceivably melt down into the ground under the plant and all the way to China. The

film's popularity was considerably enhanced when a 'real' nuclear power plant accident occurred at Three Mile Island in Pennsylvania about two weeks after the film's release. The film was also noted for not having a traditional music soundtrack, except for the song "Somewhere In Between" played during the opening credits.

Thrillers With Convoluted Plot Twists:

Recently, various thrillers have used twisting plots and surprise endings to capture audiences, notably:

- Bryan Singer's clever and hip **The Usual Suspects (1995)**, with Kevin Spacey as a club-footed con man and a central mystery surrounding the character of Hungarian mobster Keyser Soze
- director David Fincher's compelling crime thriller **Se7en (1995)**, about the search for a serial killer who re-enacts the seven deadly sins
- M. Night Shyamalan's effective **The Sixth Sense (1999)**, about a young boy (Haley Joel Osment) who sees "dead people" - this was Shyamalan's signature film with clever clues sprinkled throughout the film; also Shyamalan's spooky **Signs (2002)**, about a disillusioned minister (Mel Gibson) who encounters gigantic, eerie crop circles on his farm
- writer/director Christopher Nolan's **Memento (2000)**, a tale told backwards, with Guy Pearce as a tattooed man without short-term memory, who hunts down the killer of his wife



Espionage/Spy Film Thrillers: Introduction

A sub-genre of the thriller/suspense film is the *espionage/spy* film which can be in the form of a drama, melodrama, comedy, or a good-humored action thriller, set either during wartime or in the Cold War Era. The spy film was most popular during the 1960s when the Cold War was in evidence, and audiences demanded more action/thriller-suspense pictures. [Spies and espionage plots have also been the basis for many TV shows, such as *The Man from U.N.C.L.E.*, *I Spy*, *Alias*, and the UK's *The Avengers*.]

Espionage films could either be serious, fact-based stories (i.e., **The Spy Who Came In From the Cold (1965)** or films based upon novelists' fictional or fact-based works), or fanciful-escapist films (such as the *James Bond* series). Spies in real-world situations are often murky, unknown characters who don't want to be revealed, but are truly unknown, non-flashy undercover agents. In any case, most spy films usually depicted spies and/or secret agents seeking to uncover or maintain secrets (often for military use) from each other (or from each other's countries). Spies were usually portrayed as masquerading, amoral, and deceitful characters ready to betray others.

Hitchcock's Spy-Related Films:

As already noted, many of Alfred Hitchcock's suspense/thriller films, especially during his early years, were espionage/spy subgenre films, and he was responsible for the popularity of this kind of film. Most notable were:

- **The Man Who Knew Too Much (1934)**
- **The 39 Steps (1935)**
- **Secret Agent (1936)**
- **Sabotage (1936)**
- **The Lady Vanishes (1938)**
- **Foreign Correspondent (1940)**
- **Saboteur (1942)**
- ★ **Notorious (1946)**, with playgirl Ingrid Bergman who 'prostituted' herself by marrying Rio de Janeiro neo-Nazi Claude Rains in order to obtain secrets about uranium (the MacGuffin) in his wine cellar, while engaged in a love triangle with icy Cary Grant as American secret agent Devlin
- ★ **North By Northwest (1959)**, a 'wrong man' story in which Cary Grant was mistaken for non-existent secret agent George Kaplan, and faced villainous James Mason

'Pre-James Bond' Spy Films with Memorable Spy Agents:

- Fritz Lang's **Spies (1928)**, the director's first independent production, with an anarchist international conspirator and criminal spy character named Haghi (Rudolf Klein-Rogge), who was pursued by good-guy Agent No. 326 (Willy Fritsch) (aka Det. Donald Tremain, English version) - this film anticipated the James Bond films of the future
- Greta Garbo's portrayal of the real-life, notorious, seductive German double-agent code-named Mata Hari (Gertrud Zelle) in WWI in **Mata Hari (1932)**, who performed a pearl-draped dance to entice French officers to divulge their secrets, but in real-life was shot by a French firing squad in 1917 for espionage; other actresses who starred as the WWI undercover agent include Asta Nielsen in **Mata Hari (1920)**, Magda Sonja in **Mata Hari (1927, Ger.)**, Marlene Dietrich as Agent X-27 in **Dishonored (1931)**, Jeanne Moreau in **Mata Hari Agent H 21 (1965, Fr.)**, Zsa Zsa Gabor in the comedy **Up the Front (1972)**, Sylvia Kristel in the R-rated **Mata Hari (1985)**, and Maruschka Detmers in **Mata Hari, la vraie histoire (2003, TV)**
- **Confessions of a Nazi Spy (1939)**

- **The House on 92nd Street (1945)**
- Fritz Lang's atmospheric post-war spy melodrama **Cloak and Dagger (1946)**, with Gary Cooper starring as atomic scientist and physics professor Alvah Jasper (a character based upon A-bomb co-developer J. Robert Oppenheimer), on a mission to discover Germany's secret plans to build an A bomb
- Henry Hathaway's **13 Rue Madeleine (1947)**, a documentary-style wartime espionage tale with James Cagney (as Bob Sharkey), an O.S.S. (Office of Strategic Services) agent sent into occupied France to uncover the site of a German missile silo before the Allied landing at Normandy on D-Day
- Henry Hathaway's **Diplomatic Courier (1952)**, with Tyrone Power as an undercover secret agent in search of documents with details of the Russian invasion of Yugoslavia
- James Mason as undercover agent Ulysses Diello (code-named Cicero), working in the British embassy in Turkey during WWII, and selling secrets to the Nazis, in Joseph Mankiewicz's **Five Fingers (1952)**, based upon the novel *Operation Cicero* by real-life "Cicero" L.C. Moyzisch (based on a true story)



James Bond Espionage-Secret Agent Thrillers:

The modern day action-hero - the James Bond '007' character that was employed for Her Majesty's Secret Service - was loosely based on the agent/spy character in Britisher Ian Fleming's twelve James Bond novels. A number of Fleming's short stories were developed by other writers. Before the movies, Bond made his *first* appearance on TV, debuting on CBS in 1954, with Barry Nelson as the American 007 agent named Jimmy Bond in an adaptation of Fleming's first Bond novel, *Casino Royale*.

The first in a successful series of suspenseful, special agent 007 James Bond films, begun in the Cold-War 1960s and serving as a metaphor for the threat of Communism, was **Dr. No (1962)** followed soon after by the definitive Bond film, **From Russia With Love (1963)**, and the polished **Goldfinger (1964)**. The intriguing superhero lead role has been played by five actors: Sean Connery, George Lazenby, Roger Moore, Timothy Dalton, and Pierce Brosnan.

Beginning in the Cold War 60s (after restrictions on violence and sex were lifted somewhat), the slick, escapist Bond action/adventure *Spy Films* were appealing to large audiences with their exotic, travelogue locales, tongue-in-cheek humor and dialogue, nifty gadgets and ingenious toys to combat evildoers, fast-action suspense and audacious stunts, and gorgeous, scantily-clad sexy women. The action-oriented, sophisticated, and skillful agent, with a taste for dry martinis ('shaken, not stirred'), fancy clothes (often tuxedos) and cars (notably the Aston Martin DB5, the Lotus Esprit, and various BMWs), battled various types of eccentric, deadly and infamous criminals who planned to assault

the world. The flashy agent bore little resemblance to the real shadowy world of espionage. (See *action films* for more details on all of the Bond films.)

Spy and Thriller Films After James Bond:

On the flip side of the James Bond series were other tense, Cold War political tales of espionage and intrigue including the ultimate political thriller about brainwashing and political assassination - **The Manchurian Candidate (1962)**, **Fail Safe (1964)** about a doomsday scenario (released less than a year after Kubrick's black comedy with the same plot - ★**Dr. Strangelove, Or: (1964)**), Edward Dmytryk's **Mirage (1966)** with Gregory Peck and Diane Baker, and **Seven Days in May (1964)**.

More modern, complex, high-intensity political thrillers with paranoid political atmosphere, double- and triple-crosses, threats to entire countries, spies, assassins, conspiracies, and electronic surveillance include:

- Sydney Pollack's box-office hit **Three Days of the Condor (1975)** starred Robert Redford as a US intelligence researcher on the run from professional assassin Max Von Sydow; based on James Grady's novel *Six Days of the Condor*
- Sam Peckinpah's final film, the plot twisting spy film **The Osterman Weekend (1983)**, was based on Robert Ludlum's best-selling novel and starred John Hurt as creepy CIA agent-spy Lawrence Fassett
- UK's political conspiracy thriller **Defence of the Realm (1985)**, featured Gabriel Byrne as a reporter investigating a covert operation
- John MacKenzie's action-spy thriller **The Fourth Protocol (1987)**, derived from a script by the original novelist Frederick Forsyth, featured Michael Caine as British intelligence agent John Preston and Pierce Brosnan as bad-guy Russian agent Maj. Valeri Petrofsky
- in the 1990s, Tom Clancy's techno-thriller novels provided the plots for numerous films with an all-American hero and CIA agent Jack Ryan: in **The Hunt for Red October (1990)** with Alec Baldwin, **Patriot Games (1992)** and **Clear and Present Danger (1994)** with Harrison Ford, and **The Sum of All Fears (2002)** with Ben Affleck
- Phil Alden Robinson's techno-action thriller **Sneakers (1992)** told of a mission by leader Robert Redford (and a group of renegade hackers) to obtain a code-breaking machine that could penetrate any computer system on Earth, with the ponytailed mastermind villain played by Ben Kingsley
- James Cameron's recent action-filled **True Lies (1994)** starred Arnold Schwarzenegger as Omega Sector secret agent Harry Tasker
- Brian De Palma's glossy and complex blockbuster **Mission: Impossible (1996)**, featured high-powered star Tom Cruise, clever gadgets, exotic





locales, great action sequences, double-crosses, etc., and was based upon the 60's TV show of the same name (also noted for techno-gadgetry, face-mask impersonations, and fast action)

- writer/director Luc Besson's action thriller **La Femme Nikita (1990)** (aka **Nikita**), was a significant spy film about a young female political assassin (played by Besson's wife Anne Parillaud); it was remade in Hong Kong as **Black Cat (1991)** and in the US by director John Badham as **Point of No Return (1993)** with Bridget Fonda
- Gillian Armstrong's **Charlotte Gray (2001)**, a wartime romance and spy film, based on the best-selling novel by Sebastian Faulks, starring Cate Blanchett as the title character, a Scottish woman serving as a spy for the French resistance forces while being a nanny and searching for her lover - a downed RAF pilot
- Michael Apted's WWII spy film **Enigma (2001)**, had some authentic depictions of code-breaking and intelligence technology developed during WWII to decode secret German messages
- John Boorman's **The Tailor of Panama (2001)** based on John Le Carre's 1996 novel by the same name, starred Bond actor Pierce Brosnan as non-Bondish British spy Andrew Osnard, and was set in the Panama Canal area in late 1999
- Robert Rodriguez' stunt-filled **Spy Kids (2001)**, starred young agents Alexa Vega (as Carmen) and Daryl Sabara (as Juni), children of a pair of secret agents, who must save their parents; sequels included **Spy Kids 2: The Island of Lost Dreams (2002)**, and **Spy Kids 3-D: Game Over (2003)**
- Rob Cohen's spy-thriller **XXX (2002)** tried to re-make James Bond for the next generation of viewers in the persona of Vin Diesel as Xander Cage, a nihilist extreme sports enthusiast nicknamed "Triple X", who was recruited by a covert government agency to infiltrate a Russian crime ring called Anarchy 99
- director Doug Liman's **The Bourne Identity (2002)**, from Robert Ludlum's best-selling novel was about code-named Jason Bourne (portrayed by Matt Damon) as an amnesiac agent with martial-arts skills; Richard Chamberlain starred as Bourne, opposite Jaclyn Smith, in the 1988 TV-movie/mini-series version of the same novel; also the sequels **The Bourne Supremacy (2004)** and **The Bourne Ultimatum (2006)**
- Roger Donaldson's **The Recruit (2003)**, with Colin Farrell as a recent MIT graduate recruited by Al Pacino to be trained as a CIA agent

