

"Some things are on a need to know basis."

Intellectual Property Descriptors, Proposal's and Materials

Mickey Farraday

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Y. SMITH-STANGE

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Attorn



This document and the information contained herein are provided solely for the purpose of acquainting the reader with Zero | End LLC, its web serial(s), potential graphical novels and video game concept(s) respectfully entitled;

"The 'Untold Tales' of Mickey Farraday"

(WS)(GN)(VG)

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EXECUTIVE SUMMARY

Minimal locations mean managing a small set, which leads to a higher quality product. This in turn also helps to reduce the cost during principal photography and keep scheduling tight, which effects cost by not having to retain crew members for a longer duration. With this type of genre we also plan to stylize the film in a way that gives it a unique perspective to its target audience. Such films like 'Where the Wild Things Are' and 'The Nightmare Before Christmas' have a look that is concise to the story the film is trying to convey by using color correction and visual effects to give the story a unique perspective.

FILM MEDIUM

The 'Untold Tales' of Mickey Farraday is a web based neo-noir sci-fi series and will be created using live puppets through a chroma-keying screen process, otherwise known as green screening. The puppets will be animated to a varying degree on set, then the footage will be imported into *Adobe After Effects* where the environments are added and the facial expressions enhanced. The process will be filmed using (2) two Canon 7D digital cameras, with video being taken at 24 frames per second with a resolution of 1080P and stills in the highest settings possible, this camera was specifically chosen to utilize the low light capability, cost of use and superior image quality.

Voice of the characters will be done before principal photography to ensure that the movement of the character puppets matches the voice acting. A Foley track will be created and edited using non-linear editing software and the episode score all will be applied to the final render. The first season will be shot as 6 episodes with a TRT (total run time) of 22 minutes per episode. The initial pilot episode will be 11 minutes of the first episode with intentions of completing the remaining 11 minutes once fan base or exclusive content funding becomes available.

INSPIRATION

About three years ago Kristian called Kristian and said "Mickey Farraday." They discussed the possibilities of a neo-noir detective made into a puppet. Later on Kristian called Kristian and told him about his theory on aliens living underground and so it began...

Actually... Not exactly - Kristian Hickman has always had an affinity for the noir genre. 'Mickey Farraday' comes from that affinity and is strongly influenced by films like "The Maltese Falcon", "L.A. Confidential" and the neonoir classic "Blade Runner". The origin of the name came from the meaning of the name Farraday, which is an old Gaelic family name meaning strength inquisitive. The most famous of the Faradays is of course Michael Faraday who is the scientist that discovered magnetic fields and the beginnings of electricity. All of these factors came together in the conception of the lead character Private Detective Mickey Farraday.



"The Untold Tales of Mickey Farraday" all came together with the seed of a 40's noir Detective in a sci-fi world that Kristian Hickman had sitting on a shelf until his producing partner Kristian McKenna mentioned an old idea of his, 'What if 'aliens' were not from other worlds, but from within our own?'. Take those elements and sprinkle in a little of the horror comic books "Tales of the Weird" and "Tales from the Vault" and this is where the story begins taking form and becomes what it is today, a recipe for epic tales of adventure.

SYNOPSIS

Tagline: There's something down there | Some things are on a need to know basis

Short logline: Pending

Long logline: Vacation City, 1947 - Mickey is a gritty hardened PI living in a bleak noir world that is suddenly splattered in the saturated colors of alien conspiracies, subterranean genetic mutants, global espionage, post-war political paranoia and a love story that goes to the edge of hell, falls in and then claws back again.

Genre: SCI-Fi | Puppet | Aventure | Néo-Noir

Circa/Locale: 1947 | American & Europe

Target Audience: Adults & Teens

Pages: 22 Pages per script: 6 scripts in the first season.

Vacation City, 1947 - A washed up ex-cop turned private detective, Mickey Farraday, gets hired by a woman to find her missing brother. He takes the case and discovers that the brother was hired as a researcher at a sinkhole that has collapsed beneath a dark ride in a recently condemned theme park. Unbeknownst to him, Mickey has found himself in the center of a government operation run by the recently formed CIA, which is in turn being surveyed under the watchful eye of what would be the beginnings of the KGB, neither of which are willing to make Mickey's job easy. What they don't know is what's hidden down in that sinkhole and how it all ties in to recent happenings at a small dusty New Mexico town and sightings of mysterious men dressed in black. Where is the missing scientist? What is it that the CIA and the KGB want with a sinkhole beneath a fun park? What has Mickey gotten into?



CHARACTERS





MICKEY FARRADAY



Ex-metro cop turned P.I., Mickey Farraday is a no BS, punch teeth in ask questions later kind of guy. Taking after his father in the Irish Sasquatch department, Mickey can fill a doorway and plug a fire hydrant with his fist. Don't let the looks or heritage fool you he has the wit and intuition of the best detective on the force and would be the pride of the department if his brother hadn't been brutally murdered. It destroyed him from the inside out. When he is asked to find a close friend and brother of the woman he wishes he could love it wakes up all the things that makes Mickey who is destined to be... a true hero.

POPS (DONOVAN "DONNIE" FARRADAY)



Mickey's pops is the only man alive that is able to insult, belittle, berate, embarrass, demean, annoy, harass, abuse, mistreat, exploit and hug or kiss Mickey with any repercussions or a punch in the teeth. He is an extremely large retired cop that had opened a family hardware store with his oldest son Sean, before he was murdered. The death devastated Pops and his wife Marion. A year later almost to the day, Marion passed away leaving Pops on his own, until Mickey moved in.

BOOMER



Boomer is Mickey's beloved giant headed pooch. Always there to cheer Mickey up and entertain Pops, he is a constant source of comedic relief, so is Pops for that matter. When you least expect it he's there to get Mickey's ass out of jam. He's no Snowy to Mickey's Tin-Tin, but there's more to this all American dog than meets the private eye.

MAGGIE HOLLENBROOK



Maggie owns the most popular jazz club in Vacation City, aptly named, Maggie's. Maggie and her brother Dr. Michael T. Hollenbrook are the only living relatives of the deceased prestigious and enormously rich Harold Jefferson Hollenbrook of Hollenbrook Aviation, a corporation dedicated to the providing the world with state of the art aircraft. When Harold passed away Maggie and Michael both inherited half of the company allowing them to pursue their own paths. Maggie's was to be a jazz singer/club owner. It is the disappearance of her brother Michael that brings her to Mickey's office that fateful day.

DR. MICHAEL T. HOLLENBROOK ("DOC")



Maggie's brother and only relative, Doc, used his enormous inheritance to put himself through Harvard and earned him his PHD in theoretical physics with a minor in astronomy. Whilst researching a strange sinkhole beneath a condemned theme park the Doc disappeared and Mickey is the only one who can find him.



KI AGENT KUZNETSOV (SMITH)

Not much is known about this Russian spy. Only that he was discovered and rescues by Mickey at the same time as the Doc. He is forever mysterious in his motives, but is indebted to Mickey and regardless of his alliances will always go out of his way to help Mickey given the opportunity.



THE SHADOW MEN

These mysterious shadowy figures seem to appear just as inexplicably as they disappear. Whenever they are seen it is usually in conjunction with some sort of alien activity. It is possible that they are actually 'suits' devised by the underdwellers so that they are able to walk freely on the surface of the planet.



THE CAPTAIN

The Captain is an old cop buddy of Mickey's Pops. He lives in a retirement home where he and Pops play cards together and reminisce about the old days. The Captain is also an extremely well connected and respected man in the law enforcement community. Anything Mickey needs... the Captain can get it and he does.



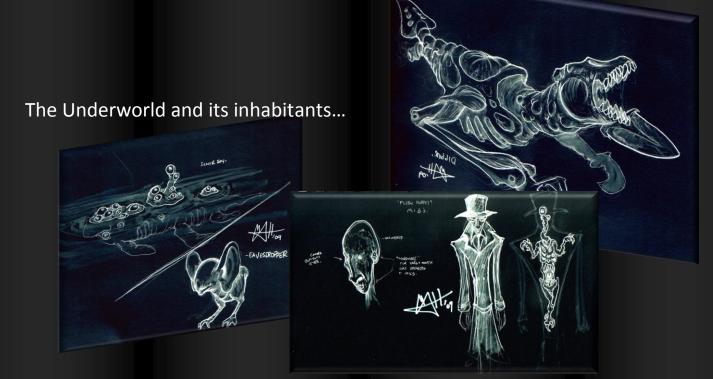
OLD MAN NIK

Ol' Nik is a strange quiet old man that lives in the same retirement home that the Captain lives in. He carries an unusually ornate cane and is often seen fiddling with other more unusual gadgets, some of which seem to be far beyond anything heard of in 1947. Mickey becomes curious about him one fine day and asks the Cap to introduce him and the rest is more than you could ever begin to imagine.



CIA AGENT POWELL

Agent Powell has been tasked to ascertain whether or not certain 'visitations' from previously unknown and foreign entities are to be considered a threat of any kind to the current United States. When called in to investigate the loss of communication from a government contracted research scientist that may or may not have been an assistant to a member of what is called the Majestic-12.



The underworld is an intertwining system of tunnels and vast caverns that snake throughout the entire core of the planet Earth. They are inhabited by the 'Underdwellers' and their complex organic cities and villages. These Underdwellers are an evolutionary tangent that branched off Darwin's tree early on in the development of the human species.

They sought shelter in caves to escape blistering heat and frigid cold. They eventually went deeper and deeper into the caves. They adapted and began to thrive solely without the need to leave the caves, leaving no trace of their existence topside. They evolved into a race that could no longer survive in the surface world due to damaging UV rays of the sun and over time the Earth's atmosphere became unbreathable to them. Their skin became grey and translucent, their eyes enlarged to allow better sight in the darkness and their bodies frail due to a long time diet of insects and subterranean plant life.

Over time the Underdwellers would be forced to devise ways to maximize their resources. They developed primitive chemistry to leech and concentrate the vitamins and minerals found in their world. With the abundant amounts of magnesium, vitamin E, B12, folate and others, their methods and diet would encourage a level of cerebral growth not found in the more physical evolution of surface humans. This would gradually enlarge the brain and all of its functions which would develop and enhance portions of cerebral functionality not found in modern humans. These developments endowed them with abilities of the psychic nature; telekinesis, telepathy, astral projection, Transvection (flying), precognition and retro cognition to name a few.

Not only would they develop the untapped portions of the human brain but all other parts are also enhanced producing an advanced hyper-intelligence early on in their evolutionary journey. They had already deciphered genetic coding when topsiders had only just reached the dark ages.

They would develop processes to deconstruct and reconstruct available genetic materials to suit their needs. Instead of using materials like wood, stone or metals they turned to organic materials to 'grow' their tools, structures and technology. They would also begin to take trips to the surface to harvest other unavailable resources once their subterranean sources had been tapped out potentially.

As their knowledge grew, these techniques would eventually allow them to devise ways to abolish almost all sickness and put off death almost indefinitely. By understanding their own DNA coding they

would learn to create replacement organs and complete bodies that were exact genetic matches.

This would allow the most intelligent and important of their species a kind of immortality, thus preventing any interruptions in their progress while still continuing their evolution.

Through harvesting a huge variety of genes from above and below the Earth's surfaces these subterranean biologists would also began experimenting with any and all possible combinations to create biotech that could benefit their existence and progress as a species. For them the possibilities were endless. There would nothing they couldn't create on an organic level, all of which was alive, but only as a 'tool' to fulfill a need.

Their hidden existence would go unnoticed for centuries until these harvesting trips had begun. Humans that would encounter or spot them would in time call them 'aliens'. Throughout history things like cattle mutilations, abductions, UFOs and crop circles would be attributed to the Underdwellers and their advanced abilities and technology.

To aid in their research and monitoring of the surface humans, the Underdwellers created a series of creatures that combined various complimentary attributes that served the tasks they were created for. They created a bird like creature with enlarged ears to eavesdrop on the humans. They created an amphibious type being with eyeballs covering its back and head that when closed would be unnoticeable, but when open it could see all. Another creature they created was a human/horse combination with enormous speed and strength for protection. The creature was built with one large eye where the head and neck should be and a rabid, frothing mouth that opens in the abdominal region.

None of these creatures have the ability to think for themselves. The only trace of a brain is a small portion that is cloned matter from the Underdwellers themselves. This is used to control the creatures via psychic methods and to telepathically send and receive information and messages. Almost like an immense organic Wi-Fi network that uses certain biologically engineered plant life like trees that act as an antenna or signal booster.

Some of the biotech the Underdwellers have developed uses a different means of control. These are controlled directly by connecting the Underdwellers own nervous system into the internal infrastructure of the actual creature/biotech. Orifices grown on the creatures are used as entry points for the Underdwellers who have the ability to detach from their current bodies at the neck, removing the head, vital organs and complete nervous system. Then the Underdweller can integrate itself into the internal structure of the creature by inserting their nervous system and a pouch containing the vital organs into these orifices. This process allows it to have complete control of what is essentially a new body.

The Underdwellers eliminate any issue of infection or rejection that may occur with symbiosis by using genetic material from their own bodies in the creation of these organic machines. They are a genetic match with all their creations. This process is also used when taking on replacement bodies and parts for life extensions.

DETAILS

Genre SCI-Fi | Puppet | Aventure | Néo-Noir

Website http://www.mickeyfarraday.com

Medium Digital Motion Picture

Target group 16 (*twenty-three*) to 50 (*fifty*)

Budget \$9,999

Period 1947

Location(s) Fictitious: Vacation City, USA | Merging Chicago and Las Vegas.

Crew TBD

Camera Jon Markham

Mike Spencer

Director Kristian & Kristian

Producer(s) Kristian M. McKenna http://www.imdb.com/name/nm2144259/

Writers Kristian M. Hickman Story by Kristian & Kristian

Artist Kristian Hickman

Puppet Build Matt Ficner

Film Scores George Kallis http://www.imdb.com/name/nm1988202/

Visual Effects Brook Buckelew

Voice Talent TBD

Registered with the Writer's Guild of America – West Registration Number: **PENDING**

^{*}Indicates that this talent name is listed for demonstration purposes only. Talents without the asterisk have indicated interest in the role and have offered a LOI (*letter of intent*) at this time.

PARTNERS | PARTICIPANTS

The sources and contacts listed below have committed their efforts to the project:

ZERO | END™ Production http://www.zero-end.com

ZERO|END is operated and run by Kristian M. McKenna and Kristian Hickman; the company was founded in 2006 with the desire to create and evolve the intellectual properties of many projects slated for development, along with Keith Plouffe they have well over 15 different projects in development, currently growing by adding new members as freelance artist and writers to help further develop these ideas from concepts into a marketable asset.

GEORGE KALLIS

Musical Score/Compositions http://www.cinematic-soundscapes.com/

George was born in 1974 on the island of Cyprus and grew up in a musical environment. He was fascinated by music at a very early age and studied classical piano and violin, played bass in heavy metal bands and became engrossed in classic movies of Hollywood's golden age. Their beautifully thematic soundtracks left him a very strong musical impression, and soon enough composing for films became his passion. At 18 years old, George had already won several songwriting awards, and his first personal CD Where There is a Child earned him a gold-record by Galaxy Music. Following his two-year army service at the National Guard as a second lieutenant, Berklee College of Music in Boston recognized George's exceptional talent and awarded him a scholarship to study for a Bachelor of Music in Composition and Film Scoring.

During his studies, George represented Cyprus as a songwriter in THE EUROVISION SONG CONTEST in Jerusalem (the European show seen yearly by more than 600 million people worldwide). Berklee College of Music also chose George to represent the college as the most promising talent in an NBC special on film music. Soon after graduating, George moved to London to follow up his studies with a Masters of Music in Composition at The Royal College of Music, studying with acclaimed veteran composer Joseph Horovitz. With a solid foundation in both classical and contemporary music, George began his career as a composer by working his way up from scoring documentaries and TV programmes, commercials and international multimedia installations. He is now working between London and Los Angeles.

MATT FICNER PRODUCTIONS

Puppet Build http://www.mfproductions.ca

Matt has always been a creative and imaginative person. Since a very early age, He has been dreaming up all kinds of unusual things, ever since he was able to hold a crayon; or sculpt as soon as holding a lump of PlayDoh.

A gifted child Mat has been able to cultivate that creativity into a life long journey of imaginative projects and ultimately a fulfilling career. In 1990 Mat had the opportunity to work on a puppet television program at a local network station to embark on the beginning of an amazing adventure and career.

In 1992, Mat Ficner Productions was formed for the purpose of creating a wide variety of puppets, creatures, mascots, multimedia projects and countless other strange things. Mat feels fortunate to be involved in an industry that gives him opportunities to flex all of his creative skills. He has often been described as a "renaissance man", which Ficner feels is the best way to sum up all the things that he can do.

Many people find it hard to fathom that one person can do so many things, but Mat certainly does a lot of things. He has a diverse and broad knowledge of a wide variety of fields and been fortunate that his creativity has taken him around the planet working on TV, film, theatre and event projects as well as acting as an advisor for many different endeavors.

Of course there are many other things apart from "work" that he has explored, a Reiki Master, ghost hunter and studied with shaman. For a time he was also a wedding officiator.

Forever curious about the world around us and having created this company has given Mat opportunities to continue to discover all the strange and fantastic things that abound on this planet!

FINANCIAL STATEMENT

INVESTMENT

Currently Zero | End has secured the funds needed for the initial 11 minute pilot and to explore the series as a business venture. Placements are ready to upload and begin marketing and building a fan base.

Future funds may be sought to continue the series if we feel that it was successful or close to reaching the goal. Depending on the data discovered during the pilot series additional funds may be necessary to continue building the fan base/market to reach the desired goal.

The aforementioned information is verifiable through the following publications.

- Kelly Charles Crabb, Esq.; The Movie Business (pp. 172-180)
- Paul Baumgarten, Esq.; Producing, Financing and Distributing Film (pp. 125-155)
- Dov Simes; From Reel to Deal (pp. 106-120)
- Louise Levison; Filmmakers & Financing (pp.22-24, 131-168)

Zero | End LLC owns and controls the rights to the screenplay and will obtain the professional services required to produce and direct the film. The film will be considered a complete package.

FUNDING REQUEST - MODEST BREAKDOWN

Funds will be used to cover the cost of pre-production, principal photography, post-production, delivery expenses.

Prep, Production, Post & Delivery \$7,499.00 Marketing Campaign \$2,500.00

Prints and Advertising (*P&A*)

Answer Print (*Telecine*) \$0
 HD Master Print \$0

GRAND TOAL: \$9,999.00

On completion of the film we will be hosting the 11 minute on a web streaming service and building the fan base. YouTube is the most likely service as we can use the hit count from YouTube as data for our future business planning. YouTube further allows content to be streamed via other areas, i.e. Facebook, or our through our own commercial domain. Overall, the investment will finance all stages of the film production to completion and cover expenses to advertise. This is a modest breakdown a detailed budget is available at the request of inquiry. The foregoing budget example is not a typical example to display a web series; however this is an itemized depiction of where the capital is extended at this time.

http://www.bspcn.com/2008/10/09/25-fantastic-indie-gems-made-for-less-than-1-million

BUDGET BREAKDOWN

Acct #	Description	Page #	Adjustments	Notes	Total
1100	Story and Other Rights	2			0
1200	Producer	3			0
1300	Director	4			0
1400	Cast	5			0
1500	Travel and Living	6			0
	TOTAL ABOVE-THE-LINE				0
2000	Production Staff	7			6,499.00
2100	Extra Talent	8			
2200	Art Direction	9			0
2300	Set Construction	10			0
2400	Set Striking	10			0
2500	Set Operations	11			0
2600	Special Effects	12			0
2700	Set Dressing	13			0
2800	Property	14			0
2900	Men's Wardrobe	15			0
3000	Women's Wardrobe	16			0
3100	Makeup and Hairdressing	17			0
3200	Electrical, Rigging, and Operations	18			0
3300	Camera Operations	19			0
3400	Sound Operations	20			0
3500	Transportation	21			0
3600	Location	22			0
3700	Production Film and Lab	23			0
4100	Tests	26			0
	TOTAL PRODUCTION PERIOD				0
5000	Editing	27			0
5100	Music	28			1,000.00
5400	Main and End Titles	31			0
	TOTAL EDITING PERIOD				0
6500	Publicity	32			2,500.00
6700	Insurance	33			0
6800	General Overhead	34			0
7500	Fees, Charges, and Misc.	34			0
	TOTAL OTHER CHARGES				0
	TOTAL ABOVE-THE-LINE				0
	TOTAL BELOW-THE-LINE				0
	ABOVE AND BELOW-THE-LINE				0
	Contingency		[0%]		0
	Overhead				-
	Completion Bond		[0%]		0
	GRAND TOTAL				<u>9,999.00</u>

RETURN ON INVESTMENT

We believe that television and the way people access content to entertain is evolving and will become very different then it is perceived now. Technology is changing very rapidly and having vested already in a television series could be dangerous. With lower rates of return, series would have to be created at a much tighter and smaller capital venture. The ones that get start at the bottom before this really takes into being the norm will be on the forefront of making it work.

Below are articles written by industry insiders that give opinion as to the future curve of internet as a form of television. Readers should also view the attachment entitled Appendix A4, which gives insight to the future of media and entertainment.

Making money from your website using advertising

By Yaro Starak May 12, 2005

Source: http://www.entrepreneurs-journey.com/105/making-money-from-your-website-using-advertising

You have managed to get your website to that magical point where you have established popularity, traffic, loyalty and a community of fans. Your site contains a wealth of information, resources and services that you provide free because that's just the kind of person you are. You may not have intended to make money from your site but now that you have an audience you realize that it's possible, or perhaps you have to start thinking about generating income because your costs to manage the site have increased and it's starting to hurt.

You have been diligent over the years to build up your community, but now you wonder how to go about making some revenue by leveraging this audience (as the marketers would say, you want to **monetize your site**). Maybe you have some big dreams and plan to one day generate advertising income from your new web project. This is a very common plan for online business given people tend to expect information and services to be free on the web. Advertising may be one of the only revenue generation strategies available to you.

How much traffic do I have to have to make money?

In my experience once you have about 500-1000 unique visitors per day to your site *at least* before you can start to make real money. You can make *chimps change* from day one from your 50 hits, but this article is targeted at those that have a larger audience, or perhaps are constructing a business plan (either real or in your head) and would like to know how to go about monetizing your website. If you get more then 1000 unique visitors a day chances are you already make money from your site (if not you should be!) but my points are still relevant.

As per usual I will illustrate my article using real world examples from what I did to make money. Over about five years I managed a hobby site that started off as a very local site focusing on people in my area that played the game <u>Magic: The Gathering</u>. I wrote reports and did news coverage for the game. Later I expanded the site to Australia and eventually opened it to the world although it remained mostly Australian with a good chunk of Asians and New Zealanders.

Banner programs

At around the time I was getting 500 unique visitors a day I decided to start playing with advertising methods. This was before the advent of <u>Google Ad sense</u> (more on this later) but there were <u>many banner programs</u> available that paid either on cost per click (CPC) or per impression basis. An impression is a banner being displayed to a user once, a click is someone clicking the banner and visiting the site being advertised.

These networks act as a middle man between business that want to advertise and people like me that have an audience and want to make some money by displaying banners. Unfortunately these programs display banners that often don't match your audience. I tried a few but it was a short lived experiment that made me a few dollars if that.

I recommend you avoid any banner programs. If you are confused about what I am talking about regarding banner programs take a look at <u>Burst Media</u> to get a grasp of how they work. For small sites they just don't make much money. For large sites there are much better ways to make money. I'm sure there are people out there that make good money from these programs (I'm sure the program owners do!) but in my experience a little effort to find the right type of advertising can yield much better results.

I decided the best way to make money was to really leverage the demographics of my audience. I had a fairly focused niche, card game playing young males. I started by emailing all the local and international card game shops and asked if they were interested in exposure to my market. Instantly I had responses but I had to come up with a pricing structure first.

How much should you charge?

By this time my site was getting close to 1000 unique visitors per day, with about 300,000 impressions per month. I had done my research and I knew that advertising on websites was usually via a standard 468×60 banner so I would start with that. I also knew that many companies charged by what is called <u>CPM</u> or cost per 1000 impressions. Back then this was by far the most commonly used scale for pricing of web advertising and you could expect to earn anywhere from \$0.10 to \$10.00 CPM. I never liked this method of advertising because it didn't guarantee any visitors. Charging by click-through is a far better method, but didn't become mainstream until later.

I decided that in order to keep my advertisers I had to offer value so I went for a blanket approach. I started charging a flat rate of \$30 per month to have a banner on my site which offered as many impressions that my traffic could provide. I signed up my first few advertisers at this rate.

Banner management software

In order to "rotate" different banners across my site I needed some special software that would dynamically place banners. This allowed me to have more than one advertiser banner in a single location so I could optimize my ad space and make sure my audience didn't get too bored from seeing the same banner over and over again.

Let me save you some time, <u>phpAdsNew</u> is the best banner management software out there. It's under an open source license and has all the features you could ever wish for at a price you can't beat, it's free. If you don't believe me and absolutely have to try searching elsewhere try <u>this category</u> at the <u>PHP Resource Index</u>.

There is a learning curve with phpAdsNew and you do have to install it on your own server. If you are like me and you do things like this yourself most of the time you shouldn't have too much trouble. Otherwise you might try contacting your favorite IT Geek and get them to give you a hand.

Statistics are important

The best feature with phpAdsNew is that it allows you to provide a unique user login for your advertisers to check their banner statistics in real time. This means at any point in time they can learn how many impressions and clicks their banners are receiving from your site.

Before you start searching for advertisers you should be very familiar with the statistics of your site. Do you know how many unique visitors you get? How many hits you get? How many impressions? Do you even know what the differences are between these? Try this <u>stats</u> <u>terminology primer</u> on for size if you don't.

Most web servers come with a statistics package. Ask your web host if you don't know. The most common are <u>Awstats</u> (<u>demo</u>) and <u>Webalizer</u> (<u>demo</u>) which often are preinstalled on many hosting packages. Become familiar with these packages so you can accurately assess your site traffic.

Increasing ad revenue

I now had the foundations laid and was serving the ads of my first few advertisers. From the point onwards I went to work attracting more advertisers by directly emailing North American online card stores and other related sites. I kept an excel file to track which websites I had emailed and their responses so I could follow up in a timely manner.

I created new <u>banner positions</u> and started initiatives like a newsletter to generate more revenue. I created monthly packages that combined newsletter advertising and different banner positions and offered them at \$500 per quarter. I increased the top prime banner position fee to \$50 per month and started offering a tower banner position for \$50 as well.

Eventually I had to limit the number of banners I could take in the prime positions to avoid dilution. I had a guarantee in place that offered at least 30,000 impressions per month (averaging 40,000-60,000) to advertisers so that they always received a good equivalent CPM rate. I even had some advertisers purchase the rights to "own" a position for a certain period to make sure no other advertiser's banners would be displayed.

Eventually I reached a point where I was averaging \$500 per month and peaked at \$1000 in one month. Some advertisers came and went quickly but many stayed loyal and in fact still advertise today though I sold the site a long time ago. The niche for the site was so focused that it became the pre-eminent site for Australia in its marketplace and consequently some Australian advertisers simply stuck their banners up as a branding exercise. They knew that the exposure from the site would help to align their business as one of the pre-eminent retailers or event organizers for the game. Some advertisers stopped caring about click through stats and kept advertising purely for the branding exposure.

Google Ad sense

At some point <u>Google Ad sense</u> popped up and I was in with other early adopters to try it out. My results were okay. The money wasn't nearly as good as the established relationships with advertisers I had, however the ads being displayed were a lot more targeted than banner networks I had tested early on.

I eventually stopped using Ad sense because I could better monetize the ad space with my traditional advertisers. However that was before Google went to work providing such a variety of banner sizes and display options. Nowadays Google Ad sense is a viable income source for many websites so I definitely suggest you look into it as a possible option for generating revenue, but remember it's not the only means and you can earn more if you get busy chasing targeted advertisers.

Ongoing maintenance

I wouldn't call web advertising income passive, but it sure is close. The systems I had in place handled everything automatically. While I did have to manually create advertiser accounts, pursue advertisers and control billing, once the systems were in place, in particular phpAdsNew, I didn't have to do much. Of course depending on your website often the maintenance of your community is where the labor is involved, but chances are if you started the site you either enjoy it or have plans in place to eventually remove yourself from the maintenance role.

In the end I sold my site but if it wasn't for the advertiser revenue my asset would not have been valued nearly as highly as the final sale price. Investing in advertising is like investing in any asset, the time and labor you put in today will lead to benefits in the future.

Yaro Starak Web Entrepreneur

Streaming Media to Draw \$70 Billion in Revenue Before 2014

Internet, IPTV networks, and mobile handsets are expected to contribute to the increase, according to an Insight Research report.

By **K.C. Jones** April 01, 2008 12:06 PM

Source: http://www.informationweek.com/news/207001008

Streaming video and music will generate \$70 billion in revenue over the next six years, according to a research report released Monday.

The Insight Research reported that content streamed over the Internet, IPTV networks, and mobile handsets will increase revenue through content and networks.

Insight's study, "Streaming Media, IPTV, and Broadband Transport: Telecommunications Carriers and Entertainment Services 2008-2013," covers several issues affecting the <u>streaming market</u>.

On-demand audio and video, as well as the revenue they generate, are expected to boost the market, which will grow at a compound annual rate of almost 29% through 2013, according to Insight.

"The outlook for streaming media has never been brighter," Robert Rosenberg, Insight Research president, said in a statement released with the study. "Questions surrounding consumers' willingness to pay for content have been dispelled by satellite radio and iTunes. The forecasts that we present are conservative and in line with current performance."

In fact, if per-stream costs decrease faster than expected, or consumers accept IPTV sooner than predicted, or 3G delivery takes off more quickly than forecast, "it could blow the doors off" Insight's predictions and push the industry's growth to "explosive" levels, Rosenberg said.

Insight examined several factors that face the market, including: licensing, broadband Internet access, mass-market demand, and enterprise use.

Insight said its forecasts include revenues for the U.S. market by network services and by content services. The predictions for network services include digital rights management (DRM), encoding, and performance measurement. Revenue figures for content services cover advertising, music on-demand, Internet radio and video on-demand. Hard copies of the entire 140-page report are available for \$3,995.

TV Trends: More Internet TV Viewers Erode Traditional Media

By Wayne Friedman, Mar 18, 2010, 11:43 AM Source: http://www.mediapost.com/publications/article/124522/

Viewers have tripled their use of watching TV shows via the Internet since 2006 -- and some of this has hurt traditional TV viewing.

Media researcher Knowledge Networks says this trend affects a broad range of viewers: ages 13-54. Viewing of complete TV shows from streaming or downloaded video has climbed to 22% from 8%.

This also has climbed faster for younger 18-34 viewers, rising to 30% from 12% to 30% of 18-to-34 online users.

When it comes to making the sometimes more labor-intensive connection of hooking up TVs to PCs, 7% of 13-to-54 viewers have streamed or downloaded TV shows, and 11% for 18-to-34.

Knowledge calls this "over-the-top" viewing.

There has been some erosion of traditional TV viewing from all of this, the study says. Of those that have reduced or canceled TV service in the past year, due to their online viewing of network TV programming -- or expect to do so in the next year -- 6% of 13-to-54 viewers and 9% of 18-to-34 viewers said they have made these decisions.

David Tice, vice president and group account director at Knowledge Networks, stated: "Growing numbers of "connected TVs" -- those that access the Internet -- are making this option increasingly user-friendly. The fact that over one-third of TV homes now have a bundled TV/Internet service package is no doubt accelerating this blurring of boundaries."

Online Video to Generate 7.9 Billion By 2013

By Mark R Robertson | Posted 4 years ago

Source: http://www.reelseo.com/online-video-generate-79-billion-2013/

Informa Telecoms & Media forecasts that by 2013, US online TV and <u>video services</u> will generate revenues of \$7.9 billion.

Though these figures include a la carte and subscription-based download fees, advertising revenue is expected to account for the largest slice at 63% of the 2013 global total.

The UK and Japan are the second and third largest markets, respectively, in terms of online TV and video revenues.

In 2008, revenues are expected to reach \$842 million in the UK and \$605 million in Japan.

How Much Money Do The Top Grossing YouTube Partners Make?

By Megan O'Neill on August 26, 2010 1:45 PM

It has been common knowledge for some time that it is possible to <u>make money on YouTube</u>, and that some of the top YouTube Partners were even earning their entire living off the video site. However, nobody knew for sure how much money the top YouTube Partners were making, until now. New statistics released by <u>TubeMogul</u> list the estimated top ten highest grossing YouTube stars, all making more than \$100,000 per year.

How did TubeMogul get their statistics? According to <u>Business Insider</u>, TubeMogul estimated revenue from banner ads alone. TubeMogul took into account the facts that banner ads have a two-second load delay and that, based on previous research, 2.59% of users click away before the ad has a chance to load, banner ad CPM is \$1.50, and YouTube splits all ad revenue with partners, 50-50. Therefore, they got their figures by taking all the partners views from the last year, getting rid of 2.59% of those views, dividing that number by 1,000, multiplying by \$1.50 and then dividing that number in half. Based on TubeMogul's estimate, here are the top 10 highest grossing YouTubers, all making over \$100,000 per year.

1. Shane Dawson – \$315,000

<u>Shane Dawson</u> is the highest grossing YouTube star, making an estimated \$315,000 per year in advertising revenue. Shane is 22 years old and hails from California. With over 1.8 subscribers and over 361.5 million upload views, I'd say he's earned himself the title of the highest grossing YouTuber.

2. The Annoying Orange – \$288,000

The second highest grossing YouTube Partner is none other than <u>The Annoying Orange</u>. If you aren't familiar with the Annoying Orange, it's exactly what it sounds like – a talking orange that is really, truly annoying, in every sense of the word. Created by Dane Boedigheimer, the Annoying Orange has over 1.1 million subscribers and 236.3 million upload views.

3. Phillip DeFranco – \$181,000

<u>Philip DeFranco</u>, also known as <u>SxePhil</u>, is not only the third highest grossing YouTube Partner, but was also voted the World's Sexiest Geek by Wired.com readers (maybe it has something to do with his original YouTube name being SxePhil?). In his video blogs he usually talks about politics and gossip. Across both of his YouTube channels he's got over 342 million upload views and 1.6 million subscribers.

4. Ryan Higa – \$151,000

Ryan Higa, also known as <u>Nigahiga</u>, is not only the fourth highest grossing YouTuber, but also has the number one most-subscribed to channel on YouTube, with 2.6 million subscribers. His videos are mostly funny music videos, parodies and sketch comedy, in which he usually plays a variety of different characters.

5. Fred - \$146,000

<u>Fred</u> just may be more annoying than the Annoying Orange, but that hasn't stopped him from becoming the second most-subscribed YouTuber of all time with 1.9 million subscribers. The character Fred, created by Lucas Cruikshank, is a 6-year old boy. In addition to his YouTube revenue, Fred also has a Nickelodeon movie coming out.

6. Shay Carl – \$140,000

<u>Shay Carl</u> is a father of three from Idaho. He used to be a radio DJ until he started to broadcast videos of his comedy routines on YouTube and his online vlogging career took off. He has millions of views and subscribers across three separate YouTube channels.

7. Mediocre Films – \$116,000

<u>Mediocre Films</u> is a comedy channel, started by Greg Benson back in 2006. According to <u>The Independent</u>, "Benson dismissed the findings of the survey as wrong, insisting he should not be in the Top 10." However he remains on TubeMogul's estimate list.

8. Smosh – \$113,000

<u>Smosh</u> is one of the first sketch comedy duos to hit YouTube, created by Anthony Padilla and Ian Hecox. They have been on the YouTube scene since the site launched in 2005. Smosh is currently the fifth most subscribed to channel on YouTube, with over 1.7 million subscribers and 60.3 million views.

9. The Young Turks – \$112,000

<u>The Young Turks</u> is the longest running online talk show about politics, with a liberal twist. The show s hosted by Cenk Uygur and gets about 13 million hits per month.

10. Natalie Tran – \$101,000

<u>Natalie Tran</u> is a Vietnamese-Australian who boasts over 278.8 million upload views and 747,000 subscribers.

RISK FACTORS

The film industry is a **risky** business, yet it is no different than any other business, they all have risk. I see the initial problem that most people have in this business is that they cannot run a business efficiently and be creative at the same time. We hold a unique understanding both financial and accountability, but also possess an explosive creative side. These types of companies are a rare find and are, with certainty, always very successful.

DISTRIBUTION STRATEGY

BUILD A FAN BASE

Zero | End LLC will capitalize on all publicity/promotional opportunities and has already begun promotional and marketing to generate awareness of the film through interactive websites and social sites, such as the Commercial Domain and Facebook. The website was created for the purpose of building a consumer database and brand penetration into the marketplace through ad poster, search engine optimization, blogs, link building, banner ads, e-mails, chat rooms, fan club, consumer contest participation and widget implementation. Internet traffic is easily directed to our site with the implication of permanent domain names; other domains are sure to follow when research is done to find the most compelling titles and search fields.

- http://www.mickeyfarraday.com
- http://www.facebook.com/mickeyfarraday

These sites have been designed as simple, informative, interactive and entertaining to sustain the interest. A strategy will be formulated to allow for the consumer to participate in the film. An example for this type of interactivity can be found at http://www.journey-quest.com

WAYS IN WHICH TO BE PROFITABLE

FAN BASED FUNDING

With avenues such as Kickstarter[™] exploding, funds could be obtained through everyday people that pay for what they believe in and want to see. This is an extra step that we will be taking to try and obtain a modest budget per season. The time frame is relatively small; risk is greater that you won't get the funding in a short amount of time without having established a fan base, although many people have garnished funds from the passion behind their respective project. It is entirely possible to fund the first season exclusively from fan based revenue.

EXCLUSIVE CONTENT

This tactic requires more time to build the series. Having a fan base behind it means viewership that turns into revenue from ads. Either by signing an exclusive deal with up and coming web channels or by keeping our content home based and charging our own ads. Being exclusive is a harder and longer road, however usually yields an enormous amount of income.

WEB BASED

Since televisions were first introduced to the general public at the 1939 World's Fair in New York City, the technology used to record, produce, deliver and watch television shows has undergone an astonishing number of transformations and improvements.

While the number of technological innovations over the last seventy years has been numerous, the most notable advancements were the ones that improved the quality of the picture on the screen, increased the quantity of television programming or made watching your favorite television show more convenient

For example, the introduction of the color television and high-definition television dramatically improved picture quality. Cable, and more recently digital cable, increased the number of channels and quantity of programming available to us. Video Cassette recorders (VCRs) and Digital Video Recorders (DVR) made TV watching more convenient thanks to the ability to record and time shift. Innovations such as the DVD players, Blu-ray players and Video on Demand (VOD) improved the quality of the signal, the quantity of programming and made watching our favorite movie more convenient.

Many television industry analysts believe the next big technological advancement that will dramatically change the way we consume television programming is Internet Television as demonstrated with the aforementioned articles.

WHERE CAN YOU ACCESS STREAMING CONTENT

Game consoles: All three big game consoles can pull in streaming (or downloaded) content, though offerings vary. You can subscribe to Netflix on all three consoles, download movies and TV shows on PS3 and Xbox. MLB on PS3 offers live streaming baseball.

Set top boxes: Boxee, Roku, Western Digital's WD TV Live Hub, and several Blu-ray players from LG, Samsung, Sony, Philips and Panasonic offer connectivity to streaming content.

Internet TVs: Several TV's from LG, Samsung, Sony and Vizio offer content in the U.S. but fare is limited in Canada

In simple terms, Internet television is a subscription service that streams video content from a content creator or distributor to a consumer over the Internet. The best known Internet television provider in Canada today is Netflix, which began service in this country in late September.

NETFLIX (example of web streaming service)

Netflix is an \$8-a-month service that gives the subscriber the ability to stream a selection of movies and television shows over the Internet to a Netflix-enabled device. What makes Netflix so appealing is you can access it on multiple devices, including a TV, a smart phone, an Apple iPad, a Blu-ray player, a video game console such as a Wii, Playstation 3 or Xbox 360 or it could be a specialized device, commonly called a media extender such as Roku, or WDTV Live.

After Netflix's launch in Canada, some media analysts here suggested that Internet television would lead to the demise cable and satellite companies as consumers cancel their cable and satellite subscriptions and sign up with companies like Netflix. While the thought of the Internet being the great leveler that brings the cable and satellite giants to their knees, the truth is that Internet television is not going to make you cancel your cable subscription any time soon because it does address several of the key benefits that will make it a transformative technology: improved picture quality, increased quantity of programming and convenience.

While it succeeds in making it more convenient to watch television, Internet television is not the great technological advancement that analysts predict because it fails to deliver anywhere near the picture quality and depth of programming we get from cable and satellite providers today, however in the next coming years, this technology will by far be on par with television as Netfilx will stream HD and it looks amazing.

Proponents will argue that the age of television via the Internet is just getting started and that in the future, subscribers will be able to look forward to improved picture quality and newer shows. The problem with this thinking is that it ignores the fact that content providers are spending billions to produce movies and television shows and they want to be paid for it. This is why the need for cheaper producible content will be in high demand.

The reason Netflix can offer consumers unlimited streaming of their catalogue of programming for just \$8 a month is because they are paying movie and television studios a fraction of what it cost to create the programming. The studios have already earned their profits from this content so the extra money they earn from Netflix is gravy. In the future, if Internet television providers want to be able to offer their customers new release movies and the latest television shows, they will need to enter into multi-billion dollar agreements with studios, which will force them to charge consumers considerably more than \$8 a month they are charging today.

AD BASED REVENUE

YouTube and other video services offer a YouTube partnership. People upload videos through a YouTube channel: A channel on YouTube is the home page for an account. It shows the account name, the account type, the public videos they've uploaded, and any user information they've entered.

You can customize the background and color scheme of a channel along with controlling some of the information that appears on it.

YouTube channels can also display favorite videos from other users, activity streams, comments, subscribers, and other social networking features.

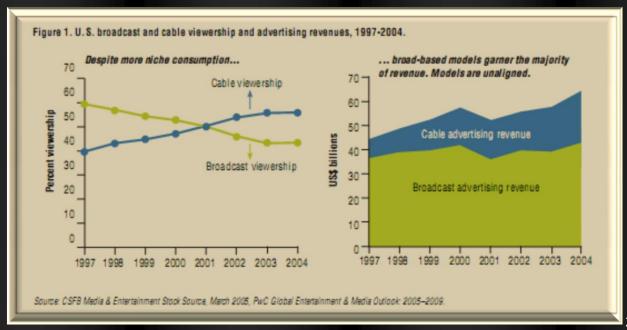
FILM FESTIVALS & FILM MARKETS

Film festivals are a great experience and serve a specific purpose, however, with making a film for a business venture it's not a sound decision to release your film to the world before presenting it for someone to purchase or distribute. Very few films get sold this way. The place to do business is marketing the film to distributors and select markets.

Zero | End LLC, plans to work on finding distribution *before* the film is completed, assuring that it will be sold into the market and begin profitability immediately.

FORMATS

Other formats would be considered other then VOD (*Video-on-Demand*), BluRay and DVD options would remain a secondary option, especially for fans of the series for collection purposes. The below graph shows viewing trends from 1997 – 2004.



PROJECTIONS

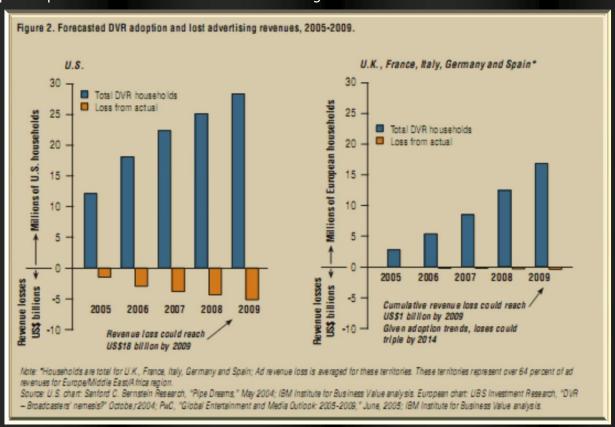
Represented is considered a modest distribution return for "Mickey Farraday", however like any venture an investment is considered a risk.

It is possible the Investor could lose money on this investment

It is also possible that the Investor would receive an **extraordinary** return.

Market	s	Revenue
1.	U.S. Theatrical Box Office	\$0 Million
2.	Foreign Theatrical & TV	\$0 Million
3.	Worldwide Blue-Ray & DVD	\$1 Million
4.	Domestic, Cable, Pay TV	\$0.0 Million
5.	Other (i.e., Downloads)	\$0.5 Million

Let the aforementioned serve as a tentative business model, this is not intended to claim with would be the revenue generated from the venture. Based on this projection, the Produce/Investor share of the domestic theatrical revenues would vary depending on the success or way in which funding becomes available. Future plans and having a web distribution plan in place would dictate how much income is generated.



CONCLUSION

Zero | End LLC has a completed script to serve as the basis for this web series. The production will be created using high end digital equipment. On completion, Zero | End LLC, will execute the marketing and distribution plan. The projections outlined herein, serve as an illustration of the potential return for a web series such as "Mickey Farraday" and its contributing series can achieve. The picture deal business and distribution strategies are specifically designed to minimize the risk of the investment by keeping production cost low while maximizing the potential return.

Your interest and consideration is of utmost importance, we look forward to discussing this exciting opportunity and your possible involvement with creating a successful web series.

Address all inquiries to Zero | End LLC.

P.O. Box 776 Skowhegan, ME 04976 207.431.6911 www.mickeyfarraday.com

CONTACT

Kristian M. McKenna | Producer

kmckenna@zero-end.com 207.431.6911

Kristian began his endeavor in the filmmaking world in 2004 with his first award winning short film, 'Impulse', Winning 'Best Visual Effects' at the Hollywood DV Festival, Hollywood, CA. The short went on to screen at several other film festivals. Since this production, Kristian has been compiling ideas and visuals to explore his creativity. A visionary, Kristian continues to work and provide written and visual concepts to showcase his ideas.

Kristian M. Hickman | Writer

khickman@zero-end.com 718.419.3995

Kristian, a seven year veteran of the film industry and graduate from the Art Institute of Pittsburgh, has been credited on many levels for his make-up & gore FX. His talents as a designer, sculptor and overall artist have kept him busy. He's worked on movies with the likes of Greg Nicotero of KNB FX and Jamie Nash the writer of Universal Pictures' "Altered" and the up and coming feature "Seventh Moon". Most recently Kristian's original work was seen at Chicago's newest #1 haunted attraction "The Fear" located at the famous Navy Pier. Outside of the SFX world Kristian has been a founding partner and VP of two successful production studios and has written and produced commercials, industrials and corporate pieces for various fortune 500 companies.

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