

# **THE ENGINEER**

## Investment Proposal

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P.O. Box 407 Morro Bay, CA 93443, (805) 459-8468 or (805) 574-0043

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# THE ENGINEER

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"The Engineer is a story driven action-packed suspenseful thriller filled with murder, mystery, crime, and high-tech weapons with an exciting twist to the end of the story, that is sure to keep people talking long after the film is over."

## Executive Summary

In today's entertainment market independent lower budget films are becoming increasingly more important. After the success of independent low budget films in the last decade, Hollywood has had to reevaluate their own marketability and movie integrity, as well as total cost to return. With movies like "Get Out" grossing over \$255 million dollars worldwide, it is apparent the public is also noticing these films. Audiences are searching for movies that are driven by story, not over inflated budgets. It is with these principles that we seek to bring the action-packed thriller "The Engineer" to the audiences.

The proposal seeks financing for an independent feature film budgeted at \$5,000,000 million dollars.

"The Engineer" is a suspenseful action-packed story about a high-tech weapons maker and what happens when a mercenary steals a valuable device from an African warlord using some of these customized weapons...the warlord dispatches an army of assassins to hunt down whoever made the guns and recover the priceless data."

As a story, it will appeal to a wide demographic of consumers from young to old. The thrilling, fast paced story will draw the younger generation where the sophisticated feel and classic special forces, customized high-tech weapons and fight settings will appeal to the older generation.

Through our independent film we can provide a means of low-cost investment to create a high-end product with the possibility of a 20% or greater return on investment. With strategic product placement and exposure, we can also use various companies to supplement investment and create an entertainment product. The unique nature of film allows for a broad range of market exposure. A feature not only reaches audiences throughout the United States, but the world, and in so doing will continue to promote your product, and provide returns, for the life of the film. The average film, in its initial release, garners over 150 million viewers (compared to only \$25 million dollars for top rated television shows), a number that cannot be ignored, especially when compared to the relative ease and low cost of investment on an independent film.

## Overview

### The Value of Film Media

The major obstacles to investing are finding investments at low cost with high return as well as finding broad groups of consumers who will be interested in your investment. When dealing with most investment scenarios it is difficult to judge who will identify with your product. As with all investments there is also the question of risk.

Research has shown that the film medium reaches perhaps the largest audience of consumers. Films are distributed on both domestic and foreign markets. This same research has shown in recent years, that even if a film does moderate to poor in a theater market, the home viewing audience always brings a higher revenue margin than the box office. This means that no matter the scenario your investment stands to be seen by not just thousands, but also literally hundreds of thousands and possibly millions around the world. To date movie attendance has only increased with the 18-24 and 25-34-year-old groups, bringing in the largest percentages of moviegoers and money spent at the movies.

Current movies have created an extremely successful bond between investment and film. Movies like "Memento" have created unexpected results with marketing, and investments providing proof of the possibility of successful investing through film. "The Blair Witch Project" still stands as the investors dream. This movie has sparked a trend in independent films made at lower cost with extremely high returns. In many cases these story-driven high return phenomena's have almost become common place as the audience seeks higher quality films. In each of these films their success could be followed back to investments made to ensure artistic freedom and creativeness that Hollywood often lacks. The financial support given in these movies was directly mirrored by the notice the audience took on the investment. Independent film investment immediately creates a level of integrity that exceeds that of normal Hollywood produced films with the chance for higher returns than what could normally be expected in conventional movie investment.

## **The Expansion of Foreign Markets**

The expansion of foreign markets adds an entirely new aspect to the profits and success as already seen in the American film market. Foreign markets are playing an increasingly important role in both product advertising and film distribution. In recent years, English-language films have seen their acceptance grow within foreign markets, creating an extremely profitable market. Not only are the films grossing more income due to foreign markets, but products depicted within them are being seen by larger audiences and are thus being marketed overseas as well as within the United States. In this way films can provide a broader base of successful investment.

Foreign markets have expanded to accept films foreign to them, to a greater degree than ever before. Beyond this, foreign audiences often hunger for English-language films that differ so greatly from those within their own country. Common logic would support that films marketed overseas easily attain a level of success and larger audiences than those marketed strictly within the English-speaking world.

## **The State of Independent Film Industry**

In recent years, the independent film industry has boomed severely. Traditionally, independent films have always been the means for directors, artists, and students to expose themselves within a large market. Today, the purpose, while remaining largely the same, has branched out. Independent films are now also becoming the films that we see up-and-coming in the market. It isn't unheard of for an independent film to be bought by a major company and distributed through them. In fact, many current success stories in film were actually independent films. In addition, independent films can now be tailored just as expensive "Hollywood" films are, for half the cost. Because a broader market is now seeing independent films, there are also greater gains to be seen in the industry.

Many recent independent films have grossed well more than was expected "Pulp Fiction", which only cost \$8.2 million to produce, grossed over \$200 million dollars at the box office. "The Usual Suspects" cost \$6.0 million, grossing \$51 million. The box office gain for independent films is often great since their cost to produce is generally extremely lower than that of high-budget industry movies.

Other films, such as "Get Out" completely took the market by storm, grossing greatly over the cost of its production. This phenomenon, while being most unexpected in this case, is not as unheard of as one might think. Independent films make up a fair amount of the top grossing films because they are made at such a nominal cost. Then these films are bought and distributed by larger studios.

Independent films usually begin their marketing process through film festivals. It is at these festivals that films not only gain public notoriety and box office sales, but are also seen by distributors, studio executives and journalists who will help in continuing the output of the film. It is through this medium that these films are either picked up by larger studios or moved on to greater markets so that they may gross more income.

It is films like these that are the examples of the dramatic change in the Independent film industry over the last five years. Where the industry was once semi-obscure, it has now become the center of much attention. This phenomenon is strongly due to privately funded films being bought outright by major studios. The margin of growth and possible capital made by independent movies has increased so greatly over the past decade that many studios have created divisions specifically for seeking out new talent. In this way, larger studios buy out smaller scale films and are able to give exposure to both the films and the talents that create them.

## **Project**

### **The Target Audience**

35-54 and 18-25 age groups are "The Engineer" target audience. According to research done by sectional readings of the script, the main groups that the film will appeal to are both the younger adult audiences as well as people of middle age.

### **Who will want to watch the film?**

The main interest in the film is expected to come from the middle age range, the largest segment of the population. They are educated but seeking a relaxing change. They also make up the largest range of frequent moviegoers. The film's story is both compelling and driving and has enough plot twists and turns to keep this audience block captivated and gives them the feeling of rejuvenation they strive to find.

The second audience is the young adult range (18-34) who will be drawn to the film for the suspense and intense action.

## **Project Aspects - A Calendar of The Project 2023 Schedule**

### **January 2023**

- \* Advertising of project to distributors and investors
- \* Gaining needed contracts and permits.

### **February 2023**

- \* Meeting with all persons involved in film.
- \* Interviews of candidates for open staff positions
- \* Finalizing screenplay and re-writes.
- \* Planning movie website.

### **March 2023**

- \* Hiring of further project staff members.
- \* Preparation of two-minute trailer to gain distribution.
- \* Casting calls
- \* Website released.

### **April 2023**

- \* Pre-production and story boarding
- \* Procuring distribution and highly sought-after name talent.
- \* Collection of final data on needs for shooting
- \* Recruitment/selection of minor acting position
- \* Director's and cast meeting held to review principal shooting.

## **2023 Schedule Continued**

### **May 2023**

- \* Hiring of foreign distribution Rep for distribution pre-sales.
- \* Hiring of promotions agent to further movie exposure.
- \* Key investors gained to further shooting budget.
- \* Preparations made for principle cast and directors meeting.

### **June 2023**

- \* Storyboard finalized and key frames advertised on website.
- \* Hiring of marketing analyst to further project earnings.

### **July 2023**

- \* Location research done by security team.
- \* Safety and security review

### **August 2023**

- \* Pre-production
- \* Assembly editing

### **September 2023**

- \* Pre-production meeting

## **2023 Schedule Continued**

### **October 2023**

- \* Principal shooting of all cold scenes
- \* Choreography layout
- \* Assembly editing
- \* Principal photography for marketing

### **November 2023**

- \* First shooting assembly completed.
- \* Fine cut editing
- \* Special effects added.

### **December 2023**

- \* Computer Animation laid out.
- \* Sound editing.
- \* Score composed.
- \* Music track recorded.
- \* Recording effects.

## **2024 Schedule**

### **January 2024**

- \* Second Pre-production
- \* Assembly editing
- \* Soundtrack laid out and synchronized.

## **2024 Schedule Continued**

### **February 2024**

- \* Second principal shooting
- \* Choreography layout
- \* Assembly editing
- \* Principal photography for marketing

### **March 2024**

- \* Second shooting assembly completed.
- \* Fine cut editing
- \* Special effects added.
- \* Sound mix added.

### **April 2024**

- \* Director's meeting and screening
- \* Trailer created.

### **May 2024**

- \* Marketing materials
- \* Distribution deals
- \* Continued Marketing

### **June 2024**

- \* Publicity Gears up
- \* American Distribution deals closed.

## **2024 Schedule Continued**

### **July 2024**

- \* International film distribution deals
- \* Publicity Drive

### **August 2024**

- \* U.S. theatrical release

### **September – October 2024**

- \* European theatrical release
- \* World theatrical release

## **Progress to Date**

### **Script**

- \* Script written and edited in its fourth stage by professional screenwriter, Pamela Beach.
- \* Audience tested script through sectional readings.

### **Production/Staff Selection**

- \* Research for the hiring of:
- \*Key Directors and production team
- \*Production Managers to ensure completion and budgeting upheld.

### **Acting/Music staff selection**

- \*Research for the hiring of S.A.G. actors
- \*Selection of possible artists for soundtrack

## Corporation Creation

\* Research for fund raising for proper permits and corporation.

## Marketing/Investment

\* Investor research

\* Initial contacts for marketing interest

\* Arrangement of interview for local newspapers to gain prospective investors.

\* Marketing to various companies for endorsement

## Budget

### Summary Budget "The Engineer"

PRODUCER'S FEE:	\$400,000
DIRECTOR:	\$300,000
ACTOR #1:	\$500,000
ACTOR #2:	\$300,000
CAST:	\$300,000
OFFICE/TRAVEL:	\$300,000
CAMERAS:	\$150,000
SOUND:	\$100,000
LIGHTS:	\$90,00
GRIP/GENERATOR:	\$120,000
CREW KEYS: (DP, PM, AD & PD)	\$300,000
CREW:	\$300,000
LOCATIONS:	\$300,000
PERMIT/INSURANCE: (Equipment, Liability, E&O, Workers Comp)	\$100,000
WARDROBE:	\$75,000

## Summary Budget "The Engineer" Continued

PROPS:	\$75,000
CATERING/FOOD:	\$200,000
<u>POST-PRODUCTION:</u>	
EDIT (Picture):	\$150,000
EDIT (Sound):	\$100,000
ADR:	\$60,000
FOLEY:	\$60,000
MUSIC:	\$50,000
MIX/RE-RECORD:	\$50,000
M&E TRACK:	\$20,000
LAB/DCP:	\$75,000
<u>MISCELLANEOUS/SERVICES</u>	
LEGAL/ACCTNG:	\$60,000
COMPLETION BOND:	\$50,000
TRAVEL/OFFICE/ETC:	\$200,000
PUBLICITY/PR:	\$50,000
Total	\$4,835,000

## **Distribution Approach**

Before the film's creation and final editing even take place, we plan to create an excited air about the film. We have already started marketing our film through various media and we are utilizing the web to stir up buzz about the film. In addition, networking, and word of mouth within the industry have always met with great success. In our attempt to promote and ensure the success of this film we have team members dedicated solely to the purpose of promotion. We want this film to be the buzz on the lips of every studio head's lip and every distributors' must get list. All of these marketing ventures help not only in securing distribution after the film's shooting but open the possibility for pre-distribution.

The second phase of marketing aimed at distribution of the movie is entrance into well-known film festivals such as Sundance and Cannes. In its running at these festivals, our film will be seen by numerous distributors who will have an interest in its' worldwide marketing. Through these distributors we will license the film for advances that will not only recoup our investors, but also produce a profit.

These festivals draw numerous types of distributors. These range from large U.S. studios, like Disney, Warner, and Fox, to smaller U.S. distributors like Miramax, New Line, MGM/UA and Trimark. In addition, there are always foreign distributors who attend in efforts to buy films. It is in this setting that independent producer's endeavor to sell their film to the highest bidder. Generally, as a rule of thumb, the distributor who offers the most amount of money is also the distributor who will market it to the largest number audience. This once again reinforces the intent to show your investment to the largest number of target audiences. We fully expect to license our film to the best bidder, both foreign and domestic, to insure not only a profit, but also a large, worldwide exposure to the investment.

### **Script Writer and Story by, Pamela Beach**

An experienced scriptwriter, she has written several scripts, all of which are copyrighted under US law and 3 currently awaiting production. In addition, she has also written and edited numerous scripts for fellow writers and actors. She has literary representation from Eris Talent Agency and is managed by Citizen Skull Production and Management.

You can check out some of her work here: <https://www.storywhisper.me/news-and-events>

## **The Investment Return**

The income is returned to the corporate investor over the "Life" of the film, which could stretch for a decade or more. However, about 80% of the film's revenues are expected in the first three years, which is what is projected in the tables herein. These are the income projections from all the markets worldwide, over a three-year period. Excluded are merchandising and television syndication. In addition, it is possible to obtain better deals from distributors than are indicated here, such as 25% or 30% home video royalty rather than 20%. Instead of making high projections, we have taken a more conservative approach in regard to the available distribution markets and more favorable deal structures.

## **US Distribution**

We assume that \$6.7 million is generated by the box office. A distributor will deduct 30% as a distribution fee and then what they have spent for film prints and advertising. Ideally, as a film rolls out, the distributor will spend less and less on marketing in relationship to gross revenues brought in. That is why-at the "high projection, a distributor spends \$11 million to net \$14.8 million dollars in film rentals.

## **Non-Theatrical Rentals**

These are the revenues collected by the distributor from film rentals to universities, colleges, and other institutions. There is minimal income for these markets.

## **Pay / Cable**

A U.S. pay cable network, such as Showtime, The Movie Channel, HBO, or Cinemax will license the film for broadcast following the theatrical and home video release of the film. The better the film does at the box office, the greater pre-exposure and worth to a pay television buyer.

## **Television and Syndication**

The final ancillary is licensing to network television and syndication. Sales are not shown in these projections because they occur well after the three-year period projected here.

## **The Investment Return (Cont.)**

### **Home Video**

For a finished, independent film, the distributor is not entitled to a distribution fee from home video. A royalty of 20% (or more) will be paid directly to the producer. Sometimes a large portion of the anticipated royalty is paid out as an advance prior to distribution and before actual sales are made. Assuming a retail sale price of \$100, and a wholesale price of \$12 dollars per unit. In the "break even model" a sale of 58,333 units (at 20% royalty) would generate \$700,000 dollars in revenues. Usually, the better the theatrical release the better the home video sales, but not always.

### **Soundtrack Royalties**

Similar to a home video advance, a record company would pay an "advance against royalties" for the rights to distribute the motion picture soundtrack on CD or audiocassette. Assuming a retail price of \$15.00 dollars and wholesale price of \$9.00, a royalty of 10% (\$.90 per unit) on sales of 77,000 would generate \$70,000 a sale of \$444,444 would generate \$400,000. The sales of the soundtrack to foreign record companies have not been projected.

### **Foreign Distribution**

A foreign distributor will license the rights in each media (theatrical, home video, TV and pay cable) to the territories throughout the world. Often these are "advances " from which the distributor will deduct 35% distribution fee.

### **Foreign Film Rental**

These are the revenues generated by theatrical exhibition of the film worldwide. Foreign theatrical markets may return revenues equal to or greater than, the U.S. box office rentals. Conservatively, we have projected that the foreign film rental is either equal to or less than the U.S. box office rentals.

### **Foreign Television License Fees**

These are the net license fees for the foreign television rights.

## **The Investment Return (Cont.)**

### **Foreign Home Video Royalty**

These are the net license fees for the foreign home video rights.

### **Foreign Pay/Cable**

These are the net fees for the foreign pay television and syndication rights.

## **Questions & Answers**

### **Can you complete the film?**

Although an independent film does not include a completion bond, every effort will be made to ensure completion of the film. While there are many factors involved in the completion of the film, there are two main factors we feel are most important to a successful filming.

First, the crew will be hand selected and will be paid by the producer directly for time worked. Anyone unwilling or unable to meet the criteria for participating in this film will be released from the project to ensure that their position can be filled immediately with a qualified person with the dedication the project deserves.

Secondly, the shooting dates have been spread out over two periods. This allows for greater assurance that the film will have the utmost integrity, as well as the strongest chance of completion. With two shooting dates, you ensure that all the team members can participate, and it also allows the producer and director to handpick scenes that involve SAG actors to bring down the cost of shooting.

### **Will it return my investment? When?**

While there is no investment with a 100% guarantee of return, we feel our film can offer a probability of return on investment and profit. One of the key factors is the lower cost of investment against the projected average returns on a film. The lower cost of production offers many opportunities for the film.

## **Questions & Answers (Cont.)**

First, the lower production cost reduces the average cost per SAG actor, adding to the overall integrity of the film as more well-known actors can be brought into the project.

Secondly, it allows the film to be displayed as experimental in many film festivals. This translates to a greater opportunity for exposure due to the low number of films in this category, which further leads to a higher probability of being picked up by a major studio, and thus a higher chance of a large return on investment.

We have supplied further information into how the investment will be returned in prior pages. Although a film's income can be spread out over a decade, most of its initial returns will come in the first three years through distribution advances and advances from Foreign Distribution Representatives.

### **Will it make money?**

A detailed breakdown of cost vs. return is provided in the prior pages.

### **Why produce?**

When I first sought to produce a movie, I was not going to use my own material. I reviewed and considered script after script without finding one that met my vision and goal. I then decided to use my skills as a professional screenwriter to write the script myself.

Although the film is not yet completely funded, the potential of the film has begun to receive lots of attention from prospective investors.

### **What are the social/spiritual values of the film?**

Unlike most traditional stories told by Hollywood, this movie is not clearly defined by a singular hero, instead the audience will find themselves drawn to multiple characters. The pages do not weigh down and everything moves at a lightning pace, which is ideal for an action movie as kinetic as this one. We also relish the idea of the Engineer from the title, Anong, and her weapon-making skills. The action sequences in the narrative are impressive. For instance, the set-piece in the mountains is great (especially the wire that takes out Sophia), Toetu's defiant stand and demise is thrilling, and Fred's wily escape with his beloved Dingo is fun too. In fact, Fred is one of our favorite characters. The audience will be on the edge of their seats through the film and walk away talking about it for a long time to come.

## **Questions & Answers (Cont.)**

### **How can I participate?**

In most investment scenarios, an investor puts forward money and/or a product, with very little interaction with the project they are supporting. They leave their investment open to those involved in producing the product. While this approach is most often the case, we wish to encourage participation in the project. If we are going to ask you to forward moneys into our project, we feel it important for you to not only know what's going on within your investment, but also know who is involved and where the project stands at any given time.

### **Is there a market for your genre of film?**

This is a simple question in which there is only one answer, "Yes!" Action/Adventure Thrillers are always in demand.

### **Do you have a competent, reputable distributor?**

It is difficult to sustain a pre-distribution deal without a final product, but not impossible. We have scheduled a pre-trailer to be shot and distributed to select distributors before we begin principal shooting. Your investment will help in producing this distribution device. The pre-trailer will be a two-minute piece highlighting key sequences selected by the director and producer which we feel will be the strongest points to secure a distribution deal.

### **Is your budget adequate?**

The budget listed in the investment proposal was measured against the budget resources found in an article by Dov S-S Simens and area rental house prices, location shooting costs and internet research. The total cost of production falls just short of our \$5,000,000 million-dollar mark, but we felt it best to budget slightly above cost to cover any unforeseen events.

We are also actively marketing the project to companies for endorsements and comps, which will reduce the cost needed for materials and thus, the overall cost of production.

## **Questions & Answers (Cont.)**

### **Will you succeed?**

There is no sure map for a success, but there is a road to failure: making unrealistic deadlines and lack of planning. While we cannot guarantee success, we can guarantee we are taking every possible step to avoid failure.

This project has been in the making for several months with every step planned out and prepared for. While no one can predict the future, we feel the value of our script and our hard work will result in a high quality and successful film.

### **Contact Information**

#### **For Investment Information:**

Pamela Beach

805-459-8468

[pam@storywhisper.me](mailto:pam@storywhisper.me)

[pamelajo7627@gmail.com](mailto:pamelajo7627@gmail.com)

PO Box 407, Morro Bay, CA 93443

#### **For Marketing and Product Endorsement:**

Pamela Beach

805-459-8468

[pam@storywhisper.me](mailto:pam@storywhisper.me)

[pamelajo7627@gmail.com](mailto:pamelajo7627@gmail.com)

PO Box 407, Morro Bay, CA 93443