

# **THE CRIME CHANNEL®**

## **MARKETING AND BUSINESS PLAN**

**THE CRIME CHANNEL ©**

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# **THE CRIME CHANNEL©**

## **EXECUTIVE SUMMARY**

### **OBJECTIVE**

The Crime Channel is an ad supported cable network distributed through cable, satellite and telco companies. The Crime Channel focuses on entertaining, informing, and educating its viewers. The programming will come from original and acquired sources. The capital production cost will be kept to a minimum because a substantial amount of the programs will be obtained from local law enforcement, who will donate them for the price of duplication. Also, in-house productions will be tightly monitored to keep costs low. Entertaining programming will be prudently acquired from sources around the world.

### **TARGET MARKET**

The Crime Channel markets itself to three distinct groups:

- 1) Distributors (cable, satellite and telco)
- 2) Advertisers
- 3) TV viewers

The growth of digital distribution through compressed signals has increased channel capacity. This makes the addition of new channels more attractive for distributors. For advertisers, The Crime Channel will target Adults 25-64 with programming that is meaningful and stimulating. For viewers, The Crime Channel's mission will be to entertain, inform, and educate.

## **HISTORY OF THE CRIME CHANNEL**

Fifteen years ago, The Crime Channel ran on Channel America, programmed to backyard dish owners and low power TV stations. However, due to limited channel capacity on cable TV at that time, as well as the expense of adding new channels by operators, The Crime Channel was not able to garner enough system distribution to continue operating.

## **LEADERSHIP TEAM**

Arnie Frank, a veteran media professional, heads The Crime Channel. In re-launching The Crime Channel, Mr. Frank has surrounded himself with a team of skilled specialists to help ensure the success of the network. Furthermore, he spent twenty years isolating and developing crime genre programs. He went so far as to graduate from the Police Citizen's Academy to increase his knowledge and insight into the subject of crime. His experience with law enforcement officials, syndicators and program sources is virtually unsurpassed.

## **CHANNEL CAPACITY GROWTH**

Today, the growth of cable TV, satellite and telcos, coupled with the lower cost of distributing their programs digitally, has greatly increased channel capacity. Also, this has allowed for more niche programming to target audiences of different demographics. In the first twenty years of cable, there were only 42 channels launched due to tight channel capacity. However, in the last ten years, over 75 channels have been added.

## **WORLDWIDE POTENTIAL**

A key asset of The Crime Channel is its copyrighted name. It is not only “catchy” but also easy to remember and conveys the channel’s programming focus. The name is copyrighted in the United States, England and Australia. Over the years, several major media companies wishing to acquire the rights to the name have approached Mr. Frank. These companies realize the value of the name “The Crime Channel.”

## **TODAY’S TELEVISION LANDSCAPE**

The network TV marketplace is \$36 billion divided up between broadcast (\$16B) and cable TV (\$20B). At the end of year three with distribution at 22 million households, the plan calls for the network to be profitable. At that time, based on 3X sales (\$13.3 million) and/or 10X cash flow (\$8.5 million), the network should have a value of \$40-\$85 million.

## **WEB SITE PRESENCE**

The Crime Channel will develop a website to promote its programming and to sell advertising. As more television viewing shifts to the Internet, programming can be moved there too, for viewers to watch complete episodes of shows.

## **CAPITAL NEEDS**

In order to accomplish these goals, The Crime Channel needs to raise \$9.5 million net, after capital acquisition costs. These funds will be used for start up, equipment, rent, salaries, programming and other operating costs during the first three years of operation.

# **THE CRIME CHANNEL©**

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# **THE CRIME CHANNEL©**

## **ORGANIZATIONAL STRUCTURE**

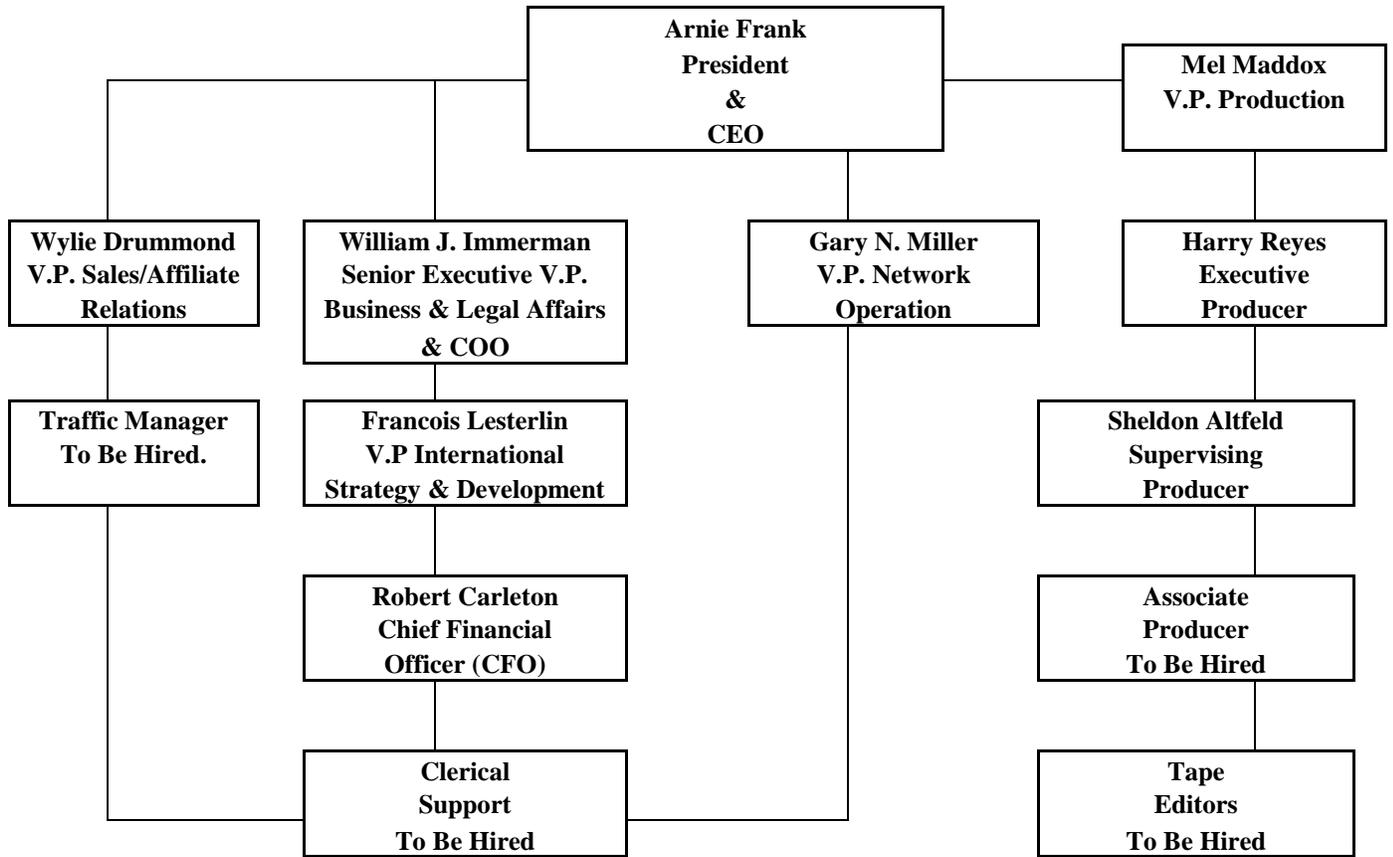
The Crime Channel launched its programming via Channel America on July 3, 1993 and was created by a dedicated group of broadcast and journalism professionals as an entrepreneurial enterprise positioned to take advantage of a clearly identified niche market.

Films of Distinction, Inc., which was established in 1980 as a California Corporation, has been doing business as The Crime Channel since March, 1990, with principal offices in Palm Desert, California. Arnie Frank is president and the following individuals have committed to join him and become officers of the company. Currently they are performing duties for The Crime Channel as Independent Contractors:

# The Crime Channel©

## Flow Chart

### Network Operations & Production



## **KEY JOB DESCRIPTIONS**

### **PRESIDENT /CEO**

1. Function as a goodwill Ambassador for the network, carry out the vision.  
Act as the liaison between all departments to insure that all departments interact smoothly.
2. Motivate all department heads so that each attains its desired goals.
3. Interact with broadcast leaders and the community at large to keep the network in the forefront of its industry.
4. Manage the creation and execution of the annual operating plan and budget.
5. Supervise the implementation of the budget and exercise the proper restraint when necessary.
6. Build relationships with industry leaders to draw attention and revenues to the network.
7. Insure network compliance with all governmental regulatory agencies such as the FCC.
8. Demand that the network-programming product offered remains competitive at all times.
9. Keep all short and long term goals on target.

## **SENIOR EXECUTIVE V.P., BUSINESS AND LEGAL AFFAIRS/COO**

1. Responsible for The Crime Channel's day-to-day operating activities.
2. Reviews and analyzes all financial reports.
3. Directs company with respect to meeting budgetary and financial goals.
4. Implements company's business strategies to grow revenue and acceptance of its program offerings.
5. Develops, establishes, and directs execution of operating policies to support overall company objectives.
6. Oversees business policies and accounting practices.
7. Supports and advises CEO in the decision making process.
8. Oversees reporting and monitoring of organizational performance metrics.
9. Ensures that relevant financial data is presented to the CEO and senior management team.
10. Directs short-term and long-range planning and attendant budgets to reach these strategic goals.
11. Leads and supports organizational budgeting process.
12. Review all company legal agreements
13. Interacts will all suppliers, vendors etc. relative to legal matters.
14. Works to continually improve company's infrastructure and overall efficiency.
15. Seeks ways to increase the company revenues through expanding the growth of the channel.

## **VICE PRESIDENT - INTERNATIONAL STRATEGY AND DEVELOPMENT**

1. Develop with CEO and COO and consult with management team on designing TCC's financing structure and strategic investment planning.
2. Participate in implementation of investment plans for the company particularly with regard to international sources of financing.
3. Establish and implement short and long term international goals for the company.
4. Find and discuss with management team opportunities of international expansion and future company growth.
5. Bring international point of view and dimension in business and/or operational plans, projects, programs and systems of the company.
6. Supervise and negotiate international carriage and licensing agreements. Identify international production and acquisition opportunities and ensure liaison with international licensees and suppliers.

## **VICE PRESIDENT/ CFO**

1. Responsible for all financial and fiscal management aspects of The Crime Channel's operation.
2. Provide leadership and coordination of the administrative, business planning, accounting and budgeting efforts of the company.
3. Ensure compliance with federal, state and local budgetary reporting requirements.
4. Establish and maintain oversight and internal safeguards of finance, accounting, billing and auditing procedures.
5. Coordinate the preparation of all financial statements, financial reports, analyses and information reports.

6. Interact with management team in a consulting fashion to keep department heads within the constraints of their respective budgets.
7. Develop and direct the implementation of strategic business and/or operational plans, projects, programs and systems.
8. Analyze cash flow, cost controls and expenses to keep overall company operating efficiently.
9. Establish and implement short and long term goals for the company.
10. Represent the company with outside vendors, suppliers and the general public as it relates to financial matters.
11. Recruit, train, supervise and evaluate subordinate members of the financial staff.
12. Prepare all company tax reporting documents at all government levels.
13. Supervise investment and raising funds for company.
14. Find and discuss with management team opportunities, expansion and future company growth.
15. Proficient with major financial and accounting computer programs.

### **VICE PRESIDENT/SALES AND AFFILIATE RELATIONS**

1. Hire, train and motivate all requisite sales and affiliate relations people.
2. Establish yearly budgetary goals and devise a plan to achieve them.
3. Develop relationships with industry organizations such as the Cable Advertising Bureau to stay in the forefront as an industry leader.
4. Assist in the preparation and execution of all sales collateral materials.

5. Establish relationships with all home television program purveyors (cable, satellite, telcos and others) to gain carriage for the network on their respective outlets.
6. Interact with the traffic department so that all commercials are prioritized properly and that the spot failure rate remains insignificant.
7. Work out contracts with qualitative and quantitative rating services such as Nielsen, so that the network and its sales force are armed with the necessary materials to adequately sell the product they represent.

### **VICE PRESIDENT, NETWORK OPERATIONS/PROGRAM DIRECTOR**

1. Select, negotiate and procure from various sources all shows for the program grid.
2. Insure that all programs meet quality and ethics standards.
3. Possess a keen ability to evaluate artistic expression.
4. Co-ordinate with the production staff to insure a program's smooth transition from concept to airtime and all phases in between.
5. Oversee that program logs are properly completed and reviewed.
6. Hire network talent both on screen and off.
7. Work closely with news and special events people.
8. Supervise day-to-day broadcast operations.
9. Maintain and repair, in conjunction with technical people, all broadcast and studio equipment.

10. Develop a positive energy for the overall appearance of the network.

### **VICE PRESIDENT, PRODUCTION**

1. Manage day-to-day internal productions.
2. Assign and supervise work on all internal productions from concept to post production.
3. Schedule all production work, editing and develop a time line and budget for each.
4. Work with the Program Director to develop on-air productions and promotions for the network.
5. Oversee scheduled workload to see that time lines are being met.
6. Handle editing of all syndicated and/or purchased programs to see that tapes are re-formatted to meet network's needs.
7. Meet deadlines for all projects responsible for.
8. Secure supplies such as equipment, tapes studios etc.
9. Develop new programming ideas.
10. Work with subordinates in getting jobs scheduled and completed in a timely fashion.
11. Supervise movement of programming from studios to uplink facility.
12. Maintain a tape library (inventory of all programs).
13. Maintain a spot library (inventory of all commercials).

14. Write, produce and direct (or assist in doing) all in-house productions.

### **ASSOCIATE PRODUCER**

1. Book guests & talent for all in-house programming.
2. Coordinate Production and Post Production Schedules.
3. Prepare all Program run-down Sheets, Scripts & Teleprompter Copy.
4. Serve as Floor Director on in-house productions.
5. Secure all Release Forms.
6. Coordinate with Traffic Manager for all Insert Materials.
7. Develop and maintain Program Log, including all credits, subject matter, guest names, affiliations, etc.
8. Make necessary arrangements for all productions with location personal; coordinate with producers.

### **TRAFFIC MANAGER**

1. Input all contract orders into computer system.
2. Generate actual contracts & route copies to appropriate persons.
3. Maintain necessary corrections, deletions, changes or additions to all contracts.
4. Code all tapes received from advertisers, agencies, programming sources & acquisitions.

5. Dialogue with advertisers and/or agencies to insure that correct commercials are in-house.
6. Schedule all commercials as ordered.
7. Coordinate with Sales Department and Production Department on all commercial schedules and production elements.
8. Produce the Master Log.
9. Maintain all necessary corrections, deletions, changes or additions to Master Log.
10. Act as a reference person for any questions regarding commercials or programs that run on Network.
11. Coordinate the documentation of all incoming PSA's and ensure that information is maintained in a Master Log.
12. Generate Affidavits of Performance each month and submit final copies to Sales Department for distribution.

## **MANAGEMENT TEAM**

Arnie Frank	President & C.E.O.
William J. Immerman	Senior Executive Vice President, Business & Legal Affairs/C.O.O
Francois Lesterlin	Vice President, International Strategy & Development
Robert Carleton	Vice President, C.F.O
Wylie Drummond	Vice President, Sales/Affiliate Relations
Gary N. Miller	Vice President, Programming/Network Operations
Mel Maddox	Vice President, Production
Harry Reyes	Executive Producer/Program Developer
Sheldon I. Altfeld	Supervising Producer
Daniel J. Blackburn	Crime Investigative Reporter

**Arnie Frank** (President & C.E.O.) After graduating Tilden High in Brooklyn, NY as a music major, attended New York University and then enlisted in the US Army. He toured throughout Europe as a percussionist in the Army Band.

Upon release from the service, Mr. Frank played with several symphony orchestras including the Brooklyn Symphony, Beverly Hills Symphony and Brentwood Symphony. Additionally, he recorded with Nelson Riddle. Later he toured with a musical act, playing major hotels and clubs in Las Vegas, as well as other entertainment venues throughout the nation.

In an attempt to settle down after years of traveling, Mr. Frank began an affiliation with "Associated Booking Corporation", a worldwide theatrical agency. There he represented TV and motion picture celebrities. Following that, he formed "Total Entertainment", a personal management company. Some of the stars whose career he guided include Redd Fox, Lou Rawls, Fats Domino, Paul Winchell, Sarah Vaughn, Lionel Hampton, Little Richard, Louis Armstrong etc.

A mid-career vocation switch found Mr. Frank attending Mid-Valley College of Law in Los Angeles. After that, he became President and Owner of John Pearson International, a film distribution company. Some of the well-known programs he placed were Lassie, The Lone Ranger, That Girl, Lucille Ball TV Specials etc. Subsequently, Mr. Frank was the President of VCL Communications Inc. USA, one of the first independent home video companies. Starting with offices in Los Angeles and London, VCL having expanded to six other countries after several years, was ultimately bought by Richard Branson of the "Virgin" group.

Mr. Frank's pet project for the past 15+ years has been The Crime Channel. In between buying and selling film libraries worldwide, and promoting live concerts for such names as Phyllis Diller, Carol Channing, Red Buttons, Judy

Collins, The Supremes, Tony Orlando, Vicki Carr and others via Stage Shows International in the Palm Springs area, he has relentlessly followed through to bring his mightiest dream to fruition. Mr. Frank has already developed a following for the network, as it was part of the program line up for Channel America and Bell Atlantic. The Crime Channel has been thoroughly researched, thought out and awaits the final step of taking its rightful place among the active family of cable networks. Warner Brothers thought enough of The Crime Channel that they offered to buy it for a substantial amount a few years back when channel capacity was extremely tight. However, they ultimately opted to develop a broadcast network, The WB. Now that the programming landscape for cable television has greatly expanded, Mr. Frank believes the time is ripe to fulfill the dream of his lifetime.

Mr. Frank is married, has two grown children, been a member of the Executive Branch of the Motion Picture Academy for 20+ years and has been a lifelong member of the American Federation of Musicians.

**William J. Immerman** (Senior Executive Vice President, Business & Legal Affairs/C.O.O) Mr. Immerman is president of Salem Productions, Inc, an independent production company and a consultant to a number of production and distribution companies including Yari Film Group, and its affiliated companies where until recently he was the Chief Operating Officer. Mr. Immerman began his career as a Deputy District Attorney for the County of Los Angeles and soon after entered the motion picture industry with American International Pictures ("AIP") as Associate Counsel.

During his seven years at AIP, Mr.Immerman acted a Director of Business Affairs, Executive Assistant to the Chairman of the Board, and Vice President of

Business Affairs. While at AIP, Mr. Immerman also served on the board of directors of The International Film Importers and Distributors of America, Inc. With a career spanning over 40 years, Mr. Immerman was Senior Executive Vice President of the Feature Film Division of Twentieth Century Fox, representing Fox on the board of directors of both the Motion Picture Association of America and Association of Motion Picture and Television Producers. He has also been Vice Chairman of Cannon Pictures, Inc., Senior Executive Vice President and Chief Operating Officer of Crusader Entertainment, LLC, an Anschutz Film Group company and under contract to Warner Bros. as a producer.

Mr. Immerman has established several independent production companies including Salem Productions and Cinema Group, Inc., the first motion picture company to raise start up money from Wall Street through both an initial private placement and a subsequent public offering. Mr. Immerman has produced or executive produced more than 20 motion pictures including Academy Award winner "Ray." Mr. Immerman is a member of the Academy of Motion Picture Arts and Sciences and has served as an arbitrator for the Independent Film and Television Alliance (formerly AFMA), the non-profit membership organization of all the leading international motion picture distributors. In addition, he is recognized as an expert on the motion picture industry by many of the courts in the U.S. and frequently testifies in arbitrations and court cases, federal, state and international, as an expert.

**Francois Lesterlin** (Vice President-International Strategy and Development)

François Lesterlin is French born and was granted the US nationality, while a US resident since 1980. Educated in France, he graduated in political science (IEP Grenoble) and received a master degree in law from the University of Paris.

He is also an alumni of the post-graduate school Ecole Nationale d'Administration (ENA) and holds a diploma in business administration from the post-graduate curriculum of Hautes Etudes Commerciales (HEC).

Mr. Lesterlin began his career in the French Government at the Ministry of Foreign Affairs where he held several positions at the United Nations, the EEC and the International Maritime Organization.

In 1971, he took the position of Chief Financial Officer and Head of Business Affairs at the French publishing group “Les Editions du Seuil”. In 1973 he was instrumental in creating “Seuil Audiovisuel” (SAV) as a fully owned subsidiary, of which he became the CEO. During the following 7 years, SAV grew to become one of the major suppliers of all genres of programming to the French television networks and the international market. Mr. Lesterlin was eventually elected Vice-President of the French Audiovisual Publisher’s Association.

In 1980 Mr. Lesterlin moved to the USA, and set up a New York corporation, European Communications Inc. (“ECI”), as the founder and sole owner of the new company. He was recognized as a pioneer in the burgeoning field of international co-productions and innovative production financing, and soon ECI was singled out by many US producers and distributors as a good knowledge base and broker to help them access European co-production financing. Setting up international co-productions for both US and European clients was to become

ECI's main line of business for the next 25 years, first as a consultant, then as executive producer of the projects.

In addition, ECI was often consulted by various European communications groups to report on the opportunity and viability of their investments in the US. In 1986 ECI opened a Los Angeles office and Mr. Lesterlin was involved as a consultant in the US policies of major foreign companies. As part of this activity, ECI was hired in 2000 by the German branch of Vivendi Universal to design and implement a strategy aimed at attracting A-List US and international theatrical film projects to Studio Babelsberg (a VU subsidiary) in the Berlin area. This assignment involved the financial engineering by ECI of Tax-Incentive Funds in Germany in order to offer equity investment to the targeted projects. ECI's activities in Los Angeles have been centered on developing and implementing innovative ways of financing motion pictures, especially in the areas of equity financing through various Fund structures and international co-productions.

Mr. Lesterlin's multi-cultural profile and diplomatic skills have uniquely positioned ECI to access the ever changing scene of equity, tax incentive and subsidy driven financing: Mr. Lesterlin has developed a vast network of international relationships in order to enable and combine these various sources, and has become an expert in handling these complex transactions for his producer clients.

Mr. Lesterlin has relocated to France in 2006 and he keeps offices in New York and Aix-en-Provence. He also continues to make himself available for various consulting assignments in Europe and in the US. He has dual citizenship, both US and French, and is bi-lingual in French and English.

**Robert H. Carleton, CFO** A CPA with over thirty years of experience in public accounting, Mr. Carleton, a native of South Dakota, graduated with honors from the School of Business at the University of South Dakota with his Bachelors of Science in Business Administration. While still a student at the University of South Dakota, he successfully sat for and passed the CPA examination. Mr. Carleton began his career as a staff accountant with KPMG Peat Marwick's Minneapolis Office and then transferred to the Century City Office of R. G Coxson and Co. where spent nearly ten years as a partner with the firm. In the late 1980's, Mr. Carleton formed his own practice working with small businesses and individuals. At times a large percentage of his practice revolved around the entertainment industry. Over the years his entertainment practice included in front of the scenes clients such as writers, producers, composers, actors, and recording artists, as well as behind the scenes clients such as production and development companies, a commercial filmmaker and a cable media placement company.

For over ten years, Mr. Carleton served as the volunteer treasurer of his local church where he developed a new accounting system and then trained his replacement to take over this role. He has worked with a number of charitable organizations over the years on a pro bono basis to assist them in their accounting and financial needs.

For the last half dozen years or so, Mr. Carleton has expanded his experience to include assuming the role as the Chief Financial Officer (CFO) for two of his clients. Mr. Carleton currently serves as the CFO of one of the leading Internet lead generation companies serving real estate agents throughout the United States.

This company was created over a dozen years ago by one of Mr. Carleton's clients and as they grew, asked him to take on a greater and greater role. Mr. Carleton also serves as the CFO of a health care consulting company, which is currently in the final development stage. The company's three main investors have committed \$150 Million towards providing enhanced patient care improvements for children through the investment in up to ten Children's Hospitals located in the Peoples Republic of China. Mr. Carleton has worked with two of the principals of the Crime Channel Group for nearly fifteen years and has agreed to assume the role as the CFO of the Crime Channel Group. He will assume this post once the investor funding is in place so that the Crime Channel can be launched.

Mr. Carleton is married to his wife of over twenty years. They live in Huntington Beach, California. They have one son, with special needs and two cats.

**Wylie Drummond III** (Vice President, Sales/Affiliate Relations) For the last fifteen years, has been co-owner of Media Central, a Los Angeles based media buying service. After graduating with a BA in Economics from Claremont McKenna College and an MBA from the University of Southern California, Mr. Drummond worked in local and national spot radio. Mr. Drummond began his career in cable ad sales with Eastman Cable Rep. before starting Cable Networks Inc.'s office in Los Angeles. At CNI (a division of Cablevision Systems Corporation), he worked as Vice-President/Western Division and led the Los Angeles office growth to over sixty employees handling local, regional and national spot cable sales.

**Gary N. Miller** (Vice President, Programming/Network Operations) Mr. Miller operated and managed sales operations for Group W Cable and Time Warner Cable for ten years. Additionally, he co-owns Media Central in partnership with Wylie Drummond. For the past 15 years, they have purchased media time and developed market opportunities for a host of various clients. Earlier in his career Mr. Miller produced several local Los Angeles programs such as Philbin's People starring Regis Philbin and Tempo starring Don McGuire. His diversified experience will lend itself well to operating the many facets of a network.

**Mel Maddox** (Vice President/Production) Mr. Maddox received a degree in computer engineering and went to work for McDonnell Douglass Corporation. As a systems engineer, he diagnosed and repaired main-frame computers for over 30 military installations in the US, while maintaining a top level security clearance. Eventually, Mr. Maddox was promoted to Manager of Engineering which made him the youngest engineering manager ever to hold that title in the company.

Mr. Maddox's yearning for show business and the entertainment industry landed him back in school, only this time to pursue a broadcasting career. Mr. Maddox was hired by radio station KROR in Palm Springs, CA and eventually became the afternoon drive disc jockey. Over the next six years, Mr. Maddox worked for several radio stations in and around southern California. While working for radio station KMEN in San Bernardino, CA, Mr. Maddox along with Steven Celi produced a well known television broadcast for Adelphia Cable entitled "Superstars of the Future", the precursor to the number one show in the world, American Idol.

Later Mr. Maddox teamed up with Harold Reyes to produce a pair of national prime time programs for the Telemundo Television Network. One of the shows had the highest network rating. They delivered a brand new hour of this reality program every week for 37 weeks in a row. Both gentlemen moved on to develop three programs for the Azteca America Television Network. Again, each of the programs was a prime time show that aired nationally in the US.

Currently, the team is in development for two new television shows, Beyond Justice and American Lowrider. They invite you to view their web sites, "[invisionentertainment.tv](http://invisionentertainment.tv)" and "[americanlowrider.tv](http://americanlowrider.tv)" The Crime Channel is very proud of its association with Mr. Maddox and Mr. Reyes. Their experience, integrity and reputation are highly regarded in the cable/television and broadcast industries.

**Harry Reyes** (Executive Producer/Program Developer) Mr. Reyes founded TVA Marketing and Productions and TVA Studios. Recently he was the Executive Producer of the following 90 minute Spanish movies: El Secreto del Coyote, Pasiones Prohibidas, Encuentro con la Muerte. Formerly he was Executive Producer/ Director of a Police Special Forces program, "Fuerzas Especiales", real stories of the LAPD SWAT team.

In the late 90s, Mr. Reyes was busily producing and directing several major projects, namely, "Operación Rescate", real rescue missions of the paramedics, fire department, coast guard, and mountain rangers. In all, 7 one hour programs and 26 half hour episodes were completed. He also produced "PLACAS", a reality television program that was aired on Telemundo Network and became the number

one prime-time show on that network for over 60 consecutive weeks. Overall, 167 hour long episodes were produced.

Early on in his career, Mr. Reyes handled advertising and marketing for Pele, the International Soccer Star as well as ad campaigns for several major retail outlets such as 7-Eleven, Little Caesar's Pizza, Lucky Supermarkets and others.

In addition to all of the above, the prolific Mr. Reyes produced "Camino a la Justicia" (a cross between "Cops" and "America's Most Wanted"-26 hour episodes), Detective Privado (a reality show centered on marital infidelity-13 half hour episodes), Francisco Chavez (a detective show, proactive for the Hispanic Community-13 half hour episodes), Fuerzas Especiales (a special about L.A.'s Swat team), and Copa Tecate Soccer (live telecasts from the USA to Mexico).

Mr. Reyes has extensive experience in the television business, covering all facets of the production, from camera work, audio, lighting, development of concepts, storyboarding, scripting, studio shoots, location shoots, live transmissions via fiber optic or microwave, mobile units, advertising and sales integration. He's analytical, thorough, innovative, multi-disciplined, and capable of positively inspiring cooperation and success within the production team.

**Sheldon I. Altfeld** (Supervising Producer) Mr. Altfeld is the former Chairman and C.E.O of The Silent Network, a cable network founded in 1979, and is considered a pioneer in cable television. He is a four-time Emmy Award-winner and has been a writer-producer-director in Hollywood for more than 40 years. Currently, Mr. Altfeld maintains production facilities on the West Coast and has the rights to several crime related programs.

**Daniel J. Blackburn** (Crime Investigative Reporter) Mr. Blackburn is a professional journalist, author and producer. He wrote the best-selling book, *Human Harvest*. In 1982, Blackburn and his wife, Maria Centrella, formed a television and film production company. Blackburn/Centrella Company which developed, wrote and produced the major television miniseries; “Kings of the Olympics: The Avery Brundage Story” which aired in 1988. He has held the following positions as a professional journalist: Sports writer-Sacramento Union (1962); Sports Editor-Roseville Press-Tribune (1963); General Assignment reporter-Orange County Register (1964-1969); Public Relations Representative-Southern California Metropolitan Water District (1970); Executive Director-California Association of State Water Project Agencies (1971-1977); Press Secretary-President Pro Tempore-California Senate (1979-1982); Free Lance Writer and featured political columnist for major California newspapers and magazines and Editor of Hermosa Beach Easy Reader (1982-present).

## **The Crime Channel©**

### **IV. GENERAL INFORMATION**

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# **The Crime Channel©**

## **GENERAL INFORMATION**

### **MARKETS**

The rapid increase in the national crime rate has created a unique window of opportunity because of the corresponding need for information and education to counter it. The recent proliferation of specialty cable channels due to increased channel capacity through digital distribution has created the ideal timing for The Crime Channel to return to broadcasting and address those community concerns.

As the cost of crime increases, the public has become more pre-occupied with crime prevention to reduce loss due to criminal activity, than punishment as a means to dissuade it. The best means of prevention is to reduce opportunity. Reducing opportunity means consumers need to be better informed and better educated in the ways of protecting their person, property and family.

### **AUDIENCE**

The Crime Channel's viewing audience ranks high among the general population with people who find the reporting of criminal events informative and the discussion of these issues educational. The network's primary target market is Adults 25 to 64 years of age. This represents a major segment of our society, 62% of the U.S. population. Moreover, this group spends between 18 and 26 hours per week watching television.

## **ADVERTISING SALES**

Advertisers will find The Crime Channel programming attractive for many crucial reasons. Through advocacy advertising, businesses will find a kindred association with the wholesome community values espoused by The Crime Channel. Additionally, advertisers will see how The Crime Channel lends itself favorably to commercial tie-ins. For example, a security company can take advantage of advertising in a program centered on home security.

## **VIEWER BENEFITS**

Benefits accruing to subscribers and other viewers of The Crime Channel include:

1. Informational programs highlighting crime happenings of interest and concern.
2. Educational programs demonstrating the proactive involvement that law enforcement has with the community at large, to protect and to serve it.
3. Entertainment programs allowing viewers to see and “experience” crime from its diverse vantage points.

## **ADVERTISER BENEFITS**

The benefits to advertisers on The Crime Channel will include:

1. The association of their company, product or service with the fight against crime.
2. A receptive market, more open to accept the message of the advertiser.

3. A targeted market, more likely to buy the product or service of the advertiser.

## **VIEWER PROFILE**

Interest in programs featuring crime, law enforcement, safety, security and entertainment is practically indisputable. A ready-made audience exists.

Data collected in recent research strongly suggests viewers seek out crime reporting. Nothing captures their fascination like high profile murder cases; courtroom drama and freeway chase scenes. The public feasts on crime reports. They seek out anything that speaks to their personal and public safety, as well as their family and community security.

A review of any Nielsen Audience Report demonstrates that programs focused on crime command a significant segment of the viewing audience. Crime programs hold their own against the strongest competition put forth by competing networks. Series shows such as two “NCIS” series, the three “CSI” series, “Cold Case”, the three “Law and Order” series, Criminal Minds, “America’s Most Wanted,” “Cops,” and a slew of others command some of the highest Nielsen ratings.

The public’s positive reaction to crime-related programming was clearly illustrated recently in a national survey conducted in Canada. The Ritchie Consulting Group LTD reported that 987 respondents in the survey voiced their support for the type of programming concepts found on The Crime Channel. There are major parts of the day, in fact entire blocks of broadcast time, when limited programming in the crime genre is available to the viewing public.

The Crime Channel redresses this imbalance. It will provide viewers with a multi-faceted approach to the subject of crime 16 to 20 hours a day by its third year of operation.

### **CHECKERBOARDING**

The Crime Channel will cater to the changing trends in television viewing habits. Shift-work, staggered working hours, part time jobs and family demands mean that many viewers are often unable to tune in to their desired program at the time it airs. As a specialty “niche” service, The Crime Channel will replicate programming to offer it more frequently to viewers. Combined with products like TiVo and other brands of digital video recorders and other forms of on-demand programming through satellite, cable, broadcast and the Internet, the ability to watch when desired is expanded even further.

Once The Crime Channel begins broadcasting 18 to 24 hours daily, it will provide 6 hours of programming each day, repeated once or twice that same day in checkerboard fashion. This will enable The Crime Channel to attain greater reach for its programs through repeated broadcasts. In addition, this multiple play platform will build a solid and loyal audience.

### **CHANNEL AMERICA**

The Crime Channel formerly broadcast two blocks of programming three hours in length from 9:00 p.m. to 12:00 a.m. (EST) Saturday and Sunday nights on Channel America’s USA feed. It went out to cable systems, low-power television stations, full-power UHF stations and commercial VHF stations.

The Crime Channel, through the facilities of Channel America, covered the entire United States with over 80 affiliates reaching approximately 11 million households.

The current planned program grid for The Crime Channel will consist of shows available for the first time on a national basis, acquired programs previously produced, syndicated series and original shows.

### **BELL ATLANTIC VIDEO ON DEMAND**

Bell Atlantic acquired The Crime Channel's programming to test market its viability with viewers at large. It met with great success!

### **MOTION PICTURES & TELEVISION**

The motion picture, *Love and a .45*, featured The Crime Channel exclusively as the channel watched by the Oscar winning stars of the movie, Renee Zellweger and Peter Fonda. The Crime Channel was also prominently featured in the movie, *Relative Fear*, starring Emmy award winning actor, James Brolin.

## **The Crime Channel©**

### **V. MARKETING AND SALES PLAN**

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# **The Crime Channel©**

## **V. MARKETING AND SALES PLAN**

### **PRIMARY OBJECTIVES**

The emphasis of The Crime Channel's Marketing & Sales Plan will be concentrated in two main areas:

1. Increase the number of cable, satellite and telco subscribers.
2. Increase advertising and other ancillary revenues.

### **PRIMARY SHORT TERM GOALS**

The primary short term goals of the Marketing Plan are:

1. Build a subscriber base of two million homes within the first year and grow it to 30-50 million within five years. Carriage on just Comcast Cable, Time Warner Cable, Dish TV, and Direct TV will more than achieve that end.
2. Utilize all commercial inventory with spots actually sold or with per-inquiry spots in the unsold timeslots. This allows all spot inventory to generate some value.

## **PRIMARY ADVERTISING SALES TARGETS**

All major national and regional advertisers that want and/or need to reach a broad base of TV viewers and, in particular, those interested in the unique niche programming offered by The Crime Channel.

## **ANCILLARY SALES TARGETS**

Local broadcast TV stations for licensing fees, domestic sales of the program library to schools, consumers etc., and the licensing of programs to foreign countries.

## **PRIMARY AFFILATE MARKETING TARGETS**

All of the MSO's, DBS (Direct Broadcast Satellite) carriers and Telcos in the United States and Canada, as well as independent cable TV systems.

## **POSITION IN MARKETPLACE**

The Crime Channel will be an innovator of creative, entertaining and useful programs that will impact the national community in a positive fashion. It will satisfy industry and critical standards, while attracting new subscribers and advertisers.

## **AFFILIATE MARKETING STRATEGIES**

1. Negotiate and sign contracts with MSO's, DBS and Telcos for carriage, as well as sign independent cable systems and all other venues possible within the United States, Canada and elsewhere.
2. Develop joint marketing campaigns to target new subscribers with all cable, DBS and Telco operators that sign an affiliate agreement with The Crime Channel.
3. Exhibit at all major industry conventions, national and regional, to promote The Crime Channel and to seek carriage for it.
4. Attend the National Cable Television Association annual enclave with a pre-planned press conference. Host an exhibit booth or hospitality suite too. Note all agreements forthcoming with MSOs, DBS providers, telcos and "charter" advertisers. Sign these contracts at the show to attract additional press coverage.
5. Create ongoing marketing strategies with operators and carriers prior to and after launch to heighten awareness and viewership to the channel.
  - a. Bill Stuffers – In a monthly cycle of bills, inform subscribers that The Crime Channel can now be seen on their service. The channel position will be noted along with a thumbnail description of the channel and its programming.
  - b. Distributor's Web Site – Announce that The Crime Channel has been added to their program line-up. Again cite the channel number along with programming profiles.
  - c. Cross Channel Promotions – Across the spot inventory of all other networks, promote The Crime Channel.



- e. Develop special tie-in campaigns targeted at specific consumers.
3. Enlist the co-operation of various law enforcement, legal, and judicial publications to provide advertisers with free or reduced cost for print space during the duration of a spot flight. This based on a minimum 13 week commitment.
  4. Develop a Media Kit, Rate Card and Advertising Contract for distribution to ad agencies and direct advertisers reflecting the above strategies.
  5. Develop a five to seven minute special promotional Demo Tape (previously noted) explaining The Crime Channel's concept, programming benefits, etc. Record two separate tags—one for affiliate distribution, one for advertiser distribution.
  6. Formulate a Co-op Advertising Information Department for securing co-op dollars from local, regional and national advertisers.
  7. Create quarterly campaigns targeted at specific industries focusing on their most active sales seasons.
  8. Contact all Per Inquiry and Direct Response agencies for commercials and programs as a means of raising additional revenue.
  9. Notify all major advertising agencies to include The Crime Channel in their periodic media publications. For example, J. Walter Thompson's "Cable Capsules" and Ogilvy & Mather's "Quarterly Media Update."
  10. Join all appropriate Advertising Associations (NAB, CAB, CTAM, NCTA, etc.) as they offer enormous assistance and are extremely effective in helping to reach long term goals.
  11. Contact a major rep firm (blanketing the U.S.) for national representation.
  12. Work diligently to develop strategies aimed at achieving quarterly goals.

13. Contract with A.C. Nielsen Company to survey the subscriber base through meters, diaries or coincidental studies to determine the demographics of viewers, viewing hours and all related viewing and rating trends.

### **TIE-INS WITH LAW ENFORCEMENT AND ADVOCACY GROUPS**

Since crime is a matter of universal concern, The Crime Channel plans to build connections with Homeland Security, the CIA, the FBI, law enforcement at all levels and major advocacy groups such as the highly visible “Crime Stoppers”. As the ties between the above groups and The Crime Channel grow, their support will manifest through better programming and a greater knowledge of the channel.

When the Crime Channel stands with Homeland Security on issues to make our country safer or Mothers Against Drunk Drivers (MADD) to make our streets safer, it will provide an impetus to expand carriage and awareness of the channel. The Crime Channel intends to reach beyond its signal in homes and establish roots with groups that seek to defend us on a national and local basis. For example, the network will provide a ready platform for Homeland Security when they are dealing with a threat to our country. When other networks offer brief sound bites, The Crime Channel will counter with in-depth coverage, necessary to expose that threat. (Note: this capability will be greatly improved by year three when other factors come into play.) The same holds true for all major issues that impact the health and well being of our national community. Many organizations across America provide for our defense, security and well being. Consider The Crime Channel a national booster, a support team that will heighten awareness to all the efforts made to protect us.

## **The Crime Channel©**

### **VI. PROGRAMMING & PRODUCTION**

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## **The Crime Channel©**

### **VI. PROGRAMMING AND PRODUCTION**

#### **ORIGINAL PROGRAMMING**

Original program offerings will be a mix of original and previously recorded programs. The majority of original programming will be created and produced by an in-house staff of writers, producers, directors and technicians. A portion of programming will be contracted with independent producers nationwide.

The Crime Channel will maintain its own in-house off-line editing bays and its own production equipment. On-line editing and sound stage facilities will be rented on a per-need basis.

#### **ACQUIRED PROGRAMMING**

The balance of The Crime Channel's programming will be acquired from distributors, syndicators, producers, networks and other sources and will consist of programming originally produced for another media (home video, TV network, first run syndication, industrial, production, etc.). Included in the acquired programming mix will be crime-related TV specials, series, and dramatic programs. In addition, feature motion pictures will be shown using standard licensing agreements. The Crime Channel will also acquire crime prevention programming from governmental sources at little or no cost.

## **ACTUAL PROGRAMMING CONSIDERATIONS**

A wide variety of programs will be seen on The Crime Channel. The following is a sample of some programming concepts created by The Crime Channel's management team.

**COURTROOM** – Actual videotape excerpts of on-going trials across the country, including exclusive interviews with attorneys, judges, etc.

**BUNKO SQUAD** – Exposés of con-men, scam artists and their plots to prey on unsuspecting citizens.

**POLICE TRAINING** – In-depth look at various training methods used by law enforcement agencies across the United States.

**CRIME SCENE** – Home videos sent in by viewers capturing crimes on tape, investigations, etc.

**REWARD** – Profiles of criminals who have generated large rewards for their arrest and conviction.

**WHITE COLLAR CRIMES** – Views of the components that make up white collar crime, embezzlement, business espionage, fraud, etc.

**A 'HIGH' SOCIETY** – Undercover operatives and famous detectives discussing narcotic problems in America.

**SENIOR DEFENSE** – Various crimes against the elderly, along with ways to combat them.

**A LOOK INSIDE** – Exclusive views inside such famous police organizations as Scotland Yard, the FBI, KGB and other law enforcement agencies. See their methods, technology and training procedures to defeat crime.

**SELF DEFENSE** – Courses and demonstrations of personal self defense methods.

**THE CRIME READER** – Crime-related books reviewed by a professional critic, along with interviews of the authors.

**PSYCHICS** – Psychics assisting law enforcement agencies when they run out of clues.

**HOLLYWOOD MURDER MYSTERIES** – Current and past sensational crimes in the movie capital of the world.

**THE GREAT IMPOSTORS** – Interviews with people, who bluffed, hoodwinked and impersonated their way into the annals of crime.

**FOREIGN CRIME PROGRAMS** – Assorted specials, series and feature films from countries worldwide – dubbed, subtitled or in original English language – that show criminal activities and investigative police techniques on other continents.

**CRIME NEWS INTERNATIONAL** – Crime commentators from countries around the world contributing segments on a magazine program covering the latest in crime news.

# THE CRIME CHANNEL<sup>®</sup>

## Projected Program Grid

ET	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	PT
8:00 AM	Paid Programming	5:00 AM						
8:30 AM	Paid Programming	5:30 AM						
9:00 AM	Paid Programming	6:00 AM						
9:30 AM	Paid Programming	6:30 AM						
10:00 AM	Crime News INT.	7:00 AM						
10:30 AM	Ask The Chief	In Hot Pursuit	In Hot Pursuit	7:30 AM				
11:00 AM	The Truth Be Known	Issues & Solutions	Issues & Solutions	8:00 AM				
11:30 AM						Stay Out of Here	Stay Out of Here	8:30 AM
12:00 PM	Looking at the Law	Ponzi Scheme	Ponzi Scheme	9:00 AM				
12:30 PM	From the Files of LAPD	Bunko Busters	Bunko Busters	9:30 AM				
1:00 PM	Prisoner 800	No One is Illegal	No One is Illegal	10:00 AM				
1:30 PM	No One is Illegal	Prisoner 800	Prisoner 800	10:30 AM				
2:00 PM	Bunko Busters	From the Files of LAPD	From the Files of LAPD	11:00 AM				
2:30 PM	Ponzi Scheme	Looking at the Law	Looking at the Law	11:30 AM				
3:00 PM	Stay Out of Here	The Truth Be Known	The Truth Be Known	12:00 PM				
3:30 PM	Issues & Solutions			12:30 PM				
4:00 PM	In Hot Pursuit	Ask The Chief	Ask The Chief	1:00 PM				
4:30 PM	Crime News INT.	1:30 PM						
5:00 PM	Ask The Chief	In Hot Pursuit	In Hot Pursuit	2:00 PM				
5:30 PM	Looking at the Law	Issues & Solutions	Issues & Solutions	2:30 PM				
6:00 PM	The Truth Be Known	Stay Out of Here	Stay Out of Here	3:00 PM				
6:30 PM						Ponzi Scheme	Ponzi Scheme	3:30 PM
7:00 PM	From the Files of LAPD	Bunko Busters	Bunko Busters	4:00 PM				
7:30 PM	Prisoner 800	No One is Illegal	No One is Illegal	4:30 PM				
8:00 PM	No One is Illegal	Prisoner 800	Prisoner 800	5:00 PM				
8:30 PM	Bunko Busters	From the Files of LAPD	From the Files of LAPD	5:30 PM				
9:00 PM	Ponzi Scheme	The Truth Be Known	The Truth Be Known	6:00 PM				
9:30 PM	Stay Out of Here			6:30 PM				
10:00 PM	Issues & Solutions	Looking at the Law	Looking at the Law	7:00 PM				
10:30 PM	In Hot Pursuit	Ask The Chief	Ask The Chief	7:30 PM				
11:00 PM	The Truth Be Known	8:00 PM						
11:30 PM								8:30 PM
12:00 AM	From the Files of LAPD	9:00 PM						
12:30 AM	Ask The Chief	9:30 PM						
1:00 AM	Crime Films Noir	10:00 PM						
1:30 AM								10:30 PM
2:00 AM								11:00 PM
2:30 AM	Hollywd. Murder Mys.	11:30 PM						
3:00 AM	Monsters, Murder, Etc.	12:00 AM						
3:30 AM	Crime News INT.	12:30 AM						
4:00 AM	Paid Programming	1:00 AM						
4:30 AM	Paid Programming	1:30 AM						
5:00 AM	Paid Programming	2:00 AM						
5:30 AM	Paid Programming	2:30 AM						
6:00 AM	Paid Programming	3:00 AM						
6:30 AM	Paid Programming	3:30 AM						
7:00 AM	Paid Programming	4:00 AM						
7:30 AM	Paid Programming	4:30 AM						

## **The Crime Channel©**

### **VII. FINANCIAL INFORMATION**

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# **The Crime Channel©**

## **FINANCIAL PROJECTIONS & ASSUMPTIONS**

The Financial Projections and other indications of revenue contained in this document have been prepared to illustrate what could happen if certain assumptions contained herein are satisfied. The assumptions on which such projections are based can be subject to variations that may arise as future events actually occur. There is no assurance that actual results will approximate such Financial Projections. The Company does not make any warranty as to the Financial Projections or future profitability of the Company.

## **DEPENDENCY ON KEY PERSONNEL**

The Company will rely to a considerable extent on the expertise and abilities of its Management Team to operate the Company. In the event of their loss, the Company could suffer adverse consequences.

## **ECONOMIC UNCERTAINTIES**

The success of the Company will depend upon many factors which are beyond its control and cannot be predicted accurately at this time. Such factors include the general and local economic conditions, competition, operating expenses, and limitations imposed by government regulations. Prospective investors should also be aware that if the Company experiences operating deficits,

or not be able to fulfill its obligations under its current service contracts, the investors might lose their entire investment.

### **LIMITED CAPITALIZATION**

At this time, The Crime Channel lacks sufficient liquid assets to operate, as its re-launch puts it in the mode of a start up business. The network's current activities are funded solely by the independent work of its corporate officers.

### **OBJECTIVES – NEAR TERM**

Raise \$10 million to be used to acquire and produce requisite programming, operate and sustain the network for three years, while employing and supplementing the management team. Program The Crime Channel 24/7 from inception by running six hours of original shows that in part will be repeated daily along with an eight hour block of paid programming.

All monies will be held in an escrow account at an accredited bank for distribution on an as needed basis, as determined in the business plan defined herein.

### **OBJECTIVES – LONG TERM**

Expand viewership of The Crime Channel to twenty two million households within the third year of operation; double the original programming in year three as well. Also, increase operating personnel; add a research person along with more sales executives, accounting, finance and tech support people.

## **NO ASSURANCE OF RETURN ON INVESTED CAPITAL**

Any return to the investors on their invested capital will be in part dependent upon the ability of the Company to operate profitably. There can be no assurance that Management will be able to operate the Company profitably or that it will be able to eventually sell the Company for a profit. It is important that the investor have the financial ability to bear the economic risk of this investment and has adequate means of providing for his or her current needs and personal contingencies, and has no need for liquidity in his or her investment in the Company. However should The Crime Channel succeed the upside potential could be enormous.

## COMPARATIVE INFORMATION ON OTHER NETWORKS

In 1996, the Great American Country Network (GAC) launched and grew to 30 million households by 2004 and sold for \$45-\$65M to Scripps Networks. Currently it has 56+ million households and it's estimated worth ranges between \$85M- \$120M.

Recently GAC formed a partnership with ABC Radio to produce to a nightly show, GAC Nights- Live from Nashville. The Crime Channel has that same potential. Informational and Educational programs it produces can be spun off and sold to talk radio stations, thus creating another revenue stream.

The following is a list of newer networks with their launch dates and estimated households:

<u>Network</u>	<u>Date Launched</u>	<u>Est. Households</u>	<u>Format</u>
Fuel TV	July, 2003	25,000,000	Action Sports
G4	April, 2002	30,000,000+	TV for Gamers
LOGO	June, 2005	35,000,000	Alternative Life
Nat. Geographic	January, 2001	160,000,000	World Documentaries
		(Worldwide)	

As previously noted, The Crime Channel is trademarked in several countries besides the United States. In re-launching the network every intention will be made to distribute it internationally such as the National Geographic Network has done

## **LEGAL AND FINANCIAL**

Initially, legal and financial responsibilities will be handled on a contracted basis until such time that cash flow warrants these positions filled on a full time basis. However, it seems prudent to have a full time financial person on board to handle the daily flow of monetary matters.

**THIS DOCUMENT IS NOT INTENDED AS AND THEREFORE SHOULD NOT BE INTERPRETED AS A SOLICITATION OF FUNDS OR AN OFFERING OF SHARES AND IS BEING PRESENTED FOR INFORMATIONAL PURPOSES ONLY. ANY SUCH SOLICITATION OR OFFERING WILL BE MADE IN CONFORMANCE WITH APPLICABLE FEDERAL AND STATE STATUES.**

# **The Crime Channel©**

## **VIII. FINANCIAL APPENDIX**

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## **The Crime Channel©**

### **ASSUMPTIONS TO FINANCIAL PROJECTIONS**

1. The Crime Channel will broadcast 24 hours a day, 7 days a week from inception. Original and acquired programming will broadcast 16 hours per day with a program mix of 40% original and 60% acquired. The remaining 8 hours will per day be an infomercial block.
2. Some of the programs broadcast in the previous year will be rerun during the following year. The program mix during Year Two to Year Five will be 40% original, 35%-50% acquired and 25% re-runs from the previous year's total hours of programming.
3. The cost of acquired programs will be \$10,000 per hour in Year One. For original productions, the cost will be \$15,000 per hour in Year One.
4. The Crime Channel must raise no less than \$9.5 million net after legal, accounting and brokerage fees, to cover its negative cash flow for the first three years of operation. The Crime Channel will pay 10% interest per year on the balance of the initial capital of \$10 million until it is retired.
5. The capital of \$10 million will be raised by a limited partnership and the investors will receive a limited partnership interest. It is anticipated the initial capital will be retired in two payments from available net revenues of \$6,500,000 at the beginning of Year 4 and \$3,500,000 at the beginning

- of Year 5. In determining net revenues the company shall retain a 10% contingency from Pre-Start through Year 3 and 20% in Year 4 and Year 5.
6. After the initial capital of \$10 million is retired, the investor(s) will receive 35% of each year's net revenues after the above contingency is withheld.
  7. By the end of year three, The Crime Channel's fixed operating cost will be approximately 13% of the total receipts or less.

**THE CRIME CHANNEL (TCC) - OPERATING COSTS**

<b>Personal Salaries</b>		<b>Pre-Start</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>	<b>5th Year</b>
President & CEO		\$150,000	\$158,000	\$166,000	\$174,000	\$330,219	\$412,774
Senior EVP / COO		\$125,000	\$131,000	\$138,000	\$145,000	\$275,182	\$343,978
VP / Network Operations		\$100,000	\$105,000	\$110,000	\$116,000	\$220,146	\$275,182
VP / Sales		\$100,000	\$105,000	\$110,000	\$116,000	\$220,146	\$275,182
VP / International Development			\$80,000	\$85,000	\$90,000	\$170,803	\$213,504
VP / CFO			\$80,000	\$85,000	\$90,000	\$170,803	\$213,504
VP / Production	6 mos	\$43,000	\$87,000	\$92,000	\$97,000	\$184,088	\$230,109
Broadcast Engineer	3 mos	\$30,000	\$80,000	\$85,000	\$90,000	\$170,803	\$213,504
Associate Producer	6 mos	\$20,000	\$40,000	\$45,000	\$50,000	\$94,891	\$118,613
Traffic Manager	3 mos	\$8,000	\$33,000	\$38,000	\$42,000	\$79,708	\$99,635
Assistant Traffic Manager	3 mos	\$6,000	\$25,000	\$28,000	\$31,000	\$58,832	\$73,540
Post Production Supervisor	6 mos	\$17,000	\$33,000	\$35,000	\$37,000	\$70,219	\$87,774
Op-Tape Editor # 1	6 mos	\$15,000	\$30,000	\$33,000	\$36,000	\$68,321	\$85,401
Op-Tape Editor # 2	3 mos	\$7,500	\$30,000	\$33,000	\$36,000	\$68,321	\$85,401
Secretary/Receptionist		\$27,000	\$30,000	\$33,000	\$36,000	\$68,321	\$85,401
<b>Sub Total Salaries</b>		<b>\$648,500</b>	<b>\$1,047,000</b>	<b>\$1,116,000</b>	<b>\$1,186,000</b>	<b>\$2,250,803</b>	<b>\$2,813,504</b>
<b>Taxes &amp; Benefits @25%</b>		<b>\$162,125</b>	<b>\$261,750</b>	<b>\$279,000</b>	<b>\$296,500</b>	<b>\$562,701</b>	<b>\$703,376</b>
<b>Total Salary &amp; Benefits</b>		<b>\$810,625</b>	<b>\$1,308,750</b>	<b>\$1,395,000</b>	<b>\$1,482,500</b>	<b>\$2,813,504</b>	<b>\$3,516,880</b>

**Office Expenses**

Office Rent		\$40,000	\$50,000	\$52,500	\$55,000	\$109,293	\$136,616
Phones & Internet		\$6,000	\$6,000	\$6,500	\$7,000	\$13,910	\$17,387
Office Supplies		\$3,600	\$3,600	\$3,800	\$4,000	\$7,949	\$9,936
Business Insurance		\$3,000	\$12,000	\$13,000	\$14,000	\$27,820	\$34,775
Payroll Service (ADP)		\$3,000	\$3,600	\$3,700	\$3,800	\$7,551	\$9,439
Copier		\$2,400	\$2,500	\$2,600	\$2,700	\$5,365	\$6,707
Travel/Entertainment		\$20,000	\$20,000	\$20,000	\$20,000	\$39,743	\$49,679
Legal/Financial Consultants		\$20,000	\$5,000	\$5,000	\$5,000	\$9,936	\$12,420
Human Resource Consultant		\$5,000	\$5,200	\$5,400	\$5,600	\$11,128	\$13,910
Traffic/Scheduling Software		\$2,000	\$24,000	\$24,000	\$24,000	\$47,691	\$59,614
<b>Misc Costs (details below):</b>		<b>\$12,000</b>	<b>\$25,000</b>	<b>\$27,000</b>	<b>\$30,000</b>	<b>\$59,614</b>	<b>\$74,518</b>

Tape Stock/Digital Media

Ancillary Editing Expense\*

Shipping

Format Conversion Transfers

Contingency (15%)

Music Library

Animated Logo

<b>Sub-Total Gen &amp; Admin Expenses</b>		<b>\$117,000</b>	<b>\$156,900</b>	<b>\$163,500</b>	<b>\$171,100</b>	<b>\$340,000</b>	<b>\$425,000</b>
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**Sales promo, Advertising,**

**Marketing**

	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$100,000</b>	<b>\$125,000</b>	<b>\$200,000</b>	<b>\$300,000</b>
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**Internet Site**

	<b>\$6,000</b>	<b>\$6,500</b>	<b>\$7,000</b>	<b>\$60,000</b>	<b>\$65,000</b>	<b>\$70,000</b>
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<b>Total Operating Costs</b>	<b>\$983,625</b>	<b>\$1,547,150</b>	<b>\$1,665,500</b>	<b>\$1,838,600</b>	<b>\$3,418,504</b>	<b>\$4,311,880</b>
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\* - Editing of Channel I.D.'s In-House Promos, Program Teases, Generic Billboards, etc.

**Start Up Office Equipment  
The Crime Channel**

<b>Items</b>	<b>Amount</b>
Desks & Chairs (11)*	\$5,500
Computers/Monitors (10)	\$7,700
Edit Equipment*	\$100,000
Telephones (11)	\$700
File Cabinets (12)*	\$1,500
FAX machines (2)*	\$500
Printers (3)*	\$1,200
Internet Site	\$10,000
Software (Microsoft)	\$3,000
Software (Traffic)	\$20,000
<hr/>	
<b>Total</b>	<b>\$150,100</b>

*\*New and Used*

Items will purchased as needed during the start up phase.

### THE CRIME CHANNEL (TCC) - ASSUMPTIONS - PRE-START TO YEAR FIVE

INCOME ASSUMPTIONS	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Nb Homes reached by DBS (Dish or Direct TV)	0	0	0	16,000,000	16,000,000	32,000,000
Nb Homes reached by Cable/MSO (CVC, Comcast, TW, Cox, Charter)	0	2,000,000	2,000,000	5,500,000	5,500,000	13,800,000
Nb Homes reached by Telcos (FIOS, AT&T, other Telco's)	0	0	0	500,000	1,000,000	1,500,000
Total number of Homes Reached by TCC	0	2,000,000	2,000,000	22,000,000	22,500,000	47,300,000
Nb Hours of transmission (24 hrs x 7 days x Nb weeks)	672	8,760	8,760	8,760	8,760	8,760
Repeat Factor in schedule (Nb of repeats of each Show per period)	28	104	104	52	52	26
Infomercials as a percentage of total airtime.	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Hours of Infomercials in programming schedule	224	2,920	2,920	2,920	2,920	2,920
Program Hours supplied by TCC (Hours on-air less Infomercials / Repeat factor)	16	56	56	112	112	225
Percentage of shows produced by TCC over the total supplied by TCC	31%	40%	40%	40%	40%	40%
Nb of Hours of new shows produced by TCC	5	22	22	45	45	90
Percentage of Reruns from TCC's Inventory in the programming schedule	N/A	0%	25%	25%	25%	25%
Nb of Hours Rerun shows from TCC's previous year Inventory	0	0	14	14	28	28
New shows acquired by TCC	0	34	20	53	39	107
Networks Inventory of 30' Ad Spots: 20Sp/hour x 16 hrs/day x 365 days/year	N/A	116,800	116,800	116,800	116,800	116,800
Percentage of 30' spots expected to be sold	N/A	30%	40%	50%	60%	70%
Inventory of 60' Direct Response short forms (from unsold Network 30' spots)	N/A	40,880	35,040	29,200	23,360	17,520
Expected TCC's overall Rating (as a percentage of Homes Reached)	N/A	0.10%	0.11%	0.12%	0.13%	0.14%
Resulting number of viewers (Viewing Audience)	N/A	2000	2200	26400	29250	66220
Cost per Thousand (Price invoiced to advertizer per 1,000 viewers "CPM")	N/A	\$10	\$10	\$5	\$5	\$5
Income from one Ad spot sale (CPM x Nb viewers / 1000)	N/A	\$20	\$22	\$132	\$146	\$331
Income of one 60' Direct Response Short form as a % of one 30' spot price	N/A	33.33%	33.33%	33.33%	33.33%	33.33%
Income from a 30' Infomercial program (per Million Homes reached)	N/A	\$25	\$25	\$25	\$25	\$25
Amount of per subscriber Fee paid by MSO (\$0.01 per subscriber per month)	N/A	\$0.00	\$0.00	\$0.12	\$0.12	\$0.12
COST ASSUMPTIONS	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Hourly cost of Air Tape post-production	\$70	\$70	\$74	\$78	\$82	\$86
Cost of Satellite per broadcast hour	\$40	\$40	\$42	\$44	\$46	\$49
Average cost of US Original Production per hour	\$15,000	\$18,000	\$20,000	\$22,000	\$25,000	\$30,000
Average cost of Program Acquisition per hour	N/A	\$10,000	\$12,000	\$15,000	\$20,000	\$25,000
Commission percentage on Spots Sale	N/A	20.00%	20.00%	5.00%	5.00%	5.00%
FINANCING ASSUMPTIONS	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Contingency Provision as a % of Total Cash Out	10.00%	10.00%	10.00%	10.00%	20.00%	20.00%
Amount of Bond issuance	\$10,000,000	\$0	\$0	\$0	\$0	\$0
Amount of Bond Reimbursement (occurrence at the beginning of year)	\$0	\$0	\$0	\$0	\$6,500,000	\$3,500,000
Amount of Debt outstanding (as of the end of year)	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$3,500,000	\$0
Interest paid to Bond Holders on the Debt outstanding	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Bond Holders' Profit as a % of Net Positive Cashflow after Debt reimbursement	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%

THE CRIME CHANNEL (TCC) - OPERATION CASHFLOW

CASH IN	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Spot sales to Advertisers	N/A	\$700,800	\$1,027,840	\$7,708,800	\$10,249,200	\$27,070,736	\$46,757,376
Subscribers fees from MSOs	N/A	\$0	\$0	\$2,640,000	\$2,700,000	\$5,676,000	\$11,016,000
Income Short Form Direct Response (6)	N/A	\$272,533	\$256,960	\$1,284,800	\$1,138,800	\$1,933,624	\$4,886,717
Income 30 min Infomercials	N/A	\$292,000	\$292,000	\$3,212,000	\$3,285,000	\$6,905,800	\$13,986,800
<b>TOTAL CASHFLOW IN</b>	<b>\$0</b>	<b>\$1,265,333</b>	<b>\$1,576,800</b>	<b>\$14,845,600</b>	<b>\$17,373,000</b>	<b>\$41,586,160</b>	<b>\$76,646,893</b>
<b>CUMUL</b>	<b>\$0</b>	<b>\$1,265,333</b>	<b>\$2,842,133</b>	<b>\$17,687,733</b>	<b>\$35,060,733</b>	<b>\$76,646,893</b>	<b>N/A</b>
CASH OUT	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>VARIABLE COSTS</b>							
Production of TCC Programs	\$75,000	\$404,308	\$449,231	\$988,308	\$1,123,077	\$2,695,385	\$5,735,308
Production "Worldwide Crime News"	\$0	\$0	\$0	\$1,000,000	\$1,050,000	\$1,102,500	\$3,152,500
<b>Total Original Productions</b>	<b>(\$75,000)</b>	<b>(\$404,308)</b>	<b>(\$449,231)</b>	<b>(\$1,988,308)</b>	<b>(\$2,173,077)</b>	<b>(\$3,797,885)</b>	<b>(\$8,887,808)</b>
Acquisition of Programs	\$0	\$336,923	\$235,846	\$800,192	\$786,154	\$2,667,308	\$4,826,423
<b>Total Programs Acquisition</b>	<b>\$0</b>	<b>(\$336,923)</b>	<b>(\$235,846)</b>	<b>(\$800,192)</b>	<b>(\$786,154)</b>	<b>(\$2,667,308)</b>	<b>(\$4,826,423)</b>
Post-production of Air Tape	\$47,040	\$613,200	\$648,240	\$683,280	\$718,320	\$753,360	\$3,463,440
Satellite Transmission	\$26,880	\$350,400	\$367,920	\$385,440	\$402,960	\$429,240	\$1,962,840
<b>Total Programs Transmission</b>	<b>(\$73,920)</b>	<b>(\$963,600)</b>	<b>(\$1,016,160)</b>	<b>(\$1,068,720)</b>	<b>(\$1,121,280)</b>	<b>(\$1,182,600)</b>	<b>(\$5,426,280)</b>
Spot Sales Commissions	\$0	\$140,160	\$205,568	\$385,440	\$512,460	\$1,353,537	\$2,597,165
<b>Total Commissions on Spot Sales</b>	<b>\$0</b>	<b>(\$140,160)</b>	<b>(\$205,568)</b>	<b>(\$385,440)</b>	<b>(\$512,460)</b>	<b>(\$1,353,537)</b>	<b>(\$2,597,165)</b>
<b>TOTAL VARIABLE COSTS</b>	<b>(\$148,920)</b>	<b>(\$1,844,991)</b>	<b>(\$1,906,805)</b>	<b>(\$4,242,660)</b>	<b>(\$4,592,971)</b>	<b>(\$9,001,329)</b>	<b>(\$21,737,676)</b>
<b>FIXED COSTS</b>							
Los Angeles Staff salaries & benefits	\$810,625	\$1,308,750	\$1,395,000	\$1,482,500	\$2,813,504	\$3,516,880	\$11,327,258
General & administrative expenses	\$117,000	\$156,900	\$163,500	\$171,100	\$340,000	\$425,000	\$1,373,500
Sales promo, advertising, marketing	\$50,000	\$75,000	\$100,000	\$125,000	\$200,000	\$300,000	\$850,000
Internet Site	\$6,000	\$6,500	\$7,000	\$60,000	\$65,000	\$70,000	\$214,500
Furniture and Fixtures	\$150,100	\$0	\$0	\$0	\$0	\$0	\$150,100
Capital Acquisition Cost	\$500,000						
<b>TOTAL FIXED COSTS</b>	<b>(\$1,633,725)</b>	<b>(\$1,547,150)</b>	<b>(\$1,665,500)</b>	<b>(\$1,838,600)</b>	<b>(\$3,418,504)</b>	<b>(\$4,311,880)</b>	<b>(\$13,915,358)</b>
<b>TOTAL CASHFLOW OUT</b>	<b>(\$1,782,645)</b>	<b>(\$3,392,141)</b>	<b>(\$3,572,305)</b>	<b>(\$6,081,260)</b>	<b>(\$8,011,474)</b>	<b>(\$13,313,209)</b>	<b>(\$36,153,034)</b>
<b>CUMUL</b>	<b>(\$1,782,645)</b>	<b>(\$5,174,786)</b>	<b>(\$8,747,091)</b>	<b>(\$14,828,351)</b>	<b>(\$22,839,825)</b>	<b>(\$36,153,034)</b>	<b>N/A</b>
BALANCE	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Year end Balance from Operation	(\$1,782,645)	(\$2,126,807)	(\$1,995,505)	\$8,764,340	\$9,361,526	\$28,272,951	\$40,493,860
Cumul Balance from Operation	(\$1,782,645)	(\$3,909,452)	(\$5,904,957)	\$2,859,383	\$12,220,908	\$40,493,860	N/A

## THE CRIME CHANNEL (TCC) - FINANCING STRUCTURE

### SUMMARY OF FINANCING ASSUMPTIONS

Contingency Provision as a % of Total Cash Out	<b>10.00%</b>	from Pre-start to Year 3, then going up to	<b>20.00%</b>	in Years 4 and 5
Amount of Bond Issue	<b>\$10,000,000</b>	Placed in an interest bearing Escrow Account - Drawn down according to financing need.		
Bond Interest	<b>10.00%</b>	Accruing from Pre-Start - TCC Starts paying interest to Investors in Year 1		
Bond Holders Profit Participation	<b>35.00%</b>	of TCC's Net Positive Casflow starting on the year following the full reimbursement of Bond		

AMOUNT TO FINANCE	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Year end Balance from Operation	(\$1,782,645)	(\$2,126,807)	(\$1,995,505)	\$8,764,340	\$9,361,526	\$28,272,951	\$40,493,860
Contingency Provision	(\$178,265)	(\$339,214)	(\$357,230)	(\$608,126)	(\$1,602,295)	(\$2,662,642)	(\$5,747,772)
Interest paid to Bond Holders	\$0	(\$2,000,000)	(\$1,000,000)	(\$1,000,000)	(\$350,000)	\$0	(\$4,350,000)
Year end Balance including Financing costs	(\$1,960,910)	(\$4,466,022)	(\$3,352,735)	\$7,156,214	\$7,409,231	\$25,610,310	\$30,396,088
Cumul to Finance	(\$1,960,910)	(\$6,426,931)	(\$9,779,666)	(\$2,623,452)	\$4,785,778	\$30,396,088	N/A

*Note: The highest negative balance (at the end of Year 2) indicates the minimum level of the Bond issue.*

INVESTORS CASFLOW & RETURN	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Investors Cash Out	(\$10,000,000)	\$0	\$0	\$0	\$0	\$0	(\$10,000,000)
Interest earned by Investors	\$0	\$2,000,000	\$1,000,000	\$1,000,000	\$350,000	\$0	\$4,350,000
Share of TCC's Profits earned by Investors	\$0	\$0	\$0	\$0	\$0	\$8,963,608	\$8,963,608
Investors' Income from Interest and Profit	\$0	\$2,000,000	\$1,000,000	\$1,000,000	\$350,000	\$8,963,608	\$13,313,608
Investors' Return on Investment (ROI)	Return of:	\$13,313,608	represents	<b>133.14%</b>	of the total investment of:		\$10,000,000
Repayment of Bond's Principal to Investors	\$0	\$0	\$0	\$0	\$6,500,000	\$3,500,000	N/A
Investors' Cashflow & Internal Rate of Return (IRR)	(\$10,000,000)	\$2,000,000	\$1,000,000	\$1,000,000	\$6,850,000	\$12,463,608	<b>23.79%</b>

TCC'S CASHFLOW POSITION	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Yearly after Bond's use and repayment (Year)	\$8,039,091	(\$4,466,022)	(\$3,352,735)	\$7,156,214	\$909,231	\$13,146,701	\$21,432,480
Cumul Balance after Financing Cashflow	\$8,039,091	\$3,573,069	\$220,334	\$7,376,548	\$8,285,778	\$21,432,480	N/A

**THE CRIME CHANNEL (TCC) - RETAINED EARNINGS**

	END OF:	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Total Cash In Flow		\$0	\$1,265,333	\$1,576,800	\$14,845,600	\$17,373,000	\$41,586,160	\$76,646,893
Total Cash Out Flow		(\$1,782,645)	(\$3,392,141)	(\$3,572,305)	(\$6,081,260)	(\$8,011,474)	(\$13,313,209)	(\$36,153,034)
Net Cash Flow		(\$1,782,645)	(\$2,126,807)	(\$1,995,505)	\$8,764,340	\$9,361,526	\$28,272,951	\$40,493,860
Interest Paid to Limited Partner		\$0	(\$2,000,000)	(\$1,000,000)	(\$1,000,000)	(\$350,000)	\$0	(\$4,350,000)
Office Equipment		\$150,100						\$150,100
Depreciation Expense		(\$15,010)	(\$30,020)	(\$30,020)	(\$30,020)	(\$30,020)	(\$15,010)	(\$150,100)
Prior Year		\$0	(\$1,647,555)	(\$5,804,382)	(\$8,829,907)	(\$1,095,587)	\$7,885,918	\$0
<b>SUM</b>		<b>(\$1,647,555)</b>	<b>(\$5,804,382)</b>	<b>(\$8,829,907)</b>	<b>(\$1,095,587)</b>	<b>\$7,885,918</b>	<b>\$36,143,860</b>	<b>\$36,143,860</b>

## THE CRIME CHANNEL (TCC) - BALANCE SHEET PROJECTIONS - START UP TO YEAR FIVE

END OF:	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
CASH	\$2,285,209	\$1,565,334	\$549,934	\$969,112	\$2,591,696	\$13,426,140
SHORT TERM INVESTMENTS	<b>\$6,000,000</b>	<b>\$2,500,000</b>	<b>\$500,000</b>	<b>\$250,000</b>	<b>\$4,000,000</b>	<b>\$10,500,000</b>
ACCOUNTS RECEIVABLE	\$0	\$105,444	\$131,400	\$1,237,133	\$1,447,750	\$3,465,513
<b>TOTAL CURRENT ASSETS</b>	<b>\$8,285,209</b>	<b>\$4,170,779</b>	<b>\$1,181,334</b>	<b>\$2,456,245</b>	<b>\$8,039,446</b>	<b>\$27,391,653</b>
<b>FURNITURE AND FIXTURES</b>						
FURNITURE AND FIXTURES	\$150,100	\$150,100	\$150,100	\$150,100	\$150,100	\$150,100
ACCUMULATED DEPRECIATION	(\$15,010)	(\$45,030)	(\$75,050)	(\$105,070)	(\$135,090)	(\$150,100)
<b>NET FURNITURE AND FIXTURES</b>	<b>\$135,090</b>	<b>\$105,070</b>	<b>\$75,050</b>	<b>\$45,030</b>	<b>\$15,010</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$8,420,299</b>	<b>\$4,275,849</b>	<b>\$1,256,384</b>	<b>\$2,501,275</b>	<b>\$8,054,456</b>	<b>\$27,391,653</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
ACCOUNTS PAYABLE	\$11,083	\$15,700	\$18,167	\$25,092	\$41,309	\$54,865
ACCRUED SALARIES, TAXES & BENEFITS	\$46,771	\$54,531	\$58,125	\$61,771	\$117,229	\$146,537
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$57,854</b>	<b>\$70,231</b>	<b>\$76,292</b>	<b>\$86,863</b>	<b>\$158,538</b>	<b>\$201,402</b>
<b>EQUITY</b>						
GENERAL PARTNERS CONTRIBUTIONS	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
DISTRIBUTIONS	\$0	\$0	\$0	\$0	\$0	\$0
LIMITED PARTNERS CONTRIBUTIONS	\$10,000,000	\$10,000,000	\$10,000,000	\$3,500,000	\$0	\$0
DISTRIBUTIONS				\$0	\$0	(\$8,963,608)
RETAINED EARNINGS	(\$1,647,555)	(\$5,804,382)	(\$8,829,907)	(\$1,095,587)	\$7,885,918	\$36,143,860
<b>TOTAL EQUITY</b>	<b>\$8,362,445</b>	<b>\$4,205,618</b>	<b>\$1,180,093</b>	<b>\$2,414,413</b>	<b>\$7,895,918</b>	<b>\$27,190,251</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$8,420,299</b>	<b>\$4,275,849</b>	<b>\$1,256,384</b>	<b>\$2,501,275</b>	<b>\$8,054,456</b>	<b>\$27,391,653</b>
<b>ASSUMPTIONS</b>						
SHORT TERM INVESTMENTS	Excess cash, not considered necessary for working cash needs, are expected to be separately invested in short term interest earning investments; however interest income, if any, has not been projected.					
ACCOUNTS RECEIVABLE	1 month's total receipts					
ACCUMULATED DEPRECIATION	\$15,010 Pre-Start and Year 5 - \$30,020 Years 1, 2, 3 and 4					
ACCOUNTS PAYABLE	1 month's total costs, excluding rent					
ACCRUED INTEREST EXPENSE	Interest paid to Ltd Partners for the Pre-Start period will be paid beginning of Year 1					
ACCRUED SALARIES, TAXES & BENEFITS	Half a month's salaries, taxes & benefits					
LIMITED PARTNERS	\$10,000,000 Investment - 10% interest on o/s balance. First year's interest is paid at the beginning of year 1 - Investment repaid \$6,500,000 at the end of year 4 and balance at the end of year 5 - Moreover Limited Partners will receive a 35% profit participation described as [Distributions] starting in year 5					

**THE CRIME CHANNEL (TCC) - CASH SUMMARY PROJECTION - START UP TO YEAR FIVE**

END OF:	PRE-START	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Beginning Cash</b>	\$0	\$8,285,209	\$4,065,334	\$1,049,935	\$1,219,112	\$6,591,696
<b>Additions</b>						
Cash Flow - In	\$0	\$1,265,333	\$1,576,800	\$14,845,600	\$17,373,000	\$41,586,160
Net Increase Current Liabilities	\$57,854	\$12,377	\$6,060	\$10,571	\$71,676	\$42,864
General Partners Contributions	\$10,000	\$0	\$0	\$0	\$0	\$0
Limited Partners Contributions	\$10,000,000	\$0	\$0	\$0	\$0	\$0
Rounding	\$0	\$0	\$1	(\$1)	\$0	(\$1)
<b>Total Additions</b>	<b>\$10,067,854</b>	<b>\$1,277,710</b>	<b>\$1,582,861</b>	<b>\$14,856,170</b>	<b>\$17,444,676</b>	<b>\$41,629,023</b>
<b>Subtractions</b>						
Cash Flow - Out	\$1,782,645	\$3,392,141	\$3,572,305	\$6,081,260	\$8,011,474	\$13,313,209
Net Increase Accounts Receivable	\$0	\$105,444	\$25,956	\$1,105,733	\$210,617	\$2,017,763
Interest Paid to Limited Partner	\$0	\$2,000,000	\$1,000,000	\$1,000,000	\$350,000	\$0
Limited Partners Repayment	\$0	\$0	\$0	\$6,500,000	\$3,500,000	\$0
Limited Partners Distributions	\$0	\$0	\$0	\$0	\$0	\$8,963,608
<b>Total Subtractions</b>	<b>\$1,782,645</b>	<b>\$5,497,585</b>	<b>\$4,598,260</b>	<b>\$14,686,993</b>	<b>\$12,072,091</b>	<b>\$24,294,580</b>
<b>Ending Cash</b>	<b>\$8,285,209</b>	<b>\$4,065,334</b>	<b>\$1,049,935</b>	<b>\$1,219,112</b>	<b>\$6,591,696</b>	<b>\$23,926,139</b>