THE SECOND ACT

PRIVATE INVESTMENT BUSINESS PROPOSAL

CAST-INDEPENDENT BUSINESS CASE

Capitalization Target	$300,000
Production Model	Los Angeles + Hong Kong principal photography
Company	Studio 828 Productions
Project Type	Faith-based family drama / independent feature
Prepared For	Private and confidential discussion

Purpose

This proposal presents the project as a business opportunity: what is being financed, how capital is allocated, how production risk is controlled, how the completed asset will be taken to market, and how investor recoupment may be structured. It is designed for a business reader who does not need prior film-industry experience.

Important: This document is for discussion purposes only and is not an offer of securities, a guarantee of return, or legal, tax, or investment advice.

1. Executive Summary

Studio 828 Productions is seeking $300,000 to finance, complete, deliver and launch THE SECOND ACT, a family-oriented faith drama designed for principal photography in Los Angeles and Hong Kong. The investment case is based on disciplined production, authentic Hong Kong photography, controlled use of standing sets, a defined post-production and market-launch reserve, and multiple potential distribution windows rather than dependence on a single buyer.

Business Metric	Plan	Business Metric	Plan
Capital requested	$300K	Geographies	U.S. + Hong Kong
Primary asset	Completed feature film	Launch reserve	$32K
Investor preference	Illustrative 120%	Revenue strategy	Multi-window
Cast strategy	Cast-independent	Status	Development / financing

Business proposition

The objective is not simply to fund a shoot. The $300,000 capitalization is intended to produce a finished, technically deliverable, market-ready motion picture and retain enough launch capital to pursue festivals, publicity, sales meetings and film markets.

2. Product and Market Position

THE SECOND ACT follows thirteen-year-old Audrey after the loss of her father and the stroke of her grandfather, Henry. Her uncle Daniel, a struggling filmmaker whose own faith has faded beneath disappointment and ambition, takes responsibility for her. Their journey ultimately brings them to Hong Kong, where Audrey confronts May, the mother who left her, and Daniel must decide whether his greatest calling is the career breakthrough he has chased or the family responsibility directly in front of him.

Target audiences

- Faith and family audiences seeking emotionally grounded stories of grace, forgiveness and responsibility.
- Independent-film audiences attracted to intimate character drama and authentic international settings.
- Asian-American and Hong Kong audiences for whom the cross-cultural family story and Hong Kong setting provide an additional point of relevance.
- Digital, community, educational and event-screening audiences that can support a long-tail library strategy.

3. Production and Execution Plan

The production model combines a controlled Los Angeles unit with a lean Hong Kong company move. The U.S. traveling group is intentionally small, while Hong Kong camera, sound, grip/electric, hair/makeup, production support, transport and local cast can be sourced locally where practical.

Workstream	Operating Approach	Control
Los Angeles	Standing sets and controlled practical locations	Reduce company moves and construction
Hong Kong	Small U.S. travel unit + local crew	Limit airfare, lodging and imported labor

Cast	Attached core cast; no reliance on premium name cast	Avoid over-spending on names
Post	Dedicated edit, sound, color and music reserve	Protect finished-film quality
Launch	Dedicated $32K festival/marketing/sales reserve	Avoid completing film without go-to-market funds

4. Sources and Uses of Capital

Proposed planning allocation. Final line budget remains subject to union determinations, quotes, schedule lock, cast agreements and Hong Kong production estimates.

Use of Funds	Amount	% of Capital
U.S. principal photography	$94,000	31.3%
Hong Kong principal photography	$52,000	17.3%
Cast / SAG-AFTRA / pension & health	$38,000	12.7%
Post-production & music	$38,000	12.7%
Insurance / legal / accounting	$12,000	4.0%
Technical delivery	$10,000	3.3%
Festival / marketing / sales launch	$32,000	10.7%
Contingency	$24,000	8.0%
TOTAL CAPITALIZATION	**$300,000**	**100.0%**

5. Commercialization Budget and Go-to-Market Plan

The plan reserves $32,000 specifically for the commercial launch. This is separate from the cost of producing the picture and is intended to fund the basic tools and activity required to place the finished film in front of audiences, press, sales agents and distributors.

Activity	Budget
Key art / campaign graphics	$1,500
Trailer / teaser / social cutdowns	$3,000
EPK / stills / BTS / interviews	$2,000
Website / landing page / email capture	$750
Festival submissions	$2,500
Festival attendance reserve	$3,500
Targeted publicity / PR	$5,000
Screening / DCP support / captions / assets	$2,000
Sales deck / one-sheet / screener	$1,500
FILMART / AFM-style participation	$3,500
Market travel / lodging / buyer meetings	$4,500
Targeted digital advertising	$750

Launch contingency	$1,500
TOTAL	**$32,000**

Commercial sequence

1. Package and validate: finalize budget, union path, cast strategy, Hong Kong quote and preliminary buyer/sales conversations.

2. Produce and finish: complete principal photography, post-production, music, QC and core delivery assets.

3. Launch selectively: targeted festival submissions, private buyer screenings, publicity and audience-building.

4. Sell across windows: pursue U.S. and Asian distribution, event/theatrical opportunities, TVOD, SVOD/AVOD/FAST, foreign, airline, educational and community licensing as appropriate.

6. Revenue Model and Investor Recoupment

Film revenue is inherently uncertain. The plan therefore does not assume a sale to any particular streamer or distributor. Potential revenue may come from a combination of domestic and international licensing, transactional digital, subscription/ad-supported platforms, event or limited theatrical, educational/community licensing, airline and other ancillary windows.

Illustrative waterfall for counsel to structure

One possible discussion structure is: 100% of defined producer net receipts to the investor until 120% of invested capital has been returned ($360,000 on a $300,000 investment). After satisfaction of that preference, the investor would retain a 50% continuing ownership interest in the project entity and/or its defined intellectual-property rights, Studio 828 Productions would retain 50%, and defined net profits would thereafter be shared 50/50. Definitions, expenses, accounting, audit rights, ownership scope, securities compliance and all legal terms must be established by qualified counsel.

Illustration	Gross Receipts	Simplified Producer Net	Illustrative Investor Cash	Multiple on $300K
Conservative	$250,000	$125,000	$125,000	0.42x
Base	$500,000	$275,000	$275,000	0.92x
Upside	$900,000	$525,000	$442,500	1.48x

These examples are scenario illustrations only. They are not forecasts or promises. 'Producer net' is deliberately simplified here; actual distribution fees, expenses, taxes, collection-account costs, residual obligations and contractual definitions can materially change results.

Post-Recoupment Ownership and Participation

Subject to definitive legal documentation, after the investor has received the agreed 120% recoupment preference ($360,000 on a $300,000 investment), the investor would retain a fifty percent (50%) continuing ownership interest in the project entity and/or the defined intellectual-property rights held by that entity for THE SECOND ACT. Studio 828 Productions would retain the remaining fifty percent (50%). This continuing ownership is intended to be separate from, and in addition to, the investor's priority recoupment.

After satisfaction of the recoupment preference, defined net profits and other economic benefits attributable to the project would be shared 50/50 between the investor and Studio 828 Productions, subject to the definitions, deductions, accounting provisions and other terms contained in the definitive agreements.

1. Investment	2. Preferred	3. Continuing	4. Long-Term

	Recoupment	Ownership	Participation
$300,000 capital contribution	100% of defined producer net receipts until $360,000 is returned	Investor 50% / Studio 828 50% of project entity and defined rights	50/50 share of defined net profits and other agreed project economics

Rights to be specifically defined by counsel: copyright ownership, sequel and prequel rights, remakes, television and episodic adaptations, derivative works, publishing, soundtrack, merchandising, ancillary rights, territory rights, licensing authority, creative control, approval rights, transfers of ownership, additional financing and treatment of future productions. The proposal does not intend to grant rights beyond those expressly described in the final agreements.

Structuring note: for clarity and administration, the parties may elect to hold these rights through a project-specific LLC or other special-purpose entity rather than creating direct co-ownership of the underlying screenplay copyright. The final structure must be determined by qualified entertainment and securities counsel.

7. Key Risks and Mitigations

Risk	Business Impact	Mitigation
Distribution / revenue risk	No film sale or audience level is guaranteed.	Reserve launch capital; pursue multiple windows; avoid dependence on one buyer.
Union / foreign-production cost	SAG-AFTRA treatment of U.S. performers working abroad can materially affect cost.	Obtain written agreement guidance before non-cancellable foreign commitments.
Hong Kong execution	Local quotes, permits, locations and crew assumptions can change.	Use local production relationships; lock a written HK production estimate before greenlight.
Schedule / child performer	Audrey's age creates work-hour, schooling and welfare requirements.	Build schedule around applicable minor-performer rules and dedicated supervision.
Cast packaging	Premium cast may be unavailable or uneconomic.	Business plan does not rely on premium names.
Cost overrun	International production can create unexpected travel, labor or location expense.	Maintain contingency, approval controls and a locked schedule before principal photography.

8. Governance, Reporting and Capital Controls

For a business investor, visibility into how capital is committed is as important as the creative plan. The final investment documents should establish the production entity, authorized signatories, approved budget, bank/accounting controls, reporting cadence, material overage approvals, investor statements and distribution-accounting procedures. The definitive documents should also identify the investor's post-recoupment ownership percentage, the rights held by the project entity, management and approval authority, transfer restrictions and procedures for any future derivative exploitation.

- Separate production entity and production bank account.
- Locked line budget and cash-flow schedule before principal photography.
- Written approval thresholds for material budget changes and unplanned commitments.

- Regular cost reports during production and post-production.
- Final cost report and delivery statement after completion.
- Defined revenue-accounting and investor-reporting schedule after exploitation begins.
- Qualified entertainment counsel and production accountant engaged before closing.

9. Conditions Before Greenlight

Gate	Decision Item	Required Outcome
1	Union path	Written SAG-AFTRA guidance / signatory plan for U.S. and Hong Kong work
2	Hong Kong budget	Local crew, location, transport and production quote
3	Cast	Executed agreements for required cast; premium targets only if affordable
4	Schedule	Locked stripboard / day-out-of-days / minor-performer plan
5	Insurance & legal	Production insurance, entity and investment documentation
6	Post & delivery	Confirmed post vendors and delivery specifications
7	Launch	Festival, publicity and market plan tied to the $32K reserve

10. Investment Request and Next Steps

Studio 828 Productions is seeking a $300,000 private investment to capitalize THE SECOND ACT through production, post-production, technical delivery and initial market launch.

Proposed next steps

1. Investor reviews this business proposal and the creative investor deck.
2. Producer provides the detailed line budget, schedule and supporting production assumptions.
3. Parties discuss proposed investment economics and reporting expectations.
4. Entertainment/securities counsel prepares the appropriate offering and investment documents.
5. Funds are committed only after agreed closing conditions and production controls are satisfied.

Strategic participation is optional. Business relationships in China or Hong Kong may be valuable for introductions, logistics or commercial insight, but the investment case should stand independently of any expectation that the investor provide those services.

Appendix: Status and Assumptions

Confirmed / current planning facts

- Capitalization target: $300,000.
- Principal-photography strategy: Los Angeles and Hong Kong.

- Core attached cast includes Elliott Brown, Audrey Brown, Niki Sterner and Jonella Landry.
- Elliott Brown is writer/director/producer and portrays Daniel.
- A dedicated $32,000 festival/marketing/sales-launch reserve is included in this business plan.

Items that remain subject to confirmation

- Final SAG-AFTRA agreement, rates, pension & health, travel terms and foreign-production requirements.
- Final Hong Kong production quote and schedule.
- Final cast agreements and any premium name-cast economics.
- Distribution, sales-agent, festival and platform outcomes.
- Final investor waterfall, 50/50 post-recoupment ownership structure, defined IP scope and legal definitions.

Faith Audience & Church Engagement Strategy

Studio 828 Productions intends to develop The Second Act not only as a motion picture, but as the center of a direct church-engagement and discipleship resource program. The model is designed to extend the useful life of the film, create a direct relationship with faith audiences, support licensed church movie events, and create ancillary publishing and curriculum opportunities.

Resource	**Audience / Function**	**Business Role**
Biblical Discussion Guide	Free post-screening resource	Lead generation / ministry value
Count What Remains Participant Guide	Six-session small-group workbook	Bulk church / digital resource sales
Leader & Facilitator Guide	Pastor and small-group leader curriculum	Church implementation
30-Day Count What Remains Devotional	Individual devotional companion	Ancillary publishing / direct sales
Church Campaign Kit	Movie event + promotional + discipleship pathway	Licensed church activation
Authorized film clips / digital assets	Sermon and small-group use where rights permit	Extends engagement after screening

Commercial and ministry pathway

The intended pathway is: licensed church screening → free discussion guide → six-week small-group study → devotional / continued discipleship. This creates a measurable audience channel that does not depend solely on a platform acquisition. Potential revenue can include church/public-performance licensing, bulk participant materials, publishing, digital resources and related authorized products, subject to distributor, publisher and rights agreements.

Prototype materials already developed

- The Second Act: Biblical Discussion Guide
- Count What Remains: Participant Study Guide
- Count What Remains: Leader & Facilitator Guide
- Count What Remains: 30-Day Devotional
- The Second Act: Church Campaign Kit / Pastor Planning Guide

Rights and IP treatment

Because the investment proposal includes a continuing 50% ownership interest in the project entity and/or defined project IP after the agreed recoupment preference, the definitive agreements should expressly state whether church curriculum, devotionals, publishing, study guides, trademarks, sequel/remake rights and other derivative ministry resources are owned by the project entity, licensed to it by Studio 828 Productions, or reserved outside the investment. The proposal does not assume that every future book or ministry product automatically becomes project-owned IP.

The final distribution agreement should also preserve or deliberately negotiate church/public-performance, educational, ministry-resource, clip-use and direct-audience rights so these opportunities are not unintentionally granted away.

Investor significance

For the investor, the church strategy provides an additional commercialization path and a longer-tail use of the underlying story and brand. It should be treated as an ancillary opportunity rather than guaranteed revenue; no church adoption, publishing agreement, screening volume or resource sales are assumed in the base recoupment illustrations.

Direct-to-Church & International Faith Audience Expansion

The Second Act is intended to use a hybrid commercialization model: professional film distribution and sales relationships where advantageous, combined with a direct relationship with churches, ministries and faith audiences where rights are retained. The strategy is modeled on a proven faith-film principle - the motion picture can become the entry point to a longer-lived ecosystem of licensed screenings, discussion resources, small-group curriculum, publishing and ministry engagement - without assuming that The Second Act will reproduce the exceptional results of any prior faith film.

Three-audience church strategy

Audience	Primary opportunity	Localization / activation
General U.S. faith market	Church movie events, Christian schools, family/grief ministries, small groups	English film assets, discussion guide, six-session curriculum, devotional
North American Chinese Christian market	English-, Cantonese- and Mandarin-speaking congregations and Asian-American ministries	English plus Traditional/Simplified Chinese resources; bilingual promotional assets
Hong Kong / international Chinese Christian audience	Hong Kong churches and selected Chinese diaspora faith communities	Chinese-subtitled film, localized church resources, local ministry/church partnerships

Mainland China is not included in the base revenue assumptions. Any future mainland distribution or religious-media activity would be evaluated separately for regulatory, licensing and commercial feasibility.

Illustrative faith-channel sensitivity analysis

The following scenarios are unit-economics illustrations, not forecasts. They show what direct church and ancillary revenue could look like if adoption occurs. Actual receipts would depend on licensing terms, printing and fulfillment costs, distributor/publisher participation, taxes, royalties, discounts, returns and church purchasing behavior.

Illustrative case	Church adoption	Illustrative gross church/resource receipts	Interpretation
Pilot / Emerging	100-250 churches	\$30,000-\$125,000	Proof of concept; validates messaging, pricing and conversion into study resources
Established	500-1,000 churches	\$175,000-\$500,000	Meaningful direct faith-audience channel with curriculum and devotional adoption
Breakout	2,500+ churches	\$1,000,000+ potential ecosystem gross	Requires broad adoption, strong fulfillment, publishing traction and/or Chinese-language expansion

These amounts are deliberately excluded from the base film recoupment illustrations. They represent potential incremental upside and should not be interpreted as guaranteed producer net receipts.

Illustrative revenue components

Channel	Illustrative mechanism	Notes
Church screening	Per-event or institutional public-performance license	Final pricing depends on licensing partner and church size/use
Participant curriculum	Bulk print or digital orders	Margin depends on printing,

		fulfillment and wholesale discounts
Leader guide / campaign kit	Print, digital or bundled resource	Can support higher-value church packages
Count What Remains devotional	Direct, bulk or publisher-led sales	Publisher royalty and direct-sale economics differ materially
Christian school / ministry events	Institutional/event license	Separate rights and pricing may apply
Chinese-language resources	Localized curriculum and devotional	Translation, theological review, design and regional fulfillment required

Capital deployment by stage

STAGE 1 - $300,000 INITIAL CAPITALIZATION

Produce, complete, deliver and execute the presently defined initial launch plan.

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COMPLETED MARKETABLE ASSET

Film master, delivery materials, initial church prototypes and market-facing assets.

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MARKET VALIDATION

Buyer interest, festivals, church pilot adoption, audience data, Hong Kong/Chinese-Christian interest and publishing conversations.

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OPTIONAL OPPORTUNITY CAPITAL

Only if supported by a specific value-creating opportunity such as a materially recognizable cast attachment, contracted distribution/P&A opportunity, or other identifiable commercial enhancement.

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OPTIONAL SCALE CAPITAL

Only after evidence of demand for expanded church rollout, Chinese localization, publishing, fulfillment, paid promotion or international ministry outreach.

Optional Expansion Capital

The current $300,000 capitalization plan is intended to finance the presently contemplated production, post-production, delivery and initial commercialization plan for The Second Act. Studio 828 Productions does not presently rely upon additional financing to complete the base production plan.

Additional capital may be considered if a clearly identifiable opportunity arises that management believes can materially increase the project's commercial reach or long-term value. Examples may include the availability of a recognized cast member beyond the current allocation, expanded theatrical or faith-market marketing, a larger church-engagement rollout, Chinese-language localization and distribution, expanded festival or film-market activity, or scaled production and fulfillment of ancillary publishing and ministry resources.

Any such financing would be evaluated separately and would not be assumed in the base investment projections. The economic terms, ownership implications, approval requirements and treatment of existing investor interests would be documented before additional capital is accepted.

Future capital and existing investor protection

The definitive operating and investment agreements should address future capital requirements before closing. A discussion framework is that the existing investor would be offered the opportunity to consider participating in qualifying additional financing before outside expansion capital is sought, subject to the final operating agreement.

No dilution, change in ownership, alteration of the investor's continuing 50% project interest, or modification of the agreed recoupment waterfall should occur except as expressly documented and agreed.

Rights to preserve in distribution negotiations

Because the direct faith strategy depends on access to the audience, distribution negotiations should deliberately address church/public-performance rights, educational and ministry use, clip rights, direct-to-consumer resource rights, publishing and curriculum rights, Chinese-language localization, trademarks, and the ability to market directly to churches and ministry partners. These rights should not be assumed to remain with the producer if a future distribution agreement grants them away.