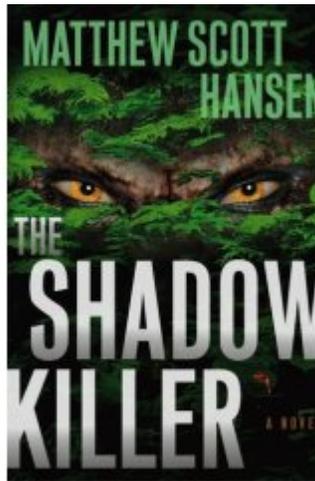


A Proposal For A Feature Film Production Of

T H E S H A D O W K I L L E R

First The Novel...



...Now The Movie.

When *The Shadowkiller* was published by Simon & Schuster in 2007, the publisher promoted the book as “*Jaws* in the woods.” A commercial crime horror-thriller, the novel was conceptualized to eventually become an edge-of-your-seat action film. Published in at least eight languages, *The Shadowkiller* is one of the few successful pieces of fiction that proves the case that Bigfoot is a spectacular antagonist.

With this unique and frightening force of nature at its center, *The Shadowkiller* offers a fresh and powerful direction in this genre. With a driving narrative, nuanced character development, frequent graphic imagery, and occasional tension relieving humor, most readers have praised the novel *The Shadowkiller* as an absolute page turner. Many said simply, “It was one of the scariest books I have ever read.” The plan is to use the high efficiency of an “indie” approach to filmmaking to create an elevated production for \$12 million USD, that under the studio system would cost \$30 to \$40 million.

The Story

The feature screenplay, written by Matthew Scott Hansen, and based upon his novel, is complete.

Former software powerhouse Ty Greenwood seems to have it all: looks, brains, wealth, a loving wife and two young children. But you quickly discover that Ty is tortured by a frightening encounter with a juvenile Bigfoot in the wilds of Idaho three years earlier. In fact, he has been pushed to the brink of suicide because no one believes him, and try as he might he absolutely cannot prove his claim. But Ty finds a reason to live when he comes across a newspaper article about a missing man. Joining forces with an old Native American actor and a sheriff's detective, they investigate a series of mysterious disappearances in the dark woods northeast of Seattle. But their quest will backfire and leave them utterly outclassed as they come face to face with an unstoppable killer, a terrifying behemoth from their worst nightmares. And this ferocious superprimate has but one bone-chilling goal: rip away their control and exact his revenge by destroying everything they hold dear.

First To The Market Place, First At The Box Office

The Shadowkiller employs one of the classic themes of successful storytelling: a deeply flawed and weakened hero who must face an adversary with vastly superior strength, resolve, and ferocity. At stake is the sanity of our hero, and then as the story rushes toward its fiery conclusion, the very lives of his loved ones.

Most importantly however, as a motion picture *The Shadowkiller* will introduce a new monster to the film-going public. While not new to cultural lore and mythology, Bigfoot as a cinematic antagonist has never been seriously explored by Hollywood filmmakers. *Harry and the Hendersons*, a successful film that spawned a television series was a light family comedy starring a gentle and lovable Sasquatch. But even in 1987 the \$16 million production grossed \$50 million, not counting the large volume of VHS--and later DVDs--sold, as well as lucrative free TV and cable airings in addition to other ancillaries like games and merchandise. In the last fifteen years various low budget filmmakers

and cable outlets, particularly the Syfy Channel, have attempted to capitalize on the mystique of Bigfoot by making films in the range of one million dollars or less.

The downsides to such flawed productions are myriad, from weak, hackneyed stories and marginal acting, to low quality, laughable effects. This poor representation of Bigfoot has only served to diminish the perceived stock of the character. Since few in Hollywood have taken Bigfoot seriously, filmmakers have been reluctant to buck the system and fully realize the potential for this amazing movie monster.

These low budget films never create much impact outside the hardcore genre fan base, and never get distribution beyond a limited theatrical release, if that. And while audiences worldwide have an insatiable appetite for thrills, the public's increasing sophistication and need for quality stories and effects has raised the bar on what will, or *will not*, guarantee success. Any filmmaker who seeks to convert Bigfoot into the next franchise has to take the creature, the story, and the production values *very* seriously.

Simply put, the time of the "guy in a suit" is over.

Interest in Bigfoot is perhaps the highest it's ever been. With Bigfoot centric reality shows like Animal Planet's *Finding Bigfoot* and Spike TV's *10 Million Dollar Bigfoot Bounty* among others, Bigfoot is in the public conscience. And interest in Bigfoot is hardly isolated to just the United States.

While there have been Bigfoot sightings in every state of the union except Hawaii, the entire world seems to have a fascination with Bigfoot. The Australians, Russians, Chinese, Southeast Asians, South Americans and Canadians all claim their own version of Bigfoot. The worldwide audience for anything related to Bigfoot numbers in the hundreds of millions of people if not more.

While a film's U.S. based success is integral to good box office, the best performing films almost always must have worldwide appeal. The rule of thumb for the greatest possible success is usually two-thirds of your box must be overseas money.

A Bigfoot Like No Other

The creature in *The Shadowkiller* is neither a lumbering nor lovable character, shuffling like a zombie or barely larger than a man.

He is eleven feet tall. He's a thinker. Lightning quick, he's capable of running down a deer. Or a car.

The real apex predator of the wilderness, he's a cunning strategist, capable of advanced analytical thought processes. He's also astonishingly strong. While chimpanzees are said to possess--size-for-size--five times the strength of a man, *The Shadowkiller* is *ten times* the size of a chimp. Bears flee his path and the forest falls silent as he passes out of respect for the true "boss of the woods," a nickname given him by California's Hoopa Indians.

The Shadowkiller is the stuff great movie monsters are made of. And being first to the market with a hot new commodity is an enormous advantage. This is why *The Shadowkiller* represents such a rare and timely opportunity. While the idea mills of Hollywood work hard to recycle the past or reboot what worked twenty or thirty years ago, *The Shadowkiller* is right under their noses, ready to anchor the next great film franchise.

Lower budget films (that is, not the overpriced "tentpole" films of Hollywood studios) can make vast fortunes if done correctly and artistically. This film could accurately be categorized under both the action/thriller and horror genres. With a preliminary budget estimate of \$12 million, *The Shadowkiller* will feature a top quality director, popular actors, orchestral music, high production values, beautiful visuals, and spectacular effects, including both motion and performance capture to truly bring the eleven-foot-tall antagonist to "life."

Motion capture is the technique of using live actors in front of a green screen in a special suit with data point markers, and then turning them into animated characters later in post production. Performance capture is the recording of an actor's facial expressions to be used as a guide for the digital artists to create fully realized, fully expressive characters, ala the

apes in *Rise of the Planet of the Apes* and Gollum in *The Lord of the Rings* trilogy, as well as *The Hobbit* series. This technique was also used in creating Peter Jackson's *King Kong* and James Cameron's *Avatar*. While those films were extremely expensive, they had thousands of effects. The only motion capture effects in *The Shadowkiller* will include the main creature as well as another, minor creature in early scenes. In both cases, only glimpses of the Bigfoot creatures will be seen, at least until the third act when the primary creature becomes 100% visible, building both suspense and saving on costs. Other films that have used the technique of waiting until late in the film to visually introduce the antagonist to the audience have included *Jaws*, *Alien*, and *Predator*.

This treatment is essential in making the creature in *The Shadowkiller* the co-lead character he's intended to be and evoking the desired response in the viewer, that is, fright. In summary, the goal of *The Shadowkiller* is that rarest of film-goer's experiences: seeing something they've *never* seen.

A Marketer's Dream

With a new, terrifying monster at its core *The Shadowkiller* will provide the marketing experts many options to promote it. Conventional advertising approaches will of course be used at the discretion of the distributor(s), but there will be many and varied avenues of promotion to take advantage of that will require little or no cost outlay. The use of viral marketing stills and video will be fully leveraged, including mobile apps, YouTube, Facebook, Twitter, Flickr, Tumblr, etc.

Either a public relations consultant or firm will be hired to maximize the PR potential of this subject and film. The marketing entity the production engages will be experienced in cutting edge, state-of-the-art marketing and will be conversant in all aspects of both social and mainstream media.

Approximately six months out from the release date, high impact teasers will be placed on YouTube and social media to go viral. As the release date approaches the viral campaign will increase in intensity and move to mainstream media. The sneak peeks and trailers will be high quality but, at first, the Internet sneaks will have an almost "leaked" quality to them.

In addition, high visual impact one-sheets will be distributed, physically and virtually, four to six months in advance to build demand.

The mainstream media can also be leveraged because of both the uniqueness and widespread interest in the subject matter. Cable news and the myriad Internet news and interview outlets can be used to promote the film.

There is also the possibility of exploring product placement. Many retailers are delighted to have their products or services billboarded in a film as long as they are not debased or shown in a negative light. The income from product placement can be a good source to either defray costs or, if there is no cash changing hands, the items or services provided by the retailer or manufacturer can save the production money.

Once the film is posted and ready to show, key screenings will be arranged, featuring invitations to tastemakers, social media mavens, so-called horror genre "fanboys," as well as members of the "Bigfoot community" to view and report to their followers. This viral word of mouth is incredibly valuable. That's one big reason no corners should be cut in the quality of the production of this film. Saving money and keeping to your budget is important; making a film to a price, while eliminating quality content, is counterproductive and even dangerous.

Money Talks

Supposing a preliminary production cost (negative cost) estimate of \$12 million, the investment aspect of this project will work as follows. While the proposed budget of \$12 million must be fully funded in cash to effect production, it is estimated that once the film is completed the province of British Columbia will pay down the total actual cash outlay to around \$10.8 million through regional tax incentives and credits. It could be more, depending upon the BC credits, as well as other possible film credits.

All investors will receive back 100% of their initial investment after the negative cost and prints and advertising (P&A) costs are paid back, and after distribution costs are subtracted. There might also be a gross points

disbursement here to a very small group of key players, including any prominent actors or even the director, i.e., anyone who may have taken a large salary cut to be involved in the production.

Investors will also receive a portion of the net profits based upon their participation. Assuming a \$10.8 million equity investment (after provincial tax incentives), the minimum investment would be \$500,000 (not counting the \$100,000 "first in" investor--see below), with the \$10.8 million investment representing 100% of the adjusted financing. The \$10.8 million, or 100% of the cash required, would also qualify the investor for 40 points (40%) total of *all* returns. At any less than 100% investment, the universe of 40 total points would accrue at a prorated amount of net points.

For example, if an investor put up the full \$12 million cash (the total negative cost), then recouped \$1.2 million through the provincial tax incentive after the film is complete, now giving them a basis of \$10.8 million, they would then be entitled to 100% of the investor's share of the net profits, which in this case would be 40 points of the net profits after recouping the above costs. If they invested \$6 million, the above numbers would be half, giving them 20 points of the net profits after recoup.

With the film preliminarily budgeted at \$12 million to shoot and post-produce, and \$12 million for P&A, giving a total of \$24 million (\$22.8 million, less the provincial tax credit), and if the film made \$75 million worldwide box office, the producer's gross net would be \$30 million after deducting 60% for distribution and exhibitor's fees. Taking the \$22.8 million hard costs out of the total, the producer's net net would then be \$7.2 million. The 100% investor would also be entitled to 40% of the box office revenue total, less costs, or \$2.88 million.

However, additional revenues will come from ancillary income, i.e., DVD, VOD, Netflix, TV, merchandising, etc. For illustration purposes they will be allocated at a conservative share level of 25% of box office, and gross profit to the producer at 25% of the gross retail sales.

For example, in the \$75 million box office scenario above, an additional 25% of that would be total ancillary income, in this case, \$18.75 million, of which 25%, or \$4.69 million, would accrue to the producers as gross

net income. With the investor's share at 40 percent times the \$4.69 million, the investor's net share would total approximately \$1.87 million, for a total return to the investor of \$4.75 million (after recouping 100% of their initial investment), or a 44% return on their investment, or, given a likely two year payout window, an annualized ROI of 22%. For additional income scenarios see the chart below.

Industry standard usually assigns the investors fifty percent of the profit, but ten percent will be held back to give to key players (certain above-the-line talent like a star director or in-demand actors) as an incentive. When the final accounting is done, if the extra ten percent is unused as an incentive, then 80% of the balance of points will accrue to the investors and 20% will accrue to the operating executive producer.

Note: While the P&A is traditionally paid for by the distributor, there may be an additional opportunity for the investor to fund some of the costs, thereby triggering an earlier repayment of their principal and possibly giving them an increased share of the net profit disbursement.

Additionally, as an incentive to an investor, anyone funding one hundred percent of the production will be entitled to an *executive producer* credit.

While there are other possibilities for extracting incentives and tax breaks and credits to lower the cash outlay, these can be explored during phase one with an international tax attorney who can take specific details and financial commitments to various entities and obtain further commitments. They may want an equity share of the net profits, thereby reducing the profit pool to the principals--but not affecting the 40 points to the investors.

At this level of negative and P&A costs, and projected ancillary revenue, the box office breakeven point would require approximately a \$50 million worldwide gross, a seemingly easy goal given the nature and demand for a film of this type and its dynamic feature of a "new" monster for the viewing public.

For example, if the film were to gross as much as *The Purge*, the 2013 dystopic horror thriller that was shot for \$3 million and grossed \$91 million, the all inclusive gross net profit to the producers and investors,

including all income streams, would be around \$19.3 million. Further, if the film grossed as much as 2008's *Cloverfield*, a monster horror "found footage" film at \$171 million, the producer's all inclusive gross net would climb to \$56.3 million, giving a 100% investor both their money back and a minimum profit of \$22.53 million.

3D or Not 3D?

One creative possibility that remains is to shoot the film in 3D. While to some in the industry it is considered controversial and unproven, facts tend to defeat their argument. Shooting a film that can be exhibited (in a theater and at home) in 3D adds an immersive quality that cannot be denied. In the hands of the right director, director of photography, production designer, and finally, a skilled post-production facility, the use of a three dimensional field of view can be arresting. While the costs are higher for shooting 3D versus two dimensions, the reward may justify the extra expense. The use of 3D for a film of this nature, i.e., foreboding and very active, along with a stunningly physical antagonist, can be a powerful marketing tool, as well as greatly enhancing the film viewing experience. The application of shooting in 3D would likely add around 25 to 30 percent to the overall cost of the film, putting the budget in the \$15 to \$16 million range. The fact is, 3D is here to stay and will only improve over time.

Income Projections

The following are revenue scenarios based upon rising tiers of box office gross income. They also include revenues from ancillaries, i.e., DVD, VOD, TV, merchandising, etc., which for the purposes of comparison will be allocated at a share level of 25% of box office, and gross profit to the producer at 25% of the gross retail sales. This is assuming a breakeven point of approximately \$50 million and going up in \$50 million increments.

<u>Box Office Gross</u>	<u>Producer's Net Ancillary</u>	<u>Producer's Gross Profit</u>
\$50 million	\$3.125 million	Breakeven
\$100 million	\$6.25 million	\$22.25 million

\$150 million	\$9.375 million	\$45.375 million
\$200 million	\$12.5 million	\$68.5 million
\$250 million*	\$15.625 million	\$91.63 million

*Approximate box office of the \$600,000 *The Blair Witch Project* (1999)

Traditionally, horror thrillers are in extreme demand by Hollywood. The film industry sees horror thrillers as relatively cost efficient and less niche oriented than other genre pictures. Most importantly, for anyone dealing in horror thrillers, they are often profitable, sometimes extremely so.

Phase Sequence And Timeline

The production and release of the film will be accomplished in six phases. The timeline estimates could vary up or down but these numbers represent a "best guess."

Phase one's minimum funding requires a \$100,000 cash commitment but will offer a special one-time benefit to that investor (see below). Phase one expenses will include forming an LLC, the retention of an experienced line producer to create an item by item comprehensive production budget to accurately detail the projected negative cost of the film. It will also include initial and ongoing legal fees, administrative costs, travel (if necessary), and the creation of a website to be used as both a sales tool and destination for interested movie-goers and fans of the novel.

As a powerful sales and creative tool, high quality graphic novel style artwork of at least six key scenes from the film will be created. These storyboards will convey both the production quality as well as the startling size and athleticism of the creature. This is for the benefit of the majority of people who "think" they know what Bigfoot should look like, ranging from impressions created by everything from the hilarious

Jack Links Beef Jerky commercials to the low budget "Sasquatchploitation" films. It will also aid the creative team in designing the creature to maximum effect.

Had Steven Spielberg *not* had Peter Benchley's novel as a guide for the immense size of the shark, no one would have been able to visualize such an awe inspiring killing machine--both among the viewing public as well as the entertainment industry. If Spielberg did not have a studio behind the film, but had been able to show storyboards of his shark to investors the reaction would have been a universal "Oh, *that* shark," and the sale would have been made. To that point, no filmmaker had ever done a film with a mammoth 25-foot, 3-ton Great White shark.

As they say, a picture is worth a thousand words and in this case storyboards can be worth even more if they instantly convey the true nature of the creature we intend to bring to the screen.

Additionally, the first investor, with a minimum investment of \$100,000, will receive a "first in" one-time bonus of one-quarter point of equity directly from the executive producer's share. To put this in perspective, if the production makes a \$10 million profit, that would amount to an additional \$25,000 over their 1/80th share of the profits. This offer is good only for the first investor.

Any phase one monies left over when production begins will be rolled into the production finance pool.

Phase one should take approximately three to four months.

Phase two's trigger requires a commitment of 25% of the total budget, or \$3 million cash and commitments. The size of this investment will allow the producers to more easily get the balance of the production cost in place. Meanwhile, we will also engage a co-production partner--an experienced production company (if we haven't already done so) that shares both the vision and significance of the film.

Phase two should take approximately three to six months.

Phase three will see the full equity funding of the project, as well as commitments from the province of British Columbia to fund their end upon completion. It would be best for the production to fully fund it from within and not have to seek outside sources like distribution presales that would likely require a costly completion bond. This phase will also see the beginning of pre-production, from the assembly of elements, to the commitments of the director, principal actors and casting, production designer, producers (co-producers, line producer, etc.) to the composer, to location scouting and locking down of all locations, as well as the construction of all the sets. It will also see the selection of a post production facility--or facilities--and the conceptualization of set pieces and, most importantly, the creation of the creature. This phase will also see the generation of a comprehensive production schedule.

During this phase an informal digital video of the making of the film will begin. This film-within-a-film when completed will be used on the DVD as a special feature. It may also serve other purposes (see below).

Phase three should take approximately three to six months.

Phase four will see production and then post production. During post-production certain key scenes will be completed first and strategically placed on Internet sites to build excitement over the project. This technique is most effective when the visuals are extremely compelling, and are done far in advance of release, e.g., *Cloverfield*, *Paranormal Activity*, *Lord of the Rings*, *Noah*, etc. These sneak peeks will be the first visual introduction to the mainstream public and will be orchestrated to build maximum interest.

During production, the "making of" film will continue production and feature interviews with the cast, crew and anyone else of interest.

Phase four should take approximately six months, with around 5-6 weeks spent on shooting and the balance in post.

Phase five will include securing world-wide distribution and the scheduling of release dates. This phase will see the production of all advertising and marketing materials. Discussions with various ancillary

suppliers will begin, including video games, toys, and all merchandising. This phase will also see the key audience screenings as mentioned above.

The digital video "making of" film will be completed to be used on the DVD, as well as to develop interest from the media and distributors.

The "making of" film could also represent a salable piece to networks or cable outlets as a one-time-only, stand alone 30 minute or one hour program. Additional anthropological, eyewitness and Bigfoot expert interviews could round out its approach. In essence the production would be *selling* a commercial for public consumption.

Phase five should take approximately two to four months.

Phase six will be the release of the film. This could be a standard release in phases, or it could be a day and date release structure, a simultaneous world wide rollout of the theatrical production as well as PPV, VOD and DVD. This decision would be up to the distributor(s). The 2012 film, *Arbitrage*, starring Richard Gere and Susan Sarandon and costing \$12 million, was the highest grossing day and date film yet. The tale of Wall Street corruption successfully capitalized on the day and date concept, grossing more than \$50 million to date, between their simultaneous theatrical, VOD, PPV and DVD release.

There are many scenarios for releasing a film, including negative pickups for various territories, where distributors pay up front for the right to distribute specific territories.

The Comps

The following films, along with their budgets and gross ticket sales, qualify as horror, thrillers and "creature features"(where the antagonist is not human). While the budgets vary, they represent a cross section of films similar to *The Shadowkiller* in tone, quality and high market demand. Note: the following numbers do not represent the full revenue scenario for these films (in some cases, ongoing video/DVD numbers are quoted), just gross ticket sales. These numbers do not include revenue from DVDs, VOD, airlines, PPV, cable, free television, and additional

ancillary income, such as merchandising and other possible sources, unless otherwise noted.

The Purge (2013)	Budget: \$3 million	Gross: \$91 million
Skyline (2010)	Budget: \$10 million	Gross: \$78.7 million (video/DVD \$10.7 million)
The Possession (2012)	Budget: \$14 million	Gross: \$79.5 million
The Descent (2006)	Budget: \$7 million	Gross: \$57 million (video/DVD \$22.7 million)
The Conjuring (2013)	Budget: \$20 million	Gross: \$318 million
Paranormal Activity (2009)	Budget: \$450,000	Gross: \$194 million (video/DVD: \$22 million)
The Devil Inside (2012)	Budget: \$1 million	Gross: \$101 million
Insidious (2011)	Budget: \$1.5 million	Gross: \$99 million (video/DVD: \$11.7 million)
Cloverfield (2008)	Budget: \$25 million	Gross: \$171 million (video/DVD: \$29.3 million)
The Grey (2011)	Budget: \$25 million	Gross: \$77 million
Open Water (2004)	Budget: \$500,000	Gross: \$55 million

Casting The Lead

The casting of the lead character of Ty is critical. A recognizable, respected actor should play this part, as well as those of the four other leads, Mac, Ben, Kris and Ronnie. Here is a list of possible actors for the part of Ty. This list conveys the level of quality and seriousness of the production. These actors are both recognizable and adept at emotional content. They are also familiar with the action genre which parts of this film will entail. Also, if they seem out of the budget range, often a good production and exciting role can draw an actor at a rate far lower than his usual quote, especially with the promise of back end profits.

Mark Wahlberg
Josh Brolin

Edward Norton
Hugh Jackman
Eric Bana
Karl Urban
Tim Olyphant
Sam Worthington
Patrick Dempsey
Gerard Butler
Ewan McGregor

In Closing

The Shadowkiller represents one of those rare birds in the film industry: an opportunity to be involved in a project that is not only going to set a new standard, but could be extremely lucrative. While life teaches us that nothing is a "sure thing," this is as close as can be.