

## **GRINDHOUSE PICTURES LLC**

We are offering units in the production of the motion picture entitled SORROW HILL.

There isn't any public market for the units or any other securities in our company and no such market will develop as a result of this offering.

**The units have not been registered under the securities act of 1933, as amended (the "securities act"), or applicable state securities laws, and are being offered and sold in reliance of exemptions from the registration requirements of these laws. The units have not been approved or disapproved by the securities and exchange commission or any state regulatory authority nor has the commission or any state regulatory authority passed upon or endorsed the merits of the offering or the accuracy or adequacy of this private placement memorandum. Any representation to the contrary is unlawful. The units may not be transferred in absence of an effective registration statement under the securities act and any applicable state securities laws or an opinion of counsel in form and substance acceptable to the company and its counsel that such registration is not required.**

**This document is for informational purposes only. It is not a prospectus. It does not constitute a legal contract or offer information beyond the scope, such as tax advice or partnership documents. This document does not constitute an offer to sell or solicitation of an offer to buy any security. Neither does this document nor any other of the proprietary information herein be published, reproduced, copied, disclosed, or used for any purpose without the prior written consent of Grindhouse Pictures LLC. Filmmaking is a high risk business, and no guarantees are offered that investors will recoup any or all of their investment.**

## EXECUTIVE SUMMARY

Grindhouse Pictures LLC intends to produce and distribute the motion picture entitled SORROW HILL. This is a property owned solely by Grindhouse Pictures and principal photography is scheduled to commence in April of 2008.

SORROW HILL is a screenplay that takes the most popular horror genre to the next level. The Hostel and Saw series have shown us the next generation in horror which is taking a horrifying situation and throwing ordinary people into it. How an average person can overcome a desperate, realistic situation

SORROW HILL is the type of movie horror fans historically flock to. Compelling story, sympathetic characters, and a terrifying villain. No other genre in the movie business whether it is drama, comedy, or action-adventure has a built in niche audience. The latter tries to appeal to the masses. Whereas horror has a built in, core audience. This is proven by the following statistics:

### MARKET SHARE OF HORROR IN 2007

- **28 Horror movies released in 2007.**
- **\$553,291,625 dollars grossed.**
- **\$20,000,000 average per movie.**
- **Average budget, \$4 million.**
- **5.97% of entire box office gross.**

Compare this to the other major genres:

- **248 dramas were released, over \$1 billion in ticket sales, that is only an average of \$6 million per film compare to that to the \$20,000,000 per film average for Horror.**
- **136 comedies were made, over \$3 billion in ticket sales, that is \$22 million per film. They averaged 2 million dollars more than horror but produced 108 more comedies.**

The success of a movie is usually judged by how strong the opening weekend is. Out of the 28 horror movies released only 15 had what is considered a wide release, that means it debuted on 1,000+ screens. Out of those 15, 9 debuted in the number one slot for the weekend that is an astounding 60%.

The market couldn't be more active for a new, fresh horror movie. SORROW HILL is that movie. Historically horror movies are the most inexpensive movies to make. This is due to the fact you don't need a big name star to help promote or open a horror movie. HOSTEL is a perfect example. The movie cost less than 3 million dollars to produce and distribute and to date the total box office and DVD sales have eclipsed \$200 million.

Horror movies are easier than most genres to distribute. The main reason was mentioned earlier, the built in audience. However, distributors in the last 3 years have seen the

steady gain at the box-office of horror movies and are more willing to distribute horror for their incredible return on investment.

Distribution is the trickiest part of the movie business however and currently we do not have a distributor lined up. There are many avenues to obtain distribution however:

- Self-distribution. In the wonderful technological age we live in, self –distribution is a reality and not cost prohibitive.
- Movie festivals. The place where the majority of independent horror movies make their bones. SORROW HILL is the type of film that will be received well at the numerous horror and independent film festivals available to us.
- We are showcasing Sorrow Hill at this years Garden State Film Festival which will be held the first weekend in April 2008. We will be debuting a trailer in addition to setting up an 8X8 display in the Paramount Theatre to promote Sorrow Hill and Grindhouse Pictures. This is a great opportunity to land a distributor for Sorrow Hill before we even begin filming.

Now a little about the principals behind Grindhouse Pictures LLC and SORROW HILL.

The production team consists of:

Ronald DiPrimio - President, CEO of Grindhouse Pictures LLC. He is an award winning screenwriter who will also direct the motion picture entitled SORROW HILL. He is currently nominated for a Claw award for his screenplay entitled DEAD NOON and is currently a top 10 finalist in the NYC HORROR FILM FESTIVAL SCREENPLAY COMPETITION. His first short film entitled WAKE received critical acclaim from the television show On The Lot.

The rest of the development team is in the process of being assembled.

We are looking for investors to purchase units in the movie entitled SORROW HILL. However we have decided to open up this investment opportunity to anyone and everyone. We are selling shares in \$100.00 increments. For each \$100 invested you will receive 1/10<sup>th</sup> of a point. A point = 1% of profits.

- All investments will be held in an escrow account until all money is raised to begin principal photography. We estimate \$5,000 will be the amount necessary to begin production.
- Investors will begin to recoup their money after distribution fees, expenses, repayment of any borrowed or advanced funds are satisfied.
- Once Investors have recouped 100% of their investment, and all deferred payment to cast and crew has been satisfied, investors shall receive 50% and Grindhouse Pictures LLC shall receive 50% of any and all subsequent revenues.

The total budget is scheduled to come in under \$40,000 dollars. This includes all insurance necessary, pre and post production costs as well as any festival fees. We are scheduled to commence filming in May of 2008. One way we plan to keep the budget

low is through offering cast and crew deferred payment. Which means they will be paid after the movie is profitable. These deferred payments will be taken out of Grindhouse Pictures profits.

We will also be able to keep costs down thanks to the Atlantic City Racetrack allowing us to film our movie at their location for free. We also have verbal commitments from local pizzerias and restaurants to provide us with craft services which will help offset costs as well.

Before the investor makes a decision to purchase the units offered, prospective investors should consider the following factors, among the others set forth in the informational memorandum.

- First and foremost motion picture financing is only for the investor who are prepared to lose their entire investment
- Risk of production. It is possible, though highly unlikely, that the investor contributions may be expended without the completion of the motion picture. The managers can't and don't guarantee that any of the key actors or production crew will fulfill their obligations under any contracts that they might have now or in the future – and that if certain key personnel cease to be associated with the project, it may be necessary to terminate the production.
- Risk of distribution. As explained earlier, we currently do not have a distributor. However when a distributor is under contract there's no guarantee that the marketing of the film will result in any financial returns.
- Lack of liquidity. Investor's interests will be transferred without the consent of the managers. Holders of the units may not be able to liquidate their investments.
- Tax risks. All tax risks depend on each individual investor's situation and prospective investors are advised to consult their own advisors to all tax and legal consequences of an investment in a company. The managers cannot and do not make any representations, nor warranties, with regard to the tax treatment of any investment in the company.
- Lack of operating history. This is Grindhouse Pictures LLC's first production so there isn't an investment history to predict any future performances.
- Liability. An investor's personal liability for obligations of Grindhouse Pictures LLC is limited to the loss of their original capital contribution and to any undistributed assets of the company. The managers shall only be liable to the company or investors for losses, judgments, liabilities, and expenses that result out of gross negligence, willful misconduct, or fraud. The managers will not be liable to the company or the investors for alleged errors or omissions. The company will indemnify the managers for losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the company other than those resulting from the manager's gross negligence, willful misconduct, or fraud. Any indemnification payment could deplete the company's cash available for investment in the motion picture or distribution to the investors.
- Loss on dissolution. Upon dissolution of the company, the proceeds realized from the liquidation of assets, if any, will be distributed to the investors only after the

satisfaction of the claims of the company, creditors, and the establishment of any reserves that the managers deem necessary for any contingent or unforeseen liabilities or obligations to the company. Accordingly the ability of the investment partner to recover all or any portion of his investment under such circumstances will depend upon the amount of funds so realized and claims to be satisfied.

This Memorandum has been prepared by Grindhouse Pictures, in regards to the production of the motion picture entitled SORROW HILL. While the information herein is believed to be accurate, the Managers expressly disclaim any and all liability for representatives or warranties, express or implied, contained in, or for omissions from, the memorandum or any other written or oral information provided or made available by the Managers. Estimates and projections contained herein shall not be relied upon as a promise or representation as to future results. This memorandum and other information provided to the persons receiving this memorandum shall be disclosed only to such employees, agents or other representatives of the recipient who shall reasonably need to know the same in connection with their evaluation of an investment in Grindhouse Pictures LLC. All copies of the memorandum and any other information given to persons receiving the memorandum shall be returned to Grindhouse Pictures LLC upon request if a transaction with the Grindhouse Pictures LLC is not consummated. The information contained herein is proprietary, non-public information which may not be used other than for the purpose of evaluating this offering and must be kept strictly confidential. The recipient of this memorandum acknowledges compliance with the above.