



## **NEXXUS Entertainment Media**

### **Opening Statements from the Founder**

We are pleased to announce the formation of the parent company, Nexxus Entertainment Media Inc. (NEM),

I am proud to be affiliated with such a diverse and talented management team that collectively has many decades of executive management, marketing, and creative accomplishments to their credit. While this is a start-up endeavor, which we believe in name only, once NEM is fully financed, we will be able to show conclusively that management has skipped a learning curve. Several of NEM's first-slated projects are designed to quickly generate income, as is NEM's asset-based music publishing subsidiary. Plus, several software, educational, and game-related products are ready for market, and a strong catalog of manufactured consumer items exists. Thus, within days of start-up, this management team will be ready and able to generate significant revenue while longer term plans, projects, content, and products are completed. NEM will hold the subsidiary corporate divisions. In the Business Overview to follow, NEM will describe the relationships and function of each member of the NEM "family" of Companies. NEM will also briefly describe some of what NEM believes are well thought-out plans to ensure the success and longevity of the Companies and projects in the entertainment, marketing, music, film, TV, merchandising, software, and game development industries, while successfully manufacturing products for retail delivery by a variety of traditional and non-traditional means of distribution.

Please take into consideration that each business entity may be uniquely structured to meet certain contractual arrangements with pre-existing companies and partners. Thus, the accounting on a per project basis among the subsidiaries may be different, (for example, some entities may be structured as an "LLC," while others may be structured as a "Corporation." Thus, an item labeled as "net profit" or "net operating profit" on the financial for an LLC, is meant to be an amount available for distribution to members.) Also, in the overall financial for the family of companies, debt service reflected in the Net Profit does not contain amounts set aside for depreciation and income taxes.



**The company's subsidiaries are as follows:**

**Parent Company, Nexxus Entertainment Media, (NEM)**

Louis Nathan - Chairman

Sol Wahba - President

1. **Brave New World International Films** - Bob Engelman, President - Theatrical, Streaming, VOD for domestic and international distribution
2. **Social Atmosphere TV** - Bob Engles, President - Dramatic, Comedy, Reality, Documentaries and Webisodes
3. **Infinite Games** - Division Head TBA - 3D, AI, Virtual Reality, Digital Technology for personal computers, handheld devices, consoles, and commercial advertising
4. **Master Licensing Group** - Barry Layne, President - Merchandising and Licensing
5. For Your Home Distribution, T.B.A. - Provides manufacturing, retail and distribution for home and entertainment products.
6. **Nexxus Media Records** - Donald Johnson, President - Music Labels, Pop, Rock and Urban Artists for First Run Artist and Catalog Content
7. **National Publishing Group/NEM Music** - Clive Fox, Chairman -The Publishing subsidiary will administer publishing artists and catalogs along with purchasing music catalogs.

**Allocated Funds per Subsidiary:**

- NEXXUS Entertainment Media**, Holding Company Administrative - \$5M.
- Film Division** - \$300M Film Slate for Independent Films and Studio Pictures
- TV Production Division** - \$75M, includes funding Dramatic and Comedy, Reality based programming, Webisode Interactive Websites.
- Music Publishing Division** - \$90M, Licensing, Catalog, and Purchasing Song Catalogs.
- Infinite Game. Division** - \$50M, Digital Games 3D, AI, Virtual Reality and Rendering Core Operating Systems.
- Record Labels/Artist Management Division** - \$60M
- Consumer Merchandising Division** - \$15M
- Product Distribution Network** - \$5M
- Total \$600M**



**Any questions or comments should be addressed to:**

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Respectfully Yours,

A handwritten signature in black ink, appearing to read "Louis Nathan".

Louis Nathan  
Chairman  
(212) 561-5400



## NEXXUS ENTERTAINMENT MEDIA

### Business Overview

Nexus Entertainment Media (NEM) is the parent holding company that will provide synergy and funding to a cluster of seven home and family entertainment, distribution, and software companies and partnerships.

The seven divisions include: 1) Brave New World International Films (BNWIF), 2) a TV production/distribution company - Social Atmosphere TV (SATV), 3) a merchandising and licensing Company - Master Licensing Group (MLG), 4) a retail distribution unit - For Your Home Distribution (FYHD), 5) a group of music recording labels - Nexxus Media Records (NMR), 6) music publishing Company's - National Publishing Music Group and NEM Music (NPMG/NEMM), and 7) Infinite Games (IG's), Digital Gaming for 3D, Virtual Reality, AI and Animation for Personal Computers, Consoles, Internet Gaming and Commercial use for Animation Interactive - The Game & Animation Company.

Together, these subsidiary companies provide the means for NEM to create and/or acquire and distribute in a synergistic and coordinated fashion: a) family-oriented theatrical features and independent films (through BNWIF), b) TV content and distribution agreements (through SATV), c) merchandising & licensing agreements (through MLG), d) in-house retail distribution of branded merchandise (through FYHD), e) music and audio thumb drives, streaming, music downloads and audio recorded on other media (through NMR), f) music publishing rights, licenses, and other intellectual property products (through, NPMG/NEMM), g) video games and proprietary software tools (through IG's), h) These items from all divisions will also be NEM's branded products and assets.

This business plan seeks funding for NEM to create itself and the subsidiary companies and to also fold into itself those companies and partnerships that now exist before funding. The monies sought will also provide the first two years of operating capital for NEM and the seven subsidiaries.

Under existing agreements in place, NEM will either wholly own the subsidiary companies, or hold a controlling or substantial interest in them, and will control their operating budgets. NEM will supply initial funding to the subsidiaries and collect their pre-tax profits. Then, it will return portions of this income to the subsidiaries to fund their operating budgets in subsequent years. Highlights from each of these are presented in this Business Overview.



The synergy that results among the subsidiaries is, in part, due to The Company's corporate family style structure that provides uncomplicated shared access to needed products and expertise owned by each. Many large successful entertainment firms have developed or adopted a similar structure where each of their subsidiaries is a self-contained business, a piece of the entertainment industry pie.

But, when these pieces are integrated together on an in-house project, for example, it soon becomes apparent that they contain all the resources and expertise necessary to maximize income and profits for the parent firm and funding partners.

For example, assume for a moment that: a children's film is produced by BNWIF, and it features a popular and interesting character, such as an animated alien from a superior planetary civilization (think E.T. with a larger vocabulary) who, to his own peril, advises members of an earth family how to best get through their mundane and miserable lives. A television series is developed by SATV that extends the life of the alien to other stories.

The alien character is licensed by MLG to a toy manufacturer which creates a plush toy, while the alien's image is also licensed by MLG to a clothing manufacturer who creates a line of children's clothing which bears the alien's name and likeness.

The plush toy and the clothing are distributed by several means, including FYHD's retail direct mail catalogs, to the parents of viewers – the viewers being children of a specific age range who join the alien's "little helper" club advertised in the television series. An up-and-coming musical performing artist (who is also the voice of the alien in the film and on the television series) is under contract to a division of NMR and makes a recording of a song from the TV series. The recording is released by NMR, becomes a huge hit single, and drives sales of the performer's album.

Other recording companies and artists buy licenses (from NPMG and NEMM) to "cover" the song. Finally, a video game and interactive software is developed by IG's and distributed by FYHD about the alien's adventures on other planets. Please note that all the business activity taking place in this scenario occurs within NEM subsidiaries. That is synergy.

Also note that each step in the process is facilitated by representatives from each subsidiary involved. The emphasis is on cooperation and "helping." The result is a win-win situation for everyone - and most of all for NEM. Typical relationships in "partnered" or "cooperative" projects really are synergistic - and more productive - than projects accomplished by isolated teams. More is often accomplished with less. Rarely, if ever, do these relationships become adversarial.



Another portion of the synergy among subsidiaries is due, in part, to the depth of experience and common sense possessed by the subsidiaries' leaders and managers who come from the worlds of their content: film, TV, technology, animation, education, entertainment, merchandising/ licensing, first run and star-driven reissue music, music publishing, and video game production, as well as from the general business and financial communities. NEM's leaders and managers are expected to be resources and consultants to each other. Each of the senior executives at NEM, and each of the senior executives in the subsidiaries, brings to the table over thirty-five years' worth of experience, expertise, business relationships, connections, assets, and existing products. The sum of these "human assets" will provide a superior Nexus for working together and, in the beginning, for "jump starting" NEM and its family of companies.

As soon as NEM is further financed and becomes fully operational, the general partners, along with the management of existing companies, will complete the absorption and/or creation of the following subsidiary companies, partnerships, and products discussed in the Business Plans.