

# **BENDERS**

## The Independent Investment Agreement

*in a hypothetical step-by-step process*

### Step 1: Our First Meeting

Over a coffee or a video call (but probably still with coffee), we take you through the story of **BENDERS**, our plan for production/distribution, and our incredible team. You get just as excited about this as we are, and if all goes well...

**The investor decides to contribute \$10,000 to the production of *BENDERS*.**

Wow. That's incredible (and we are very grateful). We're operating on a full production budget of \$350,000 so your support will make a *huge* difference.

### Step 2: We Make a Movie!

It's time to prep, shoot, and edit **BENDERS**! We embark on this crazy journey, and **you're with us every step of the way** through our Investor's Newsletter, set visits, and regular reports on production progress. You are now a part of our family. We want to keep you by our side and in the loop.

### Step 3: People See Our Movie!

Flash-forward a couple of years from now: **BENDERS** has completed production (it went beautifully) and, after a successful festival run and partnership with a sales agent, the film has been sold for distribution. Let's say **the film made \$850,000 on our \$350,000 budget**.

### Step 4: Initial Payments

In a typical distribution rights agreement, the distributor is entitled to their fee off the top of the film's total revenue. Specific terms will vary based on the distribution contract, but let's assume **our distributor is owed \$200,000 for their services**.

We also have to make sure all our budgeted items are paid in full. Ideally, this doesn't happen, but if we need to go into debt at any point during production this is where we get out. For the sake of an even number, let's say ***BENDERS* was \$50,000 in debt**.

*The total revenue is now \$600,000.*

#### Step 5: The Investors are Paid “First Out”

Should the film make enough money to turn a profit, **all investors are entitled to 20% interest on their initial investment**. This payment is referred to as “First Out”.

The investor contributed \$10,000 to our total \$350,000 budget raised.

\$350,000 total aggregate + 20% interest = \$420,000.

\$10,000 is ~2.8% of the aggregate, so 2.8% of \$420,000 is paid to the investor.

**The investor is paid \$11,760**

*After all the investors are paid, the total revenue is \$180,000.*

#### Step 6: Wow! That went well

We turned a profit! This allows for “Back End” payments to be made to producers and investors. **Our net revenue of \$180,000 is split into a 50% producer share and a 50% investor share.**

The investor is paid 2.8% of the \$90,000 investor share (another \$2,520). **Through your contribution to *BENDERS*, you’ve made a profit of \$4,280 on your initial \$10,000 investment.** You should buy a puppy.

#### Step 7: A Bittersweet Farewell (for now)

This is a theoretical situation and involves a lot of cards falling where we need them to fall. It’s a risky business, we both know that, but what we *can* guarantee is that your money has been put in the right place. Your contribution helped bring an important story to life and supported an innovative, independent production whose artists were paid equitably and treated with love and care. **Bottom line: A great movie was made.**

We learned a ton and had a lot of fun, and the next step is to keep growing. We’ll continue to build a fantastic team of creators and an incredible community of supporters (that’s you), and **you will be placed as a top priority when seeking investment for our next project.**

It’ll be a little bigger, a little better, maybe even make a little more money; and it will always be a blast. So we say goodbye for a little bit, and call you up in a few months with our next great idea. It’ll come with a copious amount of gratitude and hey, if all goes well, we might be able to turn that coffee into dinner.

See you at the movies,

The **BENDERS** team.