

the
Boys
from
MN

EXECUTIVE SUMMARY

SPRING 1996

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H I G H L I G H T S

OVERALL PROJECT HIGHLIGHTS

GENERAL

- With the development of theatrical and video distribution in foreign countries, international film industry revenue sources are projected to double in the next ten years.
- There is a high demand from the world-wide film industry for films of this kind. With this demand, The Boys From Minnesota has the opportunity to become a very popular coming-of-age movie.
- Top film stars will be cast in the film's major roles to increase the movie's worldwide appeal, awareness and marketability.

SUPPORT FROM MINNESOTA

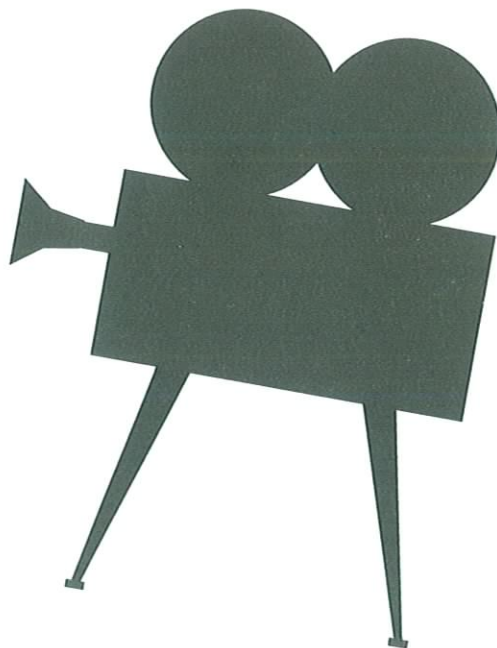
- The Boys From Minnesota film project has received strong support from Governor Arne Carlson; Randy Adamsick, Executive Director of the Minnesota Film Board, and hundreds of other individuals in Minnesota.
- The Boys From Minnesota Film Project Advisory Board, comprised of talented business, political and sports professionals, have greatly assisted in the success of the project to date.
- In 1995, Minnesota had a record-setting year with over \$23 million spent in the state on films such as "Mighty Ducks 3," "Grumpier Old Men," "Beautiful Girls" and "Fargo". Over 40 films have been shot in the state, translating into an excess of \$70,000,000 new production dollars. The Minnesota Film board has achieved a 7:1 economic development return on the State of Minnesota investment since 1990.

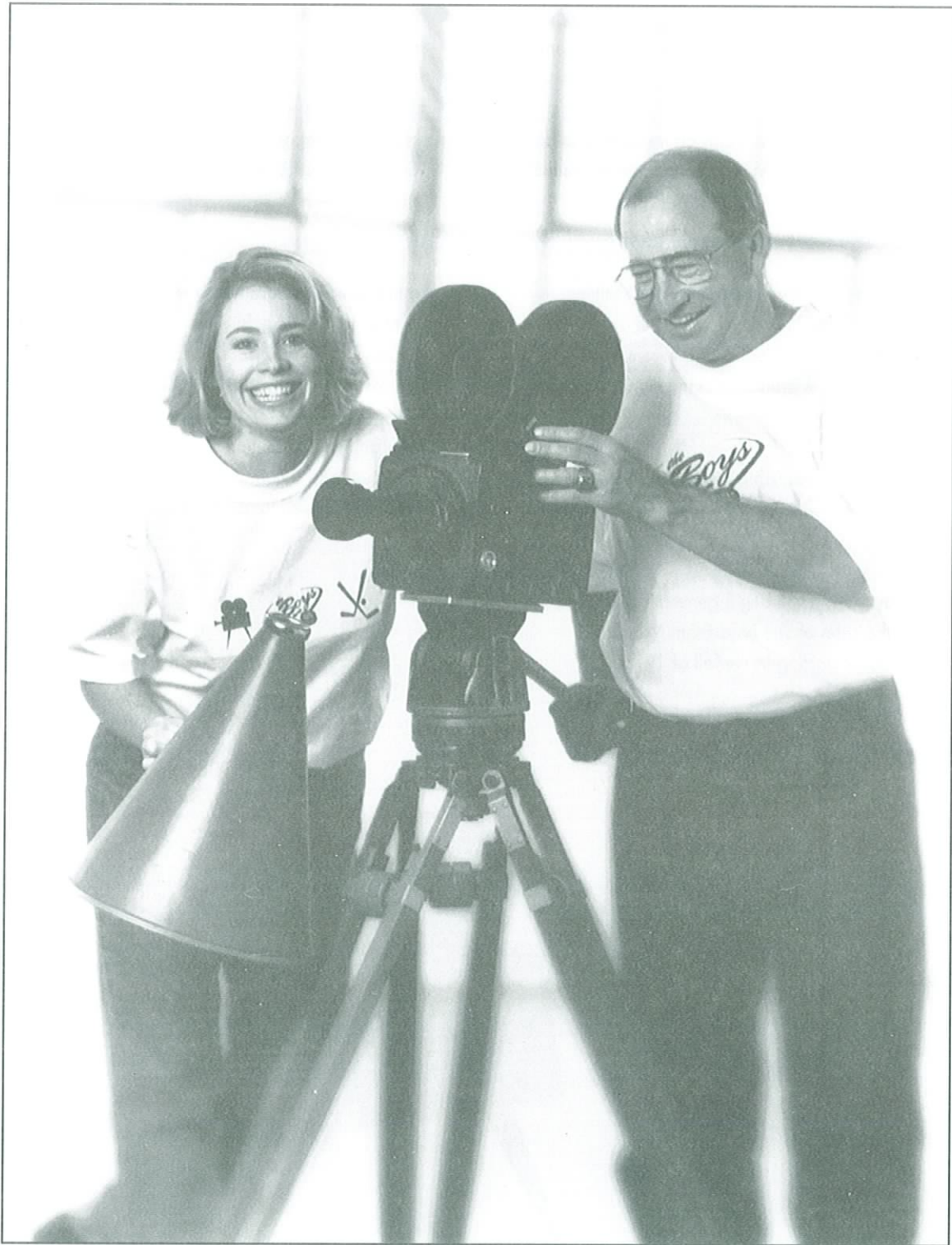
MARKETING/EVENTS

- BFM Films' marketing team has implemented an extensive communications program that includes sportswear, the soundtrack and the movie itself. At this time, the Partnership is generating revenue from the sales of The Boys From Minnesota sportswear merchandise.
- BFM Films has engaged an experienced and talented marketing, advertising, and public relations team to generate awareness and help with sales of The Boys From Minnesota project and merchandise.
- BFM Films has formed joint ventures with a number of non-profit organizations to help raise money for these organizations and help raise awareness of the film project.
- In the Fall, 1996, a Celebrity All-Star game is planned at the Target Center to raise money for non-profit organizations and gain further awareness of The Boys From Minnesota.
- The Boys From Minnesota has established a toll-free number (888-BFM-BOYS), an Internet address (TBFM@aol.com.) and is in the process of creating a Website home page to be used for the merchandising and marketing of the project.

INVESTMENT HIGHLIGHTS

- The Boys From Minnesota is an exciting entertainment project with a well thought out financial structure minimizing downside risk and optimizing upside profit potential.
- There is high potential return on investment to be earned by each TBFM investor that could exceed over 200%.
- Projected Gross Revenue to the TBFM L.P. from all sources are estimated at over \$50 Million.
- The distributions of Partnership revenue to TBFM investors will be paid semi-annually until the year 2002.
- The planned Partnership distributions of revenue to the TBFM investors are to begin in February 1997.
- The Partnership will begin generating revenue from the sales of The Boys From Minnesota soundtrack starting in the fall of 1996.
- The Partnership will begin to generate revenue from the The Boys From Minnesota film in the fall of 1997.
- Investors funds will be escrowed at Norwest Bank N.A., Minneapolis, Minnesota in the Ready Cash Institutional Money Market Account earning interest.
- The investors in the Project are the beneficiaries of a financing structure which requires specific criteria to be met before the money that they have escrowed at Norwest Bank can be released for the film production.
- Guaranteed distribution contracts have to be obtained and a completion bond purchased before escrowed funds will be released.







PROJECT OVERVIEW

PROJECT OVERVIEW

MISSION STATEMENT

The mission of The Boys From Minnesota project is to independently produce a commercially successful, theatrically released action, PG film. It will be fully executed on a global basis in all media to generate the maximum return.

THE PROJECT

The film is being financed through a \$10 million private placement offering: THE BOYS FROM MINNESOTA Limited Partnership (TBFM LP). The financing covers the film's development, production, and marketing. BFM Films, Inc. is the Managing General Partner and Brad Turner, the individual General Partner. The investors and General Partner/Producers will split profits per the TBFM LP Agreement.

SCRIPT

A key element of any film is the script. The Boys From Minnesota script was selected from over 200 scripts. The story's genre and script's talented writing team received favorable "coverage" from studios, talent agencies, distributors and other industry professionals.

STORY SYNOPSIS

Set in 1966, The Boys From Minnesota unfolds in the fictional northern Minnesota town of White Lake. The Boys From Minnesota is a coming-of-age story about five all-American boys who become all-American heroes. Throughout the film, audiences revisit their own "life lessons" as each boy faces the challenges and successes with life relationships — his family, girlfriend, coach, teammates, classmates and the larger world.

The story focuses on Doug and his five buddies, all of whom are seniors on the high school hockey

team. They are all turning eighteen and examining their choices — including the draft and war in Vietnam.

The story explores the close-knit dynamics of small town America; the dedication, love and phenomena of playing hockey when it is twenty degrees below zero on outdoor lakes; the hockey coach who faces his final year of coaching without taking a team to the Minnesota state hockey tournament; Doug's father's attempts to help his son make decisions; and the community support and involvement as the high school team struggles to win the state championship for the first time.

Genre

The Boys From Minnesota examines individuals, families and a community working through obstacles to achieve a single dream. The film highlights the popularity of action, hockey, sports, coming-of-age, romance, "Generation X" and "relationship films". The film follows the same vein as American Graffiti, Diner, Hoosiers, Stand By Me or Young Guns.

Demand

There is a tremendous demand by the movie audiences around the world to see this type of film. Everyone identifies with the ongoing internal struggles for life answers that weave throughout the storyline. Why? The setting is small town, yet the themes are universal.

Recently, two films have clearly illustrated that there is a demand and an audience for stories that take place in small town America — and Minnesota small towns in particular. The films *Mighty Ducks I & II* and *Grumpy Old Men I & II* have been seen by over 50 million people around the world.

Another point is that there is strong demand for feature films like *The Boys From Minnesota*. These films are independently produced without the high

cost commonly associated with the studio production system. This is clearly illustrated by the fact that each year the seven major studios directly produce approximately 250 feature films, and they distribute and release approximately 400 films.

THE CAST

The Boys From Minnesota cast will consist of a young, ensemble group, plus two older pivotal characters — the coach of the hockey team and one of the fathers.

TBFM has the qualified and experienced Juel Bestrop assisting in the casting process for the project. She has just recently finished casting Columbia's "Cable Guy" starring Jim Carrey ("Ace Ventura", "The Mask"). The producers, casting director, and Jack White (the coach for the Celebrity hockey team) have developed a "short list" of fine talent for each role.

The following lists are of actors that have been identified to potentially play the roles of Coach Vanderholt, Merle Crocket, and Doug Crocket.

Coach Vanderholt

Paul Newman, Richard Dreyfus, Jack Lemmon, Robert Duvall, Nick Nolte, Roy Scheider, Martin Sheen, James Garner, Tom Skerritt, Donald Sutherland, Jack Palance, Frank Langella and James Caan

Merle Crocket

Joe Mantegna, James Woods, Sam Neil, Ed Harris, Mandy Patinkin, Randy Quaid, Harvey Keitel, Kurt Russell, J.T. Walsh, Bob Gunton, Peter Coyote, and Dennis Franz

Doug Crocket

Scott Wolfe, Chris O'Donnell, Christian Bale, Leonardo DiCaprio, Stephen Dorff, Edward Furlong, Lukas Haas, Mark Wahlberg, Lilo Brancatto, and Henry Thomas.

FILMING

Filming is scheduled for the winter of February 1997 with pre-production starting in October 1996. February filming allows for a full Minnesota winter and coincides with the exterior scenes that will be filmed and the 1997 State Boys Hockey Tournament. There will be an extensive public relations campaign at the beginning of filming and during the Tournament to help create greater awareness of the film project and stimulate more sales of TBFM merchandise.

MERCHANDISING

BFM Films has developed a sports apparel line of shirts, sweatshirts, hats and jackets that was introduced at the 1996 Minnesota State Boys Hockey Tournament. The items will be marketed to consumers by a direct mail catalog, one or more fund-raising programs, and retail distribution which will be supported by an advertising and marketing campaign. Up to 5 percentage interests in gross sales have been set aside to benefit selected non-profit organizations which are listed in the TBFM Merchandise Catalog.

The clothing line, logos and catalog were developed with the assistance of Cathy Fideler, President of Sheba Concept & Design and Michael Vacanti, President of Concept Marketing and Development.

The TBFM marketing team is also planning an extensive public relations program and the establishment of a Web site. Direct, a Twin Cities marketing services company, is processing orders and fulfillment. Norwest Card Services will process the Mastercard and Visa credit card orders.

For a Boys From Minnesota merchandise catalog, interested parties can call 1-888-BFM-BOYS.

ENTERTAINMENT/ACCOUNTING FIRM

Bryan J. Ross, Schechter, Dokken, Kanter, Andrews & Selcer Ltd., certified public accountants and consultants, has been engaged to provide accounting services for the Partnership, including assistance with the preparation of the Partnership's financial statements, preparation and filing of tax returns and preparation of reports to Partners on Forms K-1. Schechter, Dokken, Kanter, Andrews & Selcer Ltd. has extensive experience in film and music production, royalty auditing and promotional events and provides a range of products and services to the entertainment and sports industries.

BANKING SERVICES

Cynthia S. Chamberlain, Vice President, Commercial Banking, Norwest Corporation, headquartered in Minneapolis, Minnesota, a diversified financial services company with assets exceeding \$72 billion, has assisted in providing the banking services of a corporate checking account, a merchandise checking account, escrow accounts, merchant card services and the money market fund account.

ECONOMIC DEVELOPMENT AND PROMOTION FOR MINNESOTA

The Boys From Minnesota is about the values, ethics and history of Minnesota and the United States. The film represents qualities that are admired by people throughout the world. The movie captures the essence of Minnesota and could act as a "state commercial". Minnesotans will feel tremendous pride as they become aware of the project through BFM's creative marketing campaign.

There is an opportunity for the state of Minnesota and individual investors to benefit from this project. For example, BFM Films will work with Minnesota crews, thus creating new jobs. And, approximately

\$6,000,000 will be spent during the filming of this movie.

There are three other revenue generating activities that will add economic benefit to the state of Minnesota and create greater awareness of the movie project over the next 18 months.

1) Celebrity All-Star Hockey Charity Game & Gala

A charity hockey game is scheduled for Fall, 1996 at the Minneapolis Target Center. The Celebrity Hockey Team has been playing together for 11 years, and consists of film, television and NHL alumni celebrities. To date, they have raised over \$8 million for charities.

2) High School and Youth Hockey Fund-Raisers

High school and youth hockey organizations will have the opportunity to sell The Boys From Minnesota merchandising sportswear and the movie's soundtrack CD and cassette to raise funds for local hockey clubs.

3) The Boys From Minnesota Premier Charity Event

Another fund raising charity event benefiting selected non-profit organizations will be held in conjunction with the movie's premier.







I N D U S T R Y O V E R V I E W

TODAY'S FILM INDUSTRY

The vitality and health of the motion picture industry has grown in recent years as a result of the skyrocketing demand for programming on a worldwide basis. The major domestic studios (Twentieth Century Fox, Paramount, Universal, Disney, Sony, Warner Bros., MGM) continue to produce and distribute the majority of U.S. films. However, the studios cannot produce all the products they need to distribute on an annual basis, so they acquire additional product from independent filmmakers.

According to industry sources (The Hollywood Reporter and Paul Kagan and Associates), medium budget independent films with a studio distribution deal yield the highest profit ratio. In recent years, independently produced feature films have increasingly dominated Oscar nominations in a variety of categories. All of the 1994 nominations for "Best Film" were independently produced except one.

INDEPENDENT FILMMAKING

Independents normally develop and produce commercial feature films at approximately 50% of the usual "studio" development and production costs because the high cost of studio "overhead" is added to a studio film's production budget.

Today, the challenge for independent filmmakers is to identify and acquire solid, commercial properties, locate a reliable source of independent financing, present a structure to financing sources which addresses their requirements and concerns, then successfully negotiate with the talent agencies, production staff, studios, and distribution entities to deliver the critical elements of the film.

Unfortunately, some film investors have been seduced by the lure of being in "show business" with high-profile individuals who made "big" films,

without closely examining whether those high-profile individuals had made money for their investors. Investors who invested in a person vs. a strong financial structure usually lost money.

The producers of *The Boys From Minnesota* are "investor friendly" and have attempted to reduce the investor's downside risk by creating an attractive film financing structure for the project. This is further discussed in the investment section.

DISTRIBUTION

Each year the (7) major domestic studios release approximately twenty-five feature films each, but may actually only produce eight to ten "in house." The studios must distribute at least twenty-five films annually to pay for their overhead and maintain market share. To make up the difference between what they actually produce and what they need to release, the studios acquire films from "independent" filmmakers on a "negative pick-up" or "distribution deal" basis.

In a "negative pick-up" deal, the independent filmmaker receives a commitment from a studio (usually prior to going into production) to buy their film at a predetermined price (the negative cost plus a production fee), when they deliver the completed "negative" to the studio. The negative pick-up price is based on the elements - script, budget, genre, production team, talent, and industry relationships. The filmmaker takes the studio's commitment to the bank, discounts the contract, and receives production financing to produce the film.

The producer may also receive a small percentage of back-end "net profits." However, the studio's net profit definition is not favorable to the producer and the studio "owns" the film, totally controlling the distribution and marketing. Few producers realize additional compensation from a traditional "net profit" deal.

A "distribution deal" means the filmmaker finances the film through independent sources (private, institutional or co-venture with a strategic partner), then "licenses" the right to distribute their film to a studio after it is completed. The value of having a "distribution deal" vs. "negative pick up" is that the producer controls the copyright, distribution and marketing of the film, and may be able to negotiate lower licensing fees and better terms from distributors. If the film is moderately successful, the producer and their investors may realize more revenue over the long-term than if they agree to a "negative pickup deal" vs. a distribution deal.

In a normal distribution deal, the studio or distributor puts up all the Prints & Advertising (P&A) and marketing money. The P&A expense is recouped against the gross "box office" revenues collected after the exhibitors fee. Then the distribution fee of 40-50% is deducted before moneys flow to the production company.

Foreign distribution involves selling the rights to the picture for a set fee, on a territory-by-territory basis. The foreign fees depend on the genre of the film, the talent attached, and the domestic distributor involved.

MARKETING

The ingredients which make a motion picture successful include a number of elements - a solid story, a competent production team, recognized actors with a "defined-acceptance rating by distributors", high production values, and a well-executed distribution and marketing plan.

TBFM will implement a comprehensive marketing program, using both in-house and contracted support services. The key areas within marketing include audience and market research, media placement, exhibitor fulfillment services and

additional creative services for publicity and special promotions.

The Appeal

The Boys From Minnesota appeals to several significant segments of the movie viewing audience - baby boomers, hockey and sports fans, Generation X, and individuals who enjoy coming-of-age" or "relationship" films.

Recent trends have shown that if a film's subject matter is part of the popular culture (i.e., hockey and "coming-of-age"), it sets the stage for greater audience appeal. This coupled with positive reviews and strategic advertising create "heat" around the project and increase demand to see the film.

Advanced publicity in magazines and newspaper articles, plus public appearances by the cast or producers on current TV shows, set the stage for "word-of-mouth" advertising. The Producers will exploit the promotional elements of the film prior to, and during, release.

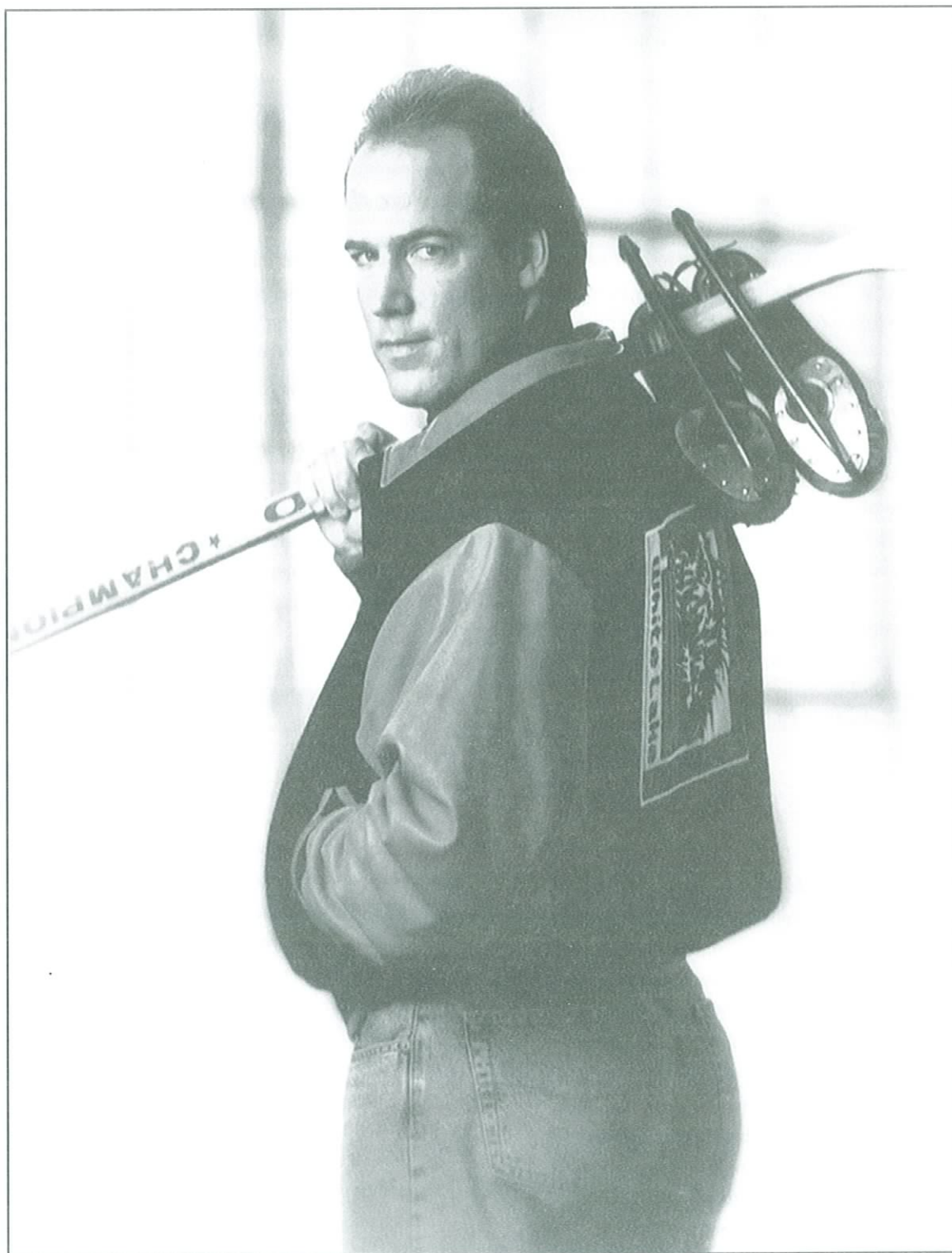
The Genre

Films are segmented by different types or genres. The genre of a film will often be the deciding factor in who will attend.

Release/Timing

The release of the picture will depend upon several elements: the completion date, competition from other films in the same genre, and the desires of the distributors. It was traditional for producers to release their films during the "peak seasons" (Christmas and summer), but this is no longer true. Successful films are now released throughout the year.

Market and audience research conducted prior to a picture's release (test screenings, regional exhibitor screenings and sneak previews) will also play a part in the timed release of the project.





M E R C H A N D I S E

MERCHANDISE

THE TEAM

A highly experienced and qualified design, merchandising and marketing team has been organized by BFM Films, Inc. to create, manufacture and sell merchandise for "The Boys From Minnesota" Limited Partnership.

Cathy Fideler, owner of Sheba Concept & Design

Cathy has been engaged by BFM Films Inc. as the Art Director and Production Coordinator for TBFM Film Project. Ms. Fideler has designed "The Boys From Minnesota" movie logo, the logo for the fictional Minnesota high school team in the movie, the White Lake Wolves, created the TBFM Merchandise line and catalog, TBFM Corporate Identity Stationary, Merchandise Corporate Identity Stationary, Fundraising Order Form, Celebrity All-Star Marketing Piece, and all marketing support pieces for the project.

Michael Vacanti, owner of Concept Marketing & Development

Michael has a solid and diverse background that includes an extensive background in hockey, sports merchandise on a national level, sportswear manufacturing, sports licensing and marketing. BFM Films, Inc. has engaged his services as the Director of Marketing and Sales for the TBFM Merchandise. He greatly assisted in the creation of the high quality TBFM sportswear line and organized all the manufacturing. He will be instrumental in all phases of the Direct Mail Programs, Fund Raising Programs and Retail Distribution.

Bob Fallen, owner of Sport F/X

Bob represents a wide variety of clients that include the Hobey Baker Award, United States Army, USA Hockey and the United States Hockey Hall of Fame. He has been engaged by BFM Films, Inc. to apply his extensive professional sports marketing experience towards the TBFM merchandise and Celebrity All Star Hockey Game in strategic

marketing planning, public relations, advertising and distribution.

Susan Evans, owner of Evans Larson Communications

Evans Larson specializes in innovative and strategic communications. Her company has partnered with publishing, entertainment, sports and non-profit companies that include the Minnesota Children's Museum, Grand Casinos, Inc., Minnesota Monthly, and the Uptown Art Fair. Evans Larson has been engaged by BFM Films Inc. to create a clear, concise marketing program that can be implemented throughout the entire project. This will include the TBFM merchandising, soundtrack, financing, advertising, public relations, Celebrity All-Star Hockey Game, TBFM documentary, film production and release.

Tom Rothstein, owner of Direct, A Marketing Services Company

Tom brings together a majority of all the services that BFM Films needs for it's direct mail program, fund raising programs and retail merchandising. Direct Marketing has been engaged to provide the following services: Data Base Processing and List Maintenance, State-of-the-Art Web Printing, Envelope Manufacturing and Converting, Personalization, Laser Imaging, Incoming and Outgoing Telemarketing, Order Fulfillment, Customer Service, Mailing, Inventory Storage and Credit Card Processing.

MARKETING PROGRAM

Below is an up-to-date summary of The Boys From Minnesota marketing campaign.

Minnesota State High School Hockey Tournament

In the first week of March, TBFM Merchandise generated it's first sales and revenue for the Partnership by advertising in the 1996 Boys State

High School Hockey Program and had a booth at the Let's Play Hockey Trade Show. A tremendously positive response resulted in thousands of dollars in retail sales and over 250 people filled out a card to receive the TBFM Merchandise Catalog.

Youth Hockey Fund Raising Program

The Minnesota Amateur Sports Commission, Minnesota Amateur Hockey Association, Minnesota High School Coaches Association and Minnesota State High School League. BFM Films, Inc. will be implementing a fund raising program using the TBFM merchandise. BFM Films, Inc. has been working with Tom Duffy, Chairman of MASC; Paul Erickson, Executive Director of MASC Art Sprague, Vice President of Publicity and Promotions for MAHA; Jon Bittner, Executive Secretary of the Minnesota Hockey Coaches Association; and David Stead, Executive Director of the State High School League.

These organizations will have the opportunity to use a specially created TBFM Fundraising Order form that will make it simple for each non-profit group to organize, educate and train the members of their organization. The program has been designed to provide any non-profit groups, locally and nationally an alternative fund raiser solution.

Direct Mail Campaign

A direct mail campaign will be implemented in April and will be mailed to over 60,000 homes with a majority being sent to the MAHA members, Minnesota State High School Tournament Ticket Season Holders, High School Coaches, High School Athletic Directors, and the Youth Hockey Fundraising Chairpersons. Over the next eight months leading up to the Christmas Season another approximately 500,000 catalogs will be sent out to a very focused and targeted consumer audience.

Retail Distribution

Retail accounts will be set up in Minnesota starting later in 1996 and supported by a public relations campaign and advertising program. This will include a extensive newspaper, magazine, and TV public relations blitz along with advertising on billboards, bus stops, and busses. National retail distribution advertising will target pro hockey video scoreboards before and during the release of the movie.

MUSIC PRODUCTION & MARKETING PROGRAM

Jim Nickel of Pachyderm Recording Studios in Cannon Falls Minnesota is producing The Boys From Minnesota music soundtrack. Pachyderm has recorded platinum-selling projects that include groups such as Soul Asylum, Live and Nirvana. Jim has already recorded five original songs and a Beatle's classic to create a CD sampler. By August of 1996 there will be a completed soundtrack that will be marketed along with the TBFM merchandise. The soundtrack will be sold as a CD and cassette in retail stores, by direct mail and the youth fundraising programs.



