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Film Business Buster™
s m a r t c o n t r a c t



A WHITEPAPER

FOR A



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- **The Film Business** occurs when a great story is well told to the right audience and it's box office is **three times** greater than the total production, distribution & marketing costs.

- **The Film Industry** is composed by an economically powerful oligopoly made up by Walt Disney (16%)¹, Warner Bros (15%)¹, Universal Studios (12%)¹, Sony Pictures (12%)¹, Paramount Pictures (11%)¹ & 20th Century Fox (11%)¹ all headquartered in or around Los Angeles (**Hollywood**), CA, United States (**U.S.**), and **800+** independent producers (23%)¹, which all together generated **\$39 Billions (MM)**² at the box office during 2016.

- **The Top Film Markets** as of 2016² are the **U.S./Canada (\$11.4MM)** and **China (\$6.6MM)**, followed by Japan (\$2MM), India (\$1.9MM), United Kingdom (**U.K.**) (\$1.7MM), France (\$1.6MM), Korea (\$1.5MM), Germany (\$1.1MM), Australia (\$0.9MM), Mexico (\$0.8MM), Brasil (\$0.7MM), Italy (\$0.7MM), Russia (\$0.7MM) and Spain (\$0.7MM).

- **The Top Film-Producing Countries** during 2018³ were the **U.S. (1,335)**, **U.K. (338)**, **China (330)**, **France (274)**, **India (260)**, **Japan (141)**, **Canada (136)**, **Korea (136)**, **Germany (126)**, **Spain (155)**, **Russia (137)**, **Italy (125)**, **Australia (79)**, **Brasil (53)** and **Mexico (43)**.

- **Independent Film Producers** conceive, develop, produce, distribute, market, collect box office proceedings, pay taxes and distribute profits to investors. In other words, they are the only ones accountable for the success or failure of a film project.

- **Independent Film Financing** is traditionally enabled by wealthy investors seeking to reduce capital taxes (<39%) and to obtain yields higher (>10%) than those delivered by bonds and savings (1%-2%). Specialty film boutique banks get involved, for a ~2% interest rate and a ~6% commission fee, by picking out film projects with **A-List talents** or "**bankable celebrities**" attached as a guarantee.

- **The Success Disconnect** occurs when specialty film boutique bankers or investors believe that **A-List talents** are the main drivers for the financial success of films; although celebrities do haul large initial targeted audiences to the premiere **it is the story or screenplay what really wins audiences**, which generates the most effective marketing tool ever: **word-of-mouth**. No investor nor specialty film boutique bankers has ever read a screenplay.

A-List talents will read screenplays of independent film projects from a trusted and **known writer-producer-director** or from a **not yet known producer** if at least \$1M of the production funds are secured. An **A-List talent** who enjoys the story will most likely partake in a "**low-budget**" film, that is a production budget between \$3M and \$10M, at a Screen Actor Guild's rate, instead of their celebrity salaries, and will legally attach themselves to it through a **Letter of Intent**, which will instantly trigger the additional financing needed at film boutique banks.

- **A Film Boutique Bank Paradox** occurs when the film projects that get financing to be produced are the ones that have **bankable celebrities** attached, be them **A-List talents** and/or **known producers-directors**, who are **already established** in the Film Business, usually by having a lot of luck, while keeping new film projects with high quality screenplays excluded and out the film industry.

- **The Independent Film Market** generated close to **\$9 MM** in theater ticket sales, or box-office, during 2016²; this amount excludes all additional **ancillary** (non-theatrical) **market revenues**, such as Video-On-Demand (**Netflix, Amazon Prime, HBO GO**), Satellite Networks, Cable Networks, International Film Markets, International Television Markets (**MIPCOM, NATPE**) and DVD/Blu-Ray retail sales (**Walmart, Target**). The Independent Film Producers usually manage **low-budget** films.

¹ the-numbers.com/market/distributors

² mpaa.org/wp-content/uploads/2017/03/2016-Theatrical-Market-Statistics-Report-2.pdf

³ the-numbers.com/movies/production-countries/#tab=territory

• The **Latent Opportunity** lies in the *60 million Hispanics/Latinos (LatinX)* living in the U.S.⁴, bilingual or not, and specifically within the *8.3 million LatinX frequent moviegoers (go to the movies once a month or more)*² who yearn to see good stories they can relate to and familiar faces playing roles they can identify with.

• The **Size of the Opportunity**² starts at the 8.3 million LatinX frequent moviegoers by 12 (minimum cinema visits) and by \$10 (~ticket price in cities with largest LatinX population), resulting in a minimum of **\$996 Millions (M), year after year**; and a maximum of **\$2.3MM**, based on the 21% share of the U.S./Canada tickets bought by LatinX. The range [**\$996M-\$2.3MM**] does not account additional revenues generated in *perpetuity* from ancillary markets.

• The **Proof of the Opportunity** shown in the following table summarizes the top-three highest-grossing LatinX films, which all happen to be *drama-comedy films*, produced and distributed primarily to the **LatinX audience**, bilingual or not, living in the U.S. and then later distributed to a few additional film markets.

Title ⁵	Prod. Budget	Dialog in Spanish	Latino Talent	Dialog in English	Caucasian Talent	Genre	U.S. Box Office	Mexico Box Office	Total ⁵ Box Office
Instructions Not Included (2013)	\$5M	80%	80%	20%	20%	Comedy	\$40M	\$60M	\$100M
How To Be a Latin Lover (2017)	\$12M	20%	20%	80%	80%	Comedy	\$32M	\$30M	\$62M
Overboard (2018)	\$12M	50%	50%	50%	50%	Comedy	\$50M	\$35M	\$85M

• A **“Profitable Low-Budget Film” Study** conducted by the **American Film Market**⁶ over more than 3,000 low-budget films that actually delivered a profit margin for producers, revealed that these films could be grouped into four distinctive genre: **a) drama films** (60%) that gave insight into the minds of interesting characters, also known as *character study* dramas, **b) high-concept horror** which have a very clear, simple premise that promises a dark, scary movie, **c) crowd-pleasers** or *comedy films* that delivered a fun time for a very specific audience; these movies are likely to be *best enjoyed with a group of friends or family who can directly relate to the characters on-screen* and **d) breakout documentaries** (0.1%).

The **American Film Market** study also revealed two fundamental lessons for the independent filmmaker: First, the budget needs to be managed and invested appropriately in areas that most appeal to the specific audience. Second, quality counts; although with a modestly larger low-budget (>\$5M), you may be able to draw in an **A-List or well-known talent**, getting a *great story and a great screenplay* is the most important step to creating a financially successful film.

• The **Filmmaking Process** usually starts with an idea of a story, which then gets written, talent attached, eventually financed, planned to be produced, shot or filmed, edited, visual special effects added, sound effects created, original music produced or existing music licensed and then packaged or rendered into a final reel; these sequential tasks are generally grouped under three stages: **Pre-production, Production & Post-production**.

• The **Film Business Cycle** begins with a final reel or copy at hand from which a trailer is produced, then it's taken to the market where distribution is intended, distributors or movie theater chains are approached, distribution deals are signed, film copies are reproduced and dispatched, elaborate marketing campaigns are developed and implemented in accordance with a precise premiere schedule.

⁴ [census.gov/data/tables/2019/demo/hispanic-origin/2019-cps.html](https://www.census.gov/data/tables/2019/demo/hispanic-origin/2019-cps.html)

⁵ [the-numbers.com](https://www.the-numbers.com) + search [Title].

⁶ [americanfilmmarket.com/types-3m-10m-films-break/](https://www.americanfilmmarket.com/types-3m-10m-films-break/)














Inspired targeted audiences attend movie theaters to satisfy their entertainment and recreational expectations, movie theaters make money by selling tickets, popcorn, hot dogs, chocolate bars, candies, water and soft drinks, and when audiences are delighted by a memorable cinematic experience, a word-of-mouth effect gets ignited and more audiences are compelled to see the film, then the producer/distributor collects the box office (minus the movie theater and/or the distributor percentage), local income taxes are paid and finally net profits are distributed to the investors. These elaborate and capital intensive stages are usually grouped as: **Go-to-market, Distribution, Marketing, Box-Office Collection & Net Profit Distribution**.

• **The Screenplay** is again a key factor for any film project success. Unlike traditional **Independent Film Financing** through specialty film boutique bankers who never risk nor lose money since they take their fees and interest up front, but the real **stakeholders (investors)** do take significant risks since they never get to read the screenplay, the **Film Business Buster™** overcomes the **Success Disconnect**.

In fact, even within **Hollywood** most producers don't even read screenplays, instead they receive a script coverage⁷ from their young and eager assistants, and then produce those *"recommended"* film projects that have attached *"known & trusted celebrities"*. This is one of the reasons why only 51% of **Hollywood** films actually make a profit⁸.

Therefore the **Film Business Buster™** enables and empowers all **New Film Token** holders to make a smart and informed business decisions by providing them with exclusive access to the **Screenplay**; reading the screenplay is a non-deferrable task that all visionary investors or stakeholders should undertake.

A film viewer does not have to be a *"movie-expert"* in order to enjoy a great story. Likewise, there are no *"script-reading"* skills required to understand and appreciate a sound story with a well-structured screenplay other than: **a)** setting aside **two (02) hours** to read without interruptions within a cozy and quiet place, **b)** take a 5-minute break afterwards, and **c)** follow the below checklist⁹ to determine if indeed the **Screenplay** is a great story, or not.

-  The characters and the story pass the test of time.
-  The reader or the audience is hooked at page 10 or minute 10.
-  The end leaves a good feeling on the audience.
-  The story breaks the mold.
-  The story is honest and hopeful.
-  The story reflects the world as it is.
-  The story is new, strange, smart and emotionally honest.
-  The story is perpendicular to the political narrative, but it sheds light on it.
-  The story reveals something moving and deep about the characters.
-  The end provides a relief or resolution of something, if not everything.
-  The story is sincere about the perspective, lifestyles, struggles and joys of real people.
-  The protagonist completes its character 's arc.
-  The ending takes place in the parking of the theater.

⁷ wescreenplay.com/blog/what-is-script-coverage



⁸ stephenfollows.com/hollywood-movies-make-a-profit

⁹ vulture.com/2017/10/7-hollywood-gatekeepers-on-what-they-look-for-in-a-script.html

• The Film Business Buster™ Smart Contract will enable all New Film Token holders to: **a) access** The Screenplay, Letters of Intent and Financial Records, **b) exercise** voting rights on five (05) critical financing gates which enable the successive filmmaking process and/or film business cycle stages, and **c) receive in perpetuity** the net profits from all the New Film's multiple revenue sources. The Film Business Buster™ will also enable highly talented but industry-excluded screenwriters to **d) submit** Screenplays for **estudios amazonia** to review, select, executive-produce and co-produce according to a predefined criteria, including story quality, film budget and their target market-audience opportunity, among other elements later to be published.



The Film Business Buster™'s functions will act as gatekeepers of all New Film Project's funds throughout the filmmaking process and film business cycle. The code for the Film Business Buster™ will be open and available for anyone to review <https://github.com/estudios-amazonia/FilmBusinessBuster>.

• **estudios amazonia**¹⁰ is a production studio registered in 2005 as **estudios amazonia c.a.** and headquartered in Caracas, Venezuela with an operating office in Granada, Spain; it is owned by **g.a. mercado** (career profile  ) , who also conceived and developed the **Film Business Buster™**.

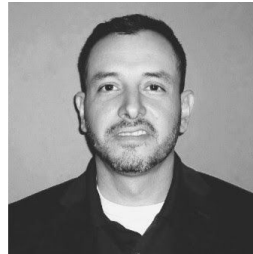
• The Film Business Buster™ Production Leadership Team



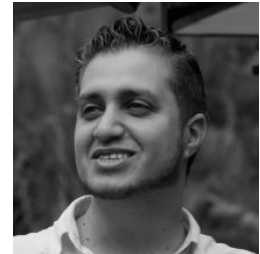
g.a. mercado is a business strategy consultant, **writer, producer, director** and mind behind the **Film Business Buster™**.



tiby esteves is a business advisory consultant, certified english-learning facilitator, producer and **executive producer**.



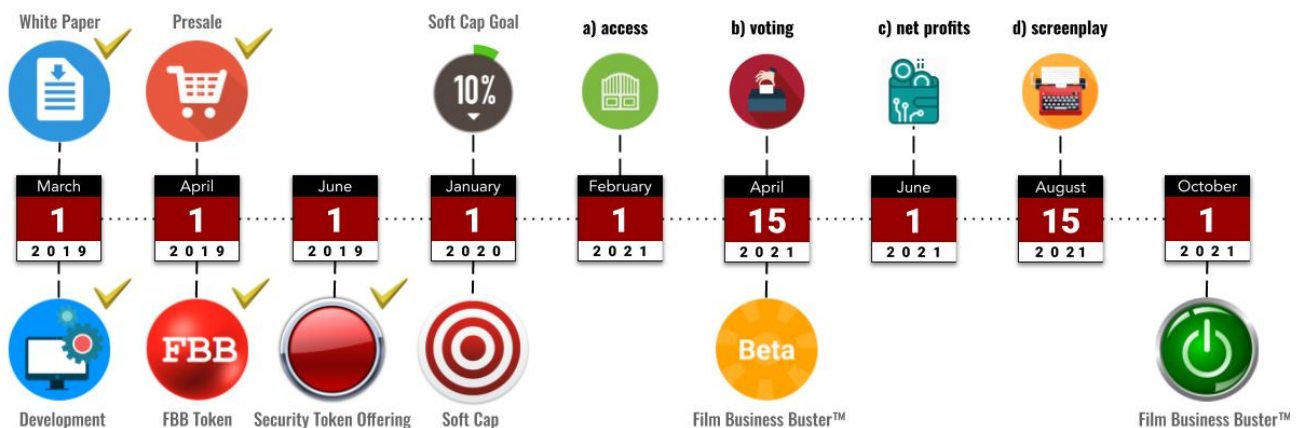
ed mercado is a business connectivity consultant, certified interpreter, logistics coordinator, construction manager and **production manager**.



dann sánchez is a business creativity consultant, sound engineer, music producer, musician and **co-producer**.

• The **Film Business Buster™ Drivers for Success** are twofold: first, the **Screenplay** which will be available for reading to all **New Film Token** holders via the **Film Business Buster™**; and second, **estudios amazonia** or **writer/producer/director, executive producer** and **co-producer's** capabilities to a) attach an **A-List** or well-known talents to the **New Film** and inspire them to put forward a brilliant ***mise en scène***, and b) to assemble a terrific production team and effectively lead them to deliver a beautiful and memorable ***cinematic experience***.

• The Film Business Buster™ Road Map



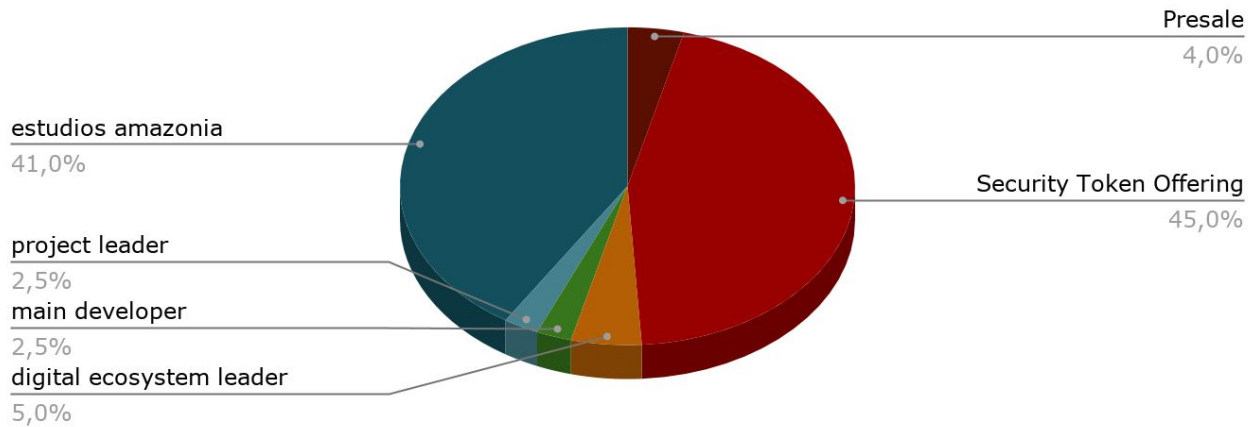
¹⁰ estudios-amazonia.com

• **The Ethereum Network**¹¹, has been chosen as the platform in which to develop and issue **Film Business Buster™ Smart Contract** and the **Film Business Buster™ (FBB) Token (ERC-20)**. All FBB Token transactions (Presale, Security Token Offering) will be available for anyone to review via the **Ethereum Blockchain Explorer**¹².

• The **Film Business Buster™ Financial Architecture** will be formed by a maximum supply of **1,000,000 FBB Tokens**. During the **Presale period [4 weeks]** there will be **40,000 FBB Tokens** available for purchase at **50% discount rate**; and during the **Security Token Offering period [4 weeks]** there will be **450,000 FBB Tokens** available for purchase initially at a **25% discount rate** and such rate will decrease every three weeks as follows:

Presale 200 FBB x 1 ETH 50% Discount	1st Week ICO 20 FBB x 0.15 ETH 25% Discount	2nd Week ICO 20 FBB x 0.16 ETH 20% Discount	3rd Week ICO 20 FBB x 0.17 ETH 15% Discount	4th Week ICO 20 FBB x 0.18 ETH 10% Discount
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Total Planned Distribution of Film Business Buster Tokens



The remaining **510,000 FBB Tokens** will be distributed as follows: **410,000 FBB Tokens** will be owned and controlled by **estudios amazonia**, and **100,000 FBB Tokens** will be distributed among the **team leaders** actively involved.

• **The Film Business Buster™ Technical Team**



azael rondón
technical adviser



g.a. mercado
project leader



ed mercado
digital ecosystem leader

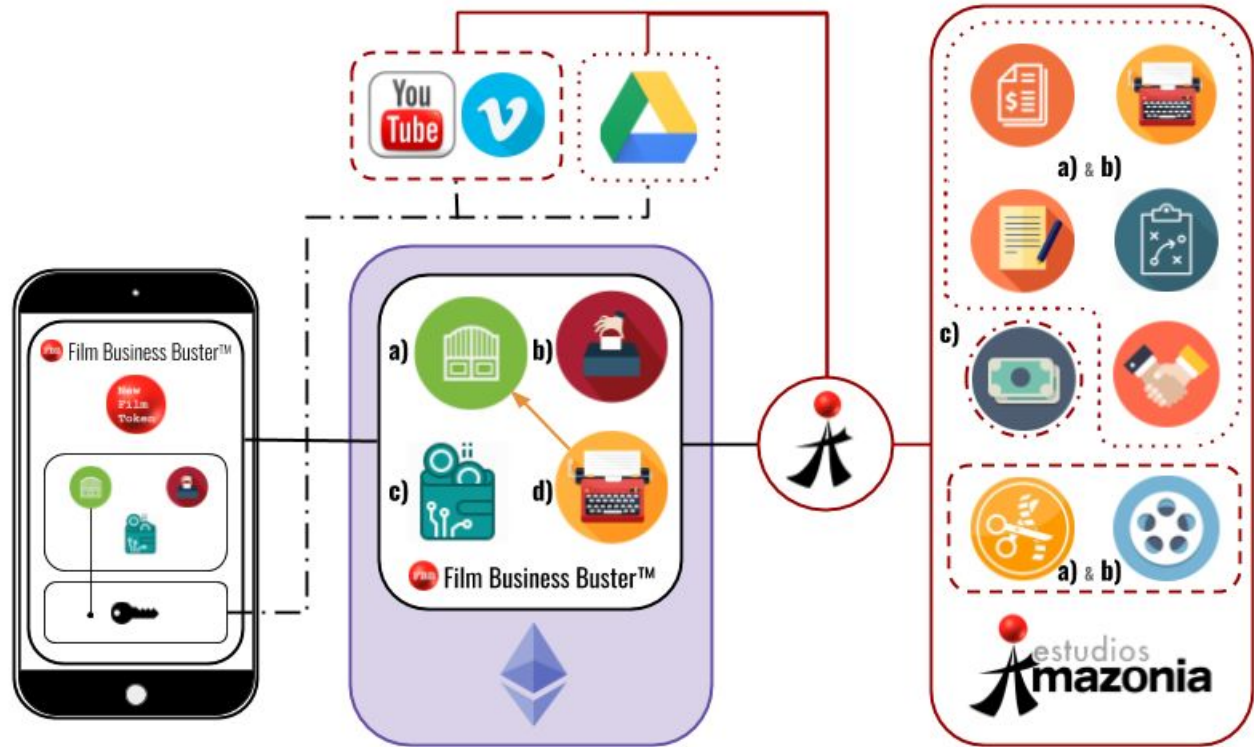


Each **Technical Team Member** will receive **one percent (01%)** of the **FBB Security Token Offering** funds, for having developed and released both a beta version and an impeccable production version of the **Film Business Buster™**.

¹¹ ethereum.org

¹² etherscan.io

• The Film Business Buster™ Architecture



• The FBB Token Holder will **receive in perpetuity** the **10%** of the net profits from all the New Film Projects that were reviewed, selected, executive-produced and co-produced by **estudios amazonia**. TheFaustFlick Token will be the first Film Project to be managed by the Film Business Buster™. All parties interested in the TFF Token should download, read and understand #TheFaustFlick’s WHITEPAPER’s latest version available 🖱️ TheFaustFlick.com.

• #TheFaustFlick is a LatinX **character study drama-suspense-comedy film**, with at least one A-List LatinX talent as main cast, to be produced in Argentina and Venezuela and to be initially distributed in the U.S. in two different language versions; the first one with 80% of the dialog in spanish and the remaining in english; and the second one with 100% of the dialog in english.

• The Film Business Buster™ Legal Framework is regulated by the Bolivarian Republic of Venezuela¹³s National Superintendence of Crypto-Assets and Related Activities, or SUNACRIP¹⁴ (acronym in spanish), ascribed to the People’s Power Ministry for Industries and National Production, and it is in full compliance with the Crypto-Assets Integral Systems (CIS) Law, issued by the Constituent National Assembly¹⁵ on November 20th, 2018.

If mayor or undesirable events were to occur in Venezuela, such as a foreign military invasion or bombing igniting a civil war similar to Afghanistan, Iraq, Libya or Syria, **estudios amazonia** will relocate its headquarters to Granada, Kingdom of Spain and the Film Business Buster™ will abide by the Spanish/European Legal Framework¹⁶.

All parties interested in the FBB Token must download, read and understand this WHITEPAPER’s latest version available 🖱️ FilmBusinessBuster.com prior to acquire them, since this document will be updated periodically.

¹³ en.wikipedia.org/wiki/Venezuela

¹⁴ sunacrip.gob.ve/

¹⁵ en.wikipedia.org/wiki/2017_Constituent_National_Assembly

¹⁶ loc.gov/law/help/cryptocurrency/world-survey.php#spain

- The Film Business Buster™ Terms & Conditions

- a) The Film Business Buster™ (FBB) Tokens are **ERC-20 Security Tokens** made to interact with the Film Business Buster™ Smart Contract.
- b) FBB Tokens are a type of crypto-assets, issued and controlled by **estudios amazonia**, meant to be acquired by a Purchaser who wants to participate in the Film Business Buster™.
- c) Purchasers acknowledge and agree that this entire WHITEPAPER, together with these T&C's, constitute the only agreement between the Purchaser and **estudios amazonia** relating to the Film Business Buster™.
- d) FBB Tokens confer no direct or indirect rights to **estudios amazonia**'s capital or income, nor does it confer any governance rights within **estudios amazonia**.
- e) FBB Tokens are not proof of ownership or a right of control nor confer any rights on any assets or shares of **estudios amazonia**. FBB Tokens do not grant any right to participate in control over **estudios amazonia**'s management or decision-making.
- f) **estudios amazonia**'s business does not consist in receiving fiat currencies against the delivery of FBB Tokens.
- g) Purchasers acknowledge and accept that **estudios amazonia**, g.a. **mercado** or the **screenwriter** (whichever applies) retains sole and exclusive ownership of all intellectual property rights relating to the Film Business Buster™, the FBB Tokens, or any document shared, such as the **Screenplay**, **Letters of Intent** and **Financial Records**, and any audiovisual produced related to **New Film Projects** such as the **Final Reel**, **Making-Of** or **Trailer**.
- h) The technological resources and expertise used to design the FBB Tokens, the Film Business Buster™ and any related documents of any nature, shall remain the exclusive property of **estudios amazonia**.
- i) The Film Business Buster™ will not be used and may cease operations in a given jurisdiction in the event that regulatory actions, or changes to the law, make it illegal to operate in such jurisdiction, or where it is commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.
- j) Purchasers acknowledge and accept that during the **Presale** the value of each FBB Token will be **0.01 ETH** before the applicable discount (see Film Business Buster™ Financial Architecture on p.8) with a minimum contribution of **1 ETH** and a maximum contribution of **1,000 ETH** per wallet.
- k) Purchasers acknowledge and accept that during the **Security Token Offering** period the value of each FBB Token will be **0.01 ETH** before the applicable discount (see Film Business Buster™ Financial Architecture on p.8), with a minimum contribution of **0.15 ETH** and a maximum contribution of **1,000 ETH** per wallet.
- l) Purchasers acknowledge and accept that the FBB Tokens and the Film Business Buster™, created and delivered by **estudios amazonia**, are regulated by the **Bolivarian Republic of Venezuela**'s legal framework. Although the **Crypto-Assets Integral Systems Law** was recently approved, new laws rules may subsequently frame, modify or clarify the practice of these T&C's.
- m) Where necessary, should legislative changes conflict with all or part of these T&C's, **estudios amazonia** reserves the right to amend the T&C's as appropriate, retroactively if necessary, in order to ensure that Film Business Buster™ remains legal and in compliance with **Venezuelan** law.
- n) **estudios amazonia** will respond to any request issued via regular legal processes aimed at obtaining specific information about the Purchasers, particularly in terms of fighting against legalization of capital derived from drug-trafficking or other illegal activities.
- o) Purchasers must seek appropriate financial, tax and other legal and regulatory advice from independent financial advisors with appropriate qualifications to determine whether the purchase of FBB Tokens is adapted to their own situation and authorised for subscription under their own legal and regulatory rules. Any decision to purchase FBB Tokens should be based on the information contained within this white paper and these T&C's.
- p) These T&C's and any contract relationship relating to the Film Business Buster™ created by **estudios amazonia** are governed exclusively by **Venezuelan** law. **estudios amazonia** and the Purchaser agree to seek an amicable settlement prior to bringing any legal action. Failing this, any dispute, of any nature whatsoever, will be brought expressly before the court with jurisdiction over **estudios amazonia**'s registered headquarters, as no document can affect a novation or waiver of this jurisdiction clause.

• The Film Business Buster™ Summary

