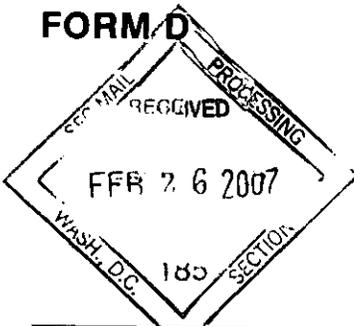


1391955



UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549



FORM D NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATION D, SECTION 4(6), AND/OR UNIFORM LIMITED OFFERING EXEMPTION

Name of Offering (check if this is an amendment and name has changed, and indicate change.) Rogers & Paternoster Productions Limited Liability Company
Filing Under (Check box(es) that apply): Rule 504 Rule 505 Rule 506 Section 4(6) ULOE
Type of Filing: New Filing Amendment

PROCESSED

A. BASIC IDENTIFICATION DATA

I. Enter the information requested about the issuer
Name of Issuer (check if this is an amendment and name has changed, and indicate change.) Rogers & Paternoster Productions Limited Liability Company
Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)
c/o WestBeth Entertainment, LLC 111 West 17th Street, 3rd Floor, New York, NY 10011 212-691-2272
Address of Principal Business Operations (if different from Executive Offices) (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)
212-924-7185

MAR 05 2007

THOMSON FINANCIAL

Brief Description of Business
Limited Liability Company set up to raise capital for theatrical production to be presented initially Off-Broadway

Type of Business Organization
corporation limited partnership, already formed other (please specify): Limited Liability Company, already formed
business trust limited partnership, to be formed

Actual or Estimated Date of Incorporation or Organization: Month Year
Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction)

GENERAL INSTRUCTIONS

Federal:
Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).
When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering.
Where To File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.
Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed.
Information Required: A new filing must contain all information requested.
Filing Fee: There is no federal filing fee.

State:
This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made.

ATTENTION
Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

Handwritten signature

**A. BASIC IDENTIFICATION DATA**

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer.
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Jim Rogers

Business or Residence Address (Number and Street, City, State, Zip Code)

8 Janes Lane, Lloyd Harbor, NY 11743

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Paul Paternoster

Business or Residence Address (Number and Street, City, State, Zip Code)

7 Halyard Court, Cold Spring Harbor, NY 11724

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

**B. INFORMATION ABOUT OFFERING**

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? .....  Yes  No  
 Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual? ..... \$ 2,500.00
3. Does the offering permit joint ownership of a single unit? .....  Yes  No
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if the answer is "none" or "zero." If the transaction is an exchange offering, check this box  and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt .....	\$ _____	\$ _____
Equity .....	\$ _____	\$ _____
	<input type="checkbox"/> Common <input type="checkbox"/> Preferred	
Convertible Securities (including warrants) .....	\$ _____	\$ _____
Partnership Interests .....	\$ 500,000.00	\$ 0.00
Other (Specify _____) .....	\$ _____	\$ _____
<b>Total</b> .....	<b>\$ 500,000.00</b>	<b>\$ 0.00</b>

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors .....	0	\$ 0.00
Non-accredited Investors .....	0	\$ 0.00
<b>Total (for filings under Rule 504 only)</b> .....	_____	\$ _____

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C — Question 1.

Type of Offering	Type of Security	Dollar Amount Sold
Rule 505 .....	_____	\$ _____
Regulation A .....	_____	\$ _____
Rule 504 .....	_____	\$ _____
<b>Total</b> .....	_____	<b>\$ 0.00</b>

4 a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the insurer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees .....	<input type="checkbox"/> \$ 0.00
Printing and Engraving Costs .....	<input type="checkbox"/> \$ 0.00
Legal Fees .....	<input checked="" type="checkbox"/> \$ 5,000.00
Accounting Fees .....	<input type="checkbox"/> \$ 0.00
Engineering Fees .....	<input type="checkbox"/> \$ 0.00
Sales Commissions (specify finders' fees separately) .....	<input type="checkbox"/> \$ 0.00
Other Expenses (identify) _____ .....	<input type="checkbox"/> \$ 0.00
<b>Total</b> .....	<input type="checkbox"/> \$ 5,000.00

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

b. Enter the difference between the aggregate offering price given in response to Part C — Question 1 and total expenses furnished in response to Part C — Question 4.a. This difference is the "adjusted gross proceeds to the issuer." .....

\$ 495,000.00

5. Indicate below the amount of the adjusted gross proceed to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C — Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments to Others
Salaries and fees .....	<input type="checkbox"/> \$ 10,000.00	<input type="checkbox"/> \$ 50,800.00
Purchase of real estate .....	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 0.00
Purchase, rental or leasing and installation of machinery and equipment .....	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 0.00
Construction or leasing of plant buildings and facilities .....	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 0.00
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger) .....	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 0.00
Repayment of indebtedness .....	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 0.00
Working capital .....	<input type="checkbox"/> \$ 0.00	<input type="checkbox"/> \$ 0.00
Other (specify): <u>Physical Production \$76,750 / Advertising, Press &amp; Publicity \$102,500 /</u> <u>General Administration \$61,750 / Bonds &amp; Deposits \$15,000 / Audition &amp; Rehearsal</u> <u>Expenses \$8,200 / Reserve \$175,000</u> .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ 434,200.00
Column Totals .....	<input type="checkbox"/> \$ 10,000.00	<input type="checkbox"/> \$ 485,000.00
Total Payments Listed (column totals added) .....	<input type="checkbox"/> \$ 495,000.00	

**D. FEDERAL SIGNATURE**

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) Rogers & Paternoster Productions Limited Liability C	Signature 	Date February 20, 2007
Name of Signer (Print or Type) Jim Rogers	Title of Signer (Print or Type) Managing Member	

**ATTENTION**

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

OPERATING AGREEMENT

OF

ROGERS & PATERNOSTER PRODUCTIONS  
LIMITED LIABILITY COMPANY

to produce the play currently entitled

*ESCAPE FROM BELLEVUE*  
(the "Play")

written by Christopher Campion, Thomas Licameli and Philip Mastrangelo  
(collectively and jointly and severally, the "Author")

with capitalization of \$500,000

Managing Members:  
Paul Paternoster  
Jim Rogers

Dated: February 20, 2007

## OPERATING AGREEMENT

OF

### ROGERS & PATERNOSTER PRODUCTIONS LIMITED LIABILITY COMPANY

THIS OPERATING AGREEMENT is made as of this 20<sup>th</sup> day of February, 2007, by and between Paul Paternoster ("Paternoster") and Jim Rogers ("Rogers") having an address c/o WestBeth Entertainment, 111 West 17<sup>th</sup> Street, New York, NY 10011 on the one hand (individually and collectively and jointly and severally hereinafter referred to as the "Managing Members" of the Rogers & Paternoster Productions Limited Liability Company), and such parties who from time to time execute this Agreement as Regular Members of the Rogers & Paternoster Productions Limited Liability Company (the "Company") on the other hand.

#### WITNESSETH:

WHEREAS, the parties hereto desire to become members of a limited liability company under and subject to the laws of the State of New York;

WHEREAS, the parties desire to enter into this Operating Agreement to express the terms and conditions of the Company and their respective rights and obligations with respect thereto; and

WHEREAS, the parties desire Paternoster and Rogers to act as the Managing Members of the Company and to be the only Authorized Persons to act on behalf of the Company.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and conditions herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged by each party to the others, the parties hereto, for themselves, their respective heirs, executors, administrators, successors and assigns, hereby agree as follows:

1. The following terms as used herein shall have the following meanings:
  - (a) "Adjusted Net Profits" shall mean Net Profits less such sums as are paid to persons, if any, who in the sole discretion of the Managing Members, provide unusual creative or other services or productions hereunder, it being understood that any person entitled to receive such payments shall not be a Managing or Regular Member or holder of an economic interest in the Company as a result of such entitlement;
  - (b) "Agreement" shall mean the Operating Agreement as set forth herein and as amended from time to time, as the context requires. Words such as "herein",

“hereinafter”, “hereof”, “hereby” and “hereunder”, when used in reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires:

(c) “Articles of Organization” shall mean the document filed with the Department of State of the State of New York, for the purpose of forming a limited liability company pursuant to the laws of the State of New York;

(d) “Authorized Persons” shall mean Paternoster and Rogers who are the Managing Members of the Company and the only persons authorized to act on behalf of the Company in carrying on the business of the Company;

(e) “Bankruptcy” as to any Person hereunder shall mean the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Act of 1898 or the Bankruptcy Code of 1978 or like provisions of law (except if such petition is contested by such Person and has been dismissed within ninety (90) days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition of application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of such Person’s assets; or the commencement of any proceeding(s) relating to such Person under any reorganization, arrangement, insolvency, adjustment of debt, or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates approval of such proceeding, consents thereby or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within ninety (90) days;

(f) “Capital Contribution” shall mean the total amount of money contributed to the Company by a Regular Member in return for a share of Company’s Net Profits, as more fully described herein;

(g) “Company” shall mean the membership formed pursuant to this Agreement as such membership may from time to time be constituted;

(h) “Expenses” shall mean contingent expenses and liabilities, as well as unmatured expenses and liabilities, and until the final determination thereof, the Managing Members shall have the absolute right to establish, as the amount thereof, such sums as they, in their sole discretion, shall deem advisable;

(i) “Gross Receipts” shall mean all sums derived by the Company from the exploitation or turning to account of Company’s rights in the Play (which shall be acquired from the Managing Members upon formation of the Company) including, without limitation, all proceeds derived by the Company from the liquidation of the physical production of the Play at the conclusion of the run thereof, and from the return of bonds and other recoverable items included in the Production Expenses;

(j) “Interest” shall mean a Regular Member’s total interest in the Company as a Regular Member, including the Regular Member’s interest in the Company’s profits

(less distributable cash or other distributions), rights to vote or participate in the management of the Company and rights to information concerning the business and affairs of the Company:

(k) "Net Profits" shall mean the excess of Gross Receipts over all Production Expenses, Running Expenses and Other Expenses, which shall include any Production Expenses incurred or paid out by the Managing Members prior to Total Capitalization of the Company, for which Managing Members shall be reimbursed thereupon, or sooner if front money is furnished for this purpose:

(l) "Notice" shall mean a writing containing the information required by this Agreement to be communicated to any Person, personally delivered to such Person or sent by registered mail, postage prepaid, to the last known address of such Person. The date of personal delivery or the date of mailing thereof, as the case may be, shall be deemed the date of receipt of such Notice:

(m) "Play" shall mean the five-character play written by Christopher Campion, Thomas Licameli and Philip Mastrangelo (collectively, the "Author") and currently entitled, *Escape From Bellevue*;

(n) "Option Period" shall mean the term commencing as of February 20, 2007, and ending eighteen (18) months thereafter, unless extended for an additional twelve (12)-months thereafter, pursuant to the terms of the Production Agreement between the Managing Members as Producer and Author, which such Production Agreement shall be assigned to Company upon its formation. A copy of said Production Agreement may be examined at the office of Tiffany R. Almy, Counsel for Company, Almy & Associates PLLC, 75 Gold Street, Suite 1, Brooklyn, NY 11201 ("Legal Counsel").

(o) "Other Expenses" shall mean any and all expenses of whatsoever kind or nature (other than Production Expenses and Running Expenses) actually and reasonably incurred in connection with the operation of the business of the Company, including, without limitation, commissions paid to agents and monies paid or payable in connection with claims for plagiarism, libel, slander and negligence, if any;

(p) "Person" shall mean any individual, partnership, corporation, joint venture, trust, business trust, cooperative or association and the heirs, executors, administrators, successors and assigns thereof, where the context so admits. All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the Person referred to may require;

(q) "Production Agreement" shall mean the option agreement dated as of February 20, 2007 between the Managing Members (as "Producer") and Author pursuant to which the Managing Members have acquired and will assign to Company upon its

formation certain theatrical stage production rights in and to the Play and certain other and subsidiary rights therein;

(r) "Production Expenses" shall mean fees and costs which shall include, without limitation: fees of the director and designer(s); costs of sets, curtains, drapes, costumes, properties, furnishings, electrical equipment; the premiums for bonds and insurance; cash deposits with the Actors' Equity Association and/or other similar organizations by which, according to custom or usual practices of the theatrical business, such deposits may be required to be made; advances to Author; rehearsal charges and expenses; transportation charges; cash office charges; reasonable legal and auditing expenses; advance publicity; theatre costs and expenses; and all other expenses and losses of whatever kind actually incurred in connection with the production of the Play preliminary to the official opening of the Play. The Managing Members have heretofore incurred or paid, and, prior to the inception of the Company, may incur or pay further Production Expenses as set forth herein, and the amount thereof shall be included in the Production Expenses of the Company, and upon Total Capitalization, the Managing Members shall be reimbursed for the expenses so paid by them, or sooner if front money is furnished for this purpose;

(s) "Regular Member" shall mean a member of the Company making a Capital Contribution to the Company. Regular Members do not have votes, nor do they have authority to act on behalf of the Company. A Managing Member may also be a Regular Member if such Managing Member makes a Capital Contribution to the Company;

(t) "Running Expenses" shall mean all expenses, charges and disbursements of whatever kind actually incurred in connection with the operation of the Play which shall include, without limitation: royalties and/or other compensation to or for Author, business and general managers, director, choreographer, orchestrator, cast, stage help, transportation, cash office charge, reasonable legal and auditing expenses, theatre operating expenses and any and all other expenses and losses of whatever kind actually incurred in connection with the operation of the Play, as well as taxes of whatever kind and nature other than taxes on the income of the respective Regular Members and Managing Members. Such Running Expenses shall include, without limitation, payments made in the form of Gross Receipts as well as participation in Net Profits to or for any of the aforementioned Persons, services, or rights;

(u) "Subscriber" shall mean a Person or entity who invests in the Company and purchases an Interest as a Regular Member;

(v) "Total Capitalization" shall mean receipt by the Company of Capital Contributions totaling a maximum of five hundred thousand dollars (\$500,000); and

(w) "Unit" shall mean an Interest equal to a one percent (1%) share of the Net Profits of the Company sold to a Subscriber in return for such Subscriber's individual Capital Contribution of ten thousand dollars (\$10,000). Fractional Units will share

proportionately. The aggregate number of Units sold will entitle the Subscriber thereof to fifty percent (50%) of the Net Profits of the Company.

2. (a) The parties hereto shall form a limited liability company pursuant to the laws of the State of New York. The Company shall conduct its business and promote the purposes stated herein under the name "Rogers & Paternoster Productions Limited Liability Company" or such other name or names as the Managing Members from time to time may select. The address of the principal office of the Company shall be c/o WestBeth Entertainment, LLC, 111 West 17<sup>th</sup> Street, New York, NY 10011, Attn: Arnold Engelman, or such other place or places as the Managing Members shall select. Notice of any change in Company's principal office shall be given to the Regular Members.

(b) Except as otherwise provided herein, the purpose of the Company shall be to produce and present the Play initially Off-Broadway in New York City to open before the expiration of the First or Second Option Period under the Production Agreement, and to otherwise exploit and turn to account rights held by Company in connection with the Play pursuant to the Production Agreement.

3. (a) The Company will commence on the date on which, pursuant to the law of the State of New York, the Articles of Organization of the Company are duly filed with the Department of State of the State of New York. Amendments to the Articles of Organization, if any, shall be filed at appropriate times reflecting the identities of any additional Regular Members and their Capital Contribution as well as any other changes required to be reflected in such amended Articles.

(b) Company shall terminate upon the occurrence of any of the following: (i) Company's Bankruptcy, dissolution, cessation of business or resignation of the Managing Members; (ii) the expiration of all of Company's right, title and interest in and to the Play; (iii) a date fixed by the Managing Members after abandonment of all further activities of the Company; or (iv) any other event causing the dissolution of the Company under the laws of the State of New York.

(c) Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate unless the Articles of Dissolution shall be filed in the State of New York and the assets of the Company shall have been distributed as provided herein. Notwithstanding the dissolution of the Company, prior to the termination of the Company the business of the Company shall continue to be governed by this Agreement.

4. (a) Total Capitalization has been established on the basis of the estimated production requirements for the production of the Play as contemplated, and is an amount which, in the opinion of the Managing Members, shall be sufficient to mount a production of the Play initially in an Off Broadway theatre, as contemplated. The Company intends and hereby authorizes the Managing Members to sell and issue investment Units and to admit as Regular Members and Additional Regular Members those Persons whose Capital Contributions have been accepted by the Managing

Members in accordance with this Agreement. Each Regular Member and Additional Regular Member shall make the total Capital Contribution to the Company set forth opposite such Regular Member's signature affixed to the Subscription Form annexed hereto and made a part hereof. The Capital Contribution of each Regular Member shall be payable at the time of the execution and delivery by the Regular Member to the Managing Members of this Agreement. Capital Contributions will be used for payment of all Expenses incurred in connection with the production and presentation of the Play. All Persons whose Capital Contributions are accepted by the Managing Members shall be deemed to be Regular Members hereunder.

(b) If the Total Capitalization is not raised prior to August 20, 2009, the Managing Members shall terminate the offering hereunder, and all Capital Contributions shall be returned to the Subscriber(s) thereof, with accrued interest (if the funds are held in an interest bearing account).

(c) No Regular Member will be required to contribute any additional funds to the Company above such Regular Member's initial Capital Contribution.

(d) If Expenses actually incurred shall exceed the Total Capitalization, the Managing Members may, by making contributions or loans themselves, or by obtaining additional funds or contributions or loans from Regular Members or others, make available to the Company such sums as shall equal the excess, but such additional contributions or loans shall not have the effect of reducing the percentage of Net Profits payable to the Regular Members. If, however, any such loans are made to Company, such loans shall be entitled to be repaid in full, prior to the return of Capital Contributions to the Regular Members.

(e) Unless otherwise provided herein, the Managing Members shall have sole discretion in establishing the conditions of the offering and sale of Units; and the Managing Members are hereby authorized and directed to take whatever action they deem necessary, convenient, appropriate or desirable in connection therewith, including, without limitation, preparing and filing on behalf of Company an offering circular or prospectus with the Securities and Exchange Commission ("SEC") and/or similar agencies of those states and jurisdictions which the Managing Members shall deem necessary.

5. Subject to any limitations otherwise set forth in this Agreement, if any, the Managing Members will, upon completion of Total Capitalization of the Company, assign the Company all right, title and interest in all assets acquired by the Managing Members for the presentation of the Play, for which the Managing Members will be reimbursed by the Company for their actual expenditures in acquiring such assets, and the Company will assume all of the Managing Members' obligations under any agreements respecting such assets.

6. After payment or reasonable provision for payment of all debt, liabilities, taxes and contingent liabilities of the Company, and after provision for a reserve in the amount

of \$175,000 (the "Reserve"), all remaining cash shall be distributed at least annually to the Regular Members together with the statement of operation herein provided for, pro-rata, until such Regular Member's Capital Contributions to the Company have been repaid. Thereafter, all cash in excess of such contingent liabilities shall be paid to the Managing Members and Regular Members in the same proportion in which they shall share in the Net Profits. If the Play shall be moved to another theatre after the initial Off-Broadway presentation hereunder and/or sent on tour, the Reserve may be larger due to the subsequent production plans, in the sole discretion of the Managing Members.

7. Net Profits that may accrue from the business of the Company shall be distributed and divided among the Managing Members and Regular Members as follows:

(a) The Capital Contributions of the Regular Members shall first be repaid as provided hereinabove;

(b) Each Regular Member shall be entitled to receive that proportion of fifty percent (50%) of the Adjusted Net Profits which such Regular Member's Capital Contribution bears to the Total Capitalization;

(c) Managing Members shall be entitled to receive the remainder of the Adjusted Net Profits; and

(d) Until Net Profits shall have been earned, losses incurred by Company up to the Total Capitalization plus any additional contributions, if any, shall be borne entirely by the Regular Members in proportion to, and only to the extent of, their respective Capital Contributions. After Net Profits shall have been earned, then, to the extent of such Net Profits, the Managing Members and Regular Members shall share any such losses pro-rata in the same proportion as they are entitled to share in the Net Profits pursuant to the provisions of this Paragraph 7.

8. No Regular Members shall be personally liable for any debts, obligations or losses of the Company beyond the amount of such Regular Member's Capital Contribution to the Company and such Regular Member's share of any undistributed Net Profits. A Regular Member shall be liable only to make such Regular Member's individual Capital Contribution and shall not be required to lend any funds to Company. If any sum by way of repayment of Capital Contribution or distribution of Net Profits shall have been paid prior or subsequent to the termination date of the Company, and at any time subsequent to such repayment there shall be any unpaid debts, taxes, liabilities, or obligations of the Company, and the Company shall not have sufficient assets to meet them, then each Regular Member and the Managing Members may be obligated to repay the Company to the extent of such Member's Capital Contribution so returned to such Member, or any Net Profits so distributed to such Member, as the Managing Members may require for such purpose and demand. In such event, the Regular Members and Managing Members shall first repay any Net Profits theretofore distributed to them respectively, and if insufficient, the Regular Members shall return Capital Contributions which may have been repaid to them, such return by the Regular Members respectively,

to be made in proportion to the amounts of Capital Contributions which may have been so repaid to them, respectively. All such repayments by Regular Members shall be repaid promptly upon their receipt of a written Notice from the Managing Members requesting such repayment.

9. Upon termination of the Company, the assets of the Company shall be liquidated as promptly as possible and the cash proceeds shall be applied as follows, in the following order of priority:

(a) to the payment of debts, taxes, obligations and liabilities of the Company and the necessary expenses of liquidation. Where there is a contingent debt, obligation or liability, a reserve shall be set up to meet it, and if and when such contingency shall cease to exist, the monies, if any, in such reserve shall be distributed as provided for in this Paragraph 9.

(b) To the repayment of Capital Contributions of the Regular Members, such Members sharing such repayment proportionately to their respective Capital Contributions.

(c) The surplus, if any, of such assets then remaining shall be divided among the Regular Members and Managing Members in the proportion that each shares in the Net Profits.

10. If a Regular Member shall die, become insane or dissolves (if not a natural person), then such Member's executors or administrators or committee or other representative, as the case may be, shall have the same rights that the Regular Member would have had had such Member not died, become insane or dissolved, and the Interest of such Member shall, until the termination of the Company, be subject to all of the terms, provisions and conditions of this Agreement as if such Member had not died, become insane or dissolved.

11. (a) The Managing Members shall:

(i) at all times from the inception of financial transactions during the continuance of the Company, keep or cause to be maintained full and faithful books of account in which shall be entered fully and accurately each transaction of the Company. All such books and account shall be at all times open to the inspection and examination of the Regular Members or their representatives. The Managing Members shall likewise have available for examination and inspection of the Regular Members or their representatives, at any time, box office statements received from the theatre (or theatres, as the case may be) in which the Play is presented by the Company. The Managing Members agree to furnish financial statements to the Regular Members and the Department of Law of the State of New York pursuant to the provisions of Article 23 of the Arts and Cultural Affairs Law and the regulations issued by the Attorney General of the State of New York thereunder. The Managing Members further agree to deliver to

the Regular Members all information necessary to enable the Regular Members to prepare their respective federal and state income tax returns:

(ii) render in connection with the theatrical productions of the Play such services as are customarily and usually rendered by theatrical producers, and devote as much time thereto as they may deem necessary, and manage and have complete control over all business affairs and decisions of the Company with respect to all productions of the Play;

(iii) have the right to apply for an exemption from any applicable accounting requirements set forth in Article 23 of the Arts and Cultural Affairs Law of the State of New York or in the applicable regulations promulgated thereunder, as such law or regulations may be amended from time to time;

(iv) be entitled to reimbursement by the Company upon Total Capitalization, or sooner if front money is furnished for this purpose, for all out-of-pocket expenses reasonably paid or incurred by the Managing Members in connection with the discharge of their obligations hereunder or otherwise reasonably paid or incurred by them on behalf of the Company;

(v) have the right to amend this Agreement from time to time by filing a Certificate of Amendment or a Certificate of Correction, whichever is appropriate, without the consent of any of the Regular Members: (A) to add to the duties or obligations of the Managing Members, or surrender any right or power granted to the Managing Members herein, for the benefit of the Regular Members; (B) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provisions with respect to matters or questions arising under this Agreement which will not be inconsistent with the provisions of this Agreement; and (C) to delete or add any provisions required to be so deleted or added by the staff of the SEC or by a state securities commissioner or other government official, whether domestic or foreign, which such deletion or addition is deemed by such authority to be for the benefit or protection of the Regular Members; and

(vi) have the right to amend this Agreement with the consent of all Regular Members to add one or more persons, firms or corporations as a Managing Member up until the time Total Capitalization is completed. In the event that this occurs prior to Total Capitalization, an offer of rescission will be made to investors who invested before the additional Managing Member is added.

(b) Notwithstanding anything to the contrary contained herein, this Agreement may not be amended without the consent of all Regular Members who would adversely be affected by an amendment that:

(i) modifies the limited liability of a Regular Member;

(ii) alters the interests of the Regular Members in the allocation of profits or losses or in distributions from the Company; or

(iii) affects the status of the Company for income tax purposes.

12. In the event that a Managing Member finds it necessary to perform the services customarily rendered by a third person, such Managing Member may receive an amount equal to the reasonable compensation for such services that such third person would have received for services rendered.

13. The Regular Members shall not have the right to demand and receive property other than cash in return for their Capital Contributions. In the repayment of Capital Contributions, the division of profits or otherwise, except as provided in Paragraph 14 hereof, no Regular Member shall have priority over any other Regular Member.

14. The Managing Members may arrange for the deposit of bonds required by the Actors' Equity Association or any other union or organization or theatre guarantees, without, however, reducing the proportion of Adjusted Net Profits payable to Regular Members. Such arrangements may provide for obtaining such bonds or guarantees from Persons who may not be Regular Members upon terms which require that prior to the return of Regular Members' Capital Contributions, or the payment of any Net Profits, all funds otherwise available for such purposes shall be set aside and paid over to the Actors' Equity Association or other such union, organization or theatre, in substitution for and in discharge of the bonds and guarantees furnished by such other persons. In the event that such arrangements reduce the estimated production requirements, the Managing Members shall have the right to assign from the proportion of Net Profits allocable to the Regular Members, to the person contributing such guarantee or security, a share not greater than the amount that would otherwise have been allocable to the Capital Contribution required for the respective bonds, provided, however, that in no event shall the share of Net Profits payable to each Regular Member hereunder be less than the proportion that would otherwise have been payable to such Member had the amount of the respective bonds been contributed by the Regular Members as part of the Total Capitalization.

15. Capital Contributions, in the discretion of the Managing Members, may be used to pay Production Expenses, Running Expenses, and Other Expenses.

16. (a) A Regular Member may not assign such Member's Interest without the prior written consent of the Managing Members, and no assignee of a Regular Member shall have the right to become a substitute Regular Member in the place of the assigning Regular Member without such consent, or to further assign such an Interest.

(b) All references herein to Regular Members shall refer as well to Additional Regular Members, and all terms and conditions governing Regular Members shall also govern Additional Regular Members, if any.

17. The Managing Members shall have the unrestricted right, in their sole discretion, to co-produce the Play with any other entity, and to enter into any agreement in connection therewith, including partnership agreements or joint venture agreements; provided, however, that no such co-production or similar arrangement shall decrease or dilute the Interests of the Regular Members to any greater extent than the Interests of the Managing Members shall be diluted for their contributions to the Total Capitalization hereunder.

18. In the event that the Managing Members shall at any time determine in good faith that continuation of the production of the Play will not benefit the Company and should be abandoned, they shall have the sole right to make arrangements with any person to continue the run of the Play on such terms as they may deem appropriate and beneficial to the Company, or to abandon the production altogether.

19. (a) In the event the Managing Members shall desire the Company to organize a company or companies in addition to the original, or to move the initial production to another theatre or to additional theatres, or to present the Play in any other part of the world (if the right to do so accrues to the Company pursuant to the Production Agreement), then the Managing Members shall have the right to do so and shall invite the Regular Members to contribute to the capital of such additional company or companies, but nothing contained herein shall be construed to obligate the Regular Members to invest any additional funds. If a Regular Member elects not to invest additional funds, the Managing Members shall have the right to conclude, in their sole discretion, arrangements with other investors provided that the Interests of Regular Members declining to invest additional funds shall not be reduced or adversely affected to any greater extent than the Interests of the Managing Members for the original investment hereunder.

(b) The Company may also enter into one or more agreements with respect to the disposition of other production rights of the Play throughout the United States, Canada, the UK, Australia and/or New Zealand with any partnership, corporation, or other firm in which the Managing Members may be in any way interested, provided that such agreement shall be on fair and reasonable terms. The Managing Members shall also have the unrestricted right to employ a producer or manager for such production, to pay him or her an amount the Managing Members deem appropriate and to give such person production billing either as co-producer or associate producer.

(c) The Managing Members shall have the right, in their sole discretion, to make arrangements to license any rights in the Play to any other party or parties they may designate, provided the Company receives reasonable royalties or other reasonable compensation therefor, and provided further, that the Company shall not be involved in any loss or expenses by reason thereof. In the event of any such license of rights, the Managing Members may render services to the licensee in connection with exploitation by the licensee of the rights so licensed, for which services it may retain for its own interest compensation therefor as well as for supplying any facilities in connection with the initial or other companies.

20. If, upon the termination of Company, any production rights of the Play, with or without the physical production of the Play and with or without Company's interest in the proceeds of the subsidiary rights of the Play, are purchased by the Managing Members, the amount paid by such party or parties shall be fair and reasonable market value thereof, or an amount equal to the best offer obtainable, whichever is higher.

21. Under the Production Agreement, which will be assigned to the Company, the Company will participate in proceeds from Author's disposition of subsidiary rights as follows:

(a) ten percent (10%) if Producer presents the Play or causes the Play to be presented as a commercial Off-Broadway production in New York City for at least twenty-one (21) consecutive paid public performances (including an official press opening and up to six (6) previews);

(b) twenty percent (20%) if Producer presents the Play or causes the Play to be presented for a run of twenty-two (22) to thirty-nine (39) consecutive paid public performances (including an official press opening and up to six (6) previews);

(c) thirty percent (30%) if Producer presents the Play or causes the Play to be presented for a run of forty (40) to fifty-five (55) consecutive paid public performances (including an official press opening and up to six (6) previews); and

(d) forty percent (40%) (fully vested) if Producer presents the Play or causes the Play to be presented for a run of fifty-six (56) or more consecutive paid public performances (including an official press opening and up to six (6) previews).

The qualifying performances are those in the original Off Broadway production and the disposition must be made within twelve (12) years after the close of the Play Off Broadway. A copy of the Production Agreement is on file at the office of Legal Counsel for the Company.

22. (a) The Managing Members as Producer, along with general manager and executive producers shall be paid a weekly cash office charge in the sum of five hundred dollars (\$500) per week from each company presenting the Play. Such cash office charge shall be paid beginning no sooner than two (2) weeks before the commencement of rehearsals of each production company presenting the Play and ending no later than three (3) weeks after the close of each such production company.

(b) In addition to receiving fifty percent (50%) of the Adjusted Net Profits of the Company, the Managing Members shall be entitled to receive a producer's management fee of three percent (3%) of the Gross Receipts, computed in the same manner as the royalties to Author and Director.

(c) WestBeth Entertainment, LLC ("WestBeth") shall serve as the general manager of the initial Off-Broadway production of the Play in New York City, for which WestBeth shall be paid a fee of ten thousand dollars (\$10,000), plus a weekly fee of one thousand dollars (\$1,000) commencing the first week of performances and ending three (3) weeks after the close of the original production. WestBeth may, at its election,

perform services for subsequent productions of the Play for which it would be similarly compensated.

23. Regular Members are prohibited from withdrawing from the Company and demanding their Interest therein.

24. All monies raised from this offer and sale of Interests shall be held in a special bank account in trust at JP Morgan Chase – 32 University Place Branch in New York City until actually employed for pre-production or production purposes of this particular theatrical production or until rendered to the investor(s) pursuant to this Agreement. The Managing Members will have sole discretion as to whether such funds shall be maintained in an interest-bearing account. Prior to Total Capitalization, the Capital Contribution of a Subscriber may be employed for pre-production or production purposes only if specifically so authorized by such Subscriber.

25. Each of the Regular Members and each of the additional Regular Members, if any, does hereby make, constitute and appoint the Managing Members as such Member's true and lawful attorneys-in-fact in such Member's name, place and stead, to make, execute, sign, and acknowledge and file: (i) the Articles of Organization of the Company, including therein all information required by the laws of the State of New York; (ii) such amended Articles of Organization as may be required pursuant to this Agreement; (iii) all certificates, documents and papers which may be required to effectuate dissolution of the Company after its termination; and (iv) all such other documents and instruments which may be deemed by the Managing Members to be required or permitted by the laws of any state, the United States of America, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid and subsisting existence, rights and property of the Company and its power to carry out its purposes set forth herein.

26. This Agreement may be executed in one or more counterparts and each of such counterparts, for all purposes, shall be deemed an original, but all of such counterparts together shall constitute but one and the same instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.

27. Any dispute arising under, out of, in connection with or in relation to this Agreement, or the making or validity hereof, or its interpretation of any breach, shall be determined and settled by arbitration in New York City pursuant to the rules then obtaining of the American Arbitration Association. The arbitrator is directed to award to the prevailing party reasonable attorneys' fees, costs and disbursements, including reimbursement for the cost of witnesses and travel during the arbitration hearings. Any award rendered thereon may be rendered in the highest court of the forum, state or federal, having jurisdiction. The provisions of this Paragraph, or any other provisions of this Agreement, shall not, however, operate to deprive the Regular Members of any rights afforded them under the securities laws of the United States.

28. The parties hereto acknowledge and agree that one original of this Agreement (or a set of original counterparts) shall be held at the office of the Company, that the Articles

of Organization and such amendments thereto as are required shall be filed in the office of the Secretary of State of New York, and that a duplicate original (or set of duplicate counterparts) of each shall be held at the offices of the Company's Legal Counsel, and that there shall be distributed to each party a conformed copy thereof.

29. This Agreement contains the entire agreement between the parties hereto with respect to the matters contained herein and cannot be modified or amended except as otherwise set forth herein.

30. Except as otherwise expressly provided herein, no purported waiver by any party of any breach by another party of any of such party's obligations, agreements or covenants hereunder, or any part thereof, shall be effective unless made by a written instrument subscribed to by the party or parties sought to be bound thereby, and no failure to pursue or elect any remedy with respect to any default under or breach of any provision of this Agreement or any part thereof shall be deemed to be a waiver of any other subsequent, similar or dissimilar default or breach, or any election of remedies available in connection therewith, nor shall the acceptance or receipt by any party of any money or other consideration due him under this Agreement, with or without knowledge of any breach hereunder, constitute a waiver of any provision of this Agreement with respect to such or any other breach.

31. Each provision of this Agreement shall be considered to be severable and if, for any reason, any such provision(s) or any part thereof is determined to be invalid and contrary to any existing or future applicable law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, but this Agreement shall be construed and enforced in all respects as if such invalid or unenforceable provision(s) had been omitted; provided, however, that the status of the Company as a company shall not be prejudiced.

32. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective executors, administrators and successors, but shall not be deemed for the benefit of creditors of any other Persons, nor shall it be deemed to permit any assignment by the Managing Members or Regular Members of any of their rights or obligations hereunder except as expressly provided herein.

33. The parties hereto agrees that each of them shall hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

34. This Agreement and all matters pertaining thereto shall be governed by the laws of the State of New York applicable to agreements to be performed entirely within the State of New York.

35. There shall be no liability of the Managing Members to the Company or to the Regular Members for damages for any breach or alleged breach of duty in their capacities

as Managing Members unless there is a judgment or other final adjudication adverse to them that establishes that their acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that they personally gained in fact a financial profit or other advantage to which they were not legally entitled or that with respect to any distribution, their acts were not performed in accordance with the applicable law governing a limited liability company in the State of New York.

36. These securities involve a high degree of risk and prospective Subscribers should be prepared to sustain the loss of their entire investment.

37. (a) Alex Timbers has agreed to serve as director of the Play (the "Director"). Although agreements with Author and Director have not yet been executed, it is anticipated that Author will be entitled to a pre-recoupment royalty of six percent (6%) and that Director will be entitled to a pre-recoupment royalty of two percent (2%) with the Managing Members as Producers receiving a management fee in an amount equal to three percent (3%) for a total pre-recoupment percentage compensation of eleven percent (11%) of Adjusted Gross Weekly Box Office Receipts (as defined in the Approved Production Contract for Musicals of the Dramatists Guild (the "APC")).

(i) If the Managing Members as Producers determine at any time prior to the official opening of the New York City production, in Producer's sole discretion, to pay to Author and other royalty participants a royalty based on a royalty pool formula (the "Formula"), to be negotiated in good faith at such time with Author and other royalty pool participants and calculated consistent with industry standards, Author hereby agrees to participate in the royalty pool and to be paid in accordance with the Formula in connection with Producer's production of the Play. "Royalty Pool" for the purpose of the Formula shall mean the share of Net Receipts allocated to royalty participants. Notwithstanding the foregoing, each royalty participant will receive a guaranteed advance payment of not less than one hundred fifty dollars (\$150.00) per point which shall be an advance against each royalty participant's share of the Net Receipts in the Royalty Pool. Notwithstanding the foregoing, Author's share of Net Receipts shall be a percentage equal to or higher than the Dramatists Guild minimum. The Royalty Pool for each production company presenting the Play shall be computed separately and apart from any such computation in connection with a different production company of the Play.

(b) Following recoupment, Author, Director and Managing Members will share pro rata in thirteen percent (13%) of one hundred percent (100%) of the Net Profits, as Author's royalty will rise to eight percent (8%) of the Adjusted Gross Weekly Box Office Receipts (as defined in the APC). Producer's management fee of three percent (3%) and Director's royalty of two percent (2%) will not rise.

(c) Producer shall pay to Author a royalty of seven and 1/2 percent (7.5%) of one hundred percent (100%) of the Net Profits of any financing entity producing the Play (to be calculated on a production-by-production basis) following recoupment of all Production Expenses (as such terms are defined in Producer's Operating Agreement) until recoupment of one hundred twenty-five percent (125%) of the production costs of

each production of the Play at which time the Net Profit share shall increase to ten percent (10%) thereafter, the two and ½ percent (2.5%) post-recoupment increase coming out of the Managing Members' share of Adjusted Net Profits.

(d) Christopher Campion, Thomas Licameli, Philip Mastrangelo, Vincent Cimino and Paul Gianinni will also perform as actors in the Play ("Performers") throughout the run of the initial production of the Play Off-Broadway as presented by Producer commencing upon the first day of rehearsal and ending on a date not later than (12) months after the first paid public performance, unless Producer finds replacements for Performers prior to that time. Performers will be paid a salary for rehearsals prior to the official opening of the Play which shall be calculated in good faith by Producer at a rate which is consistent with the "Rehearsal Salaries" as set forth in the Production Budget of the initial Off Broadway production of the Play. Performers will be paid a salary of seven hundred fifty dollars (\$750.00) per week, increasing to nine hundred sixty dollars (\$960.00) per week following recoupment. There will be at least five (5), but not more than eight (8) performances per week.

(e) What amount the theatre (anticipated to be the Village Theatre in Manhattan) will be paid in rent will be determined by negotiation, but it is anticipated that it will be based upon a percentage of weekly box office receipts. The payment to the theatre will be considered an expense in the calculation of weekly Net Profits, as set forth above, whether it is a fixed amount or a percentage of weekly box office receipts or a combination of both.

(f) Based on estimated Gross Receipts of \$64,258 at one hundred percent (100%) capacity in a 299-seat theatre with five (5) performances per week, weekly operating costs (including percentage payments) of \$48,251.57 (which includes the estimated theatre rent), percentage payments of ten percent (10%) in the aggregate, and assuming that a royalty pool is not in operation, the Capitalization could be recouped in thirty-five and 45/100 (35.45) weeks. This is not a representation.

38. The Regular Members signing this Agreement do hereby acknowledge that the Company is to be managed by the Managing Members and that the Regular Members shall exercise no control of the business. The Regular Members will not have authority to conduct any business of the Company and each Regular Member agrees that such Regular Member will not act on behalf of the Company, nor will such Regular Member represent that such Regular Member has authority to act on behalf of the Company or to bind the Company in any respect.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement on the day and year first written above.

AS MANAGING MEMBERS,

\_\_\_\_\_  
Paul Paternoster

\_\_\_\_\_  
Jim Rogers

**MEMBERS**

MEMBERS WHOSE CASH CONTRIBUTIONS MAY BE USED ONLY UPON FULL  
CAPITALIZATION

Printed Name: \_\_\_\_\_  
Social Security No.: \_\_\_\_\_  
and/or Employer I.D. No.: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Home Telephone No.: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Business Telephone No.: \_\_\_\_\_  
Amount to be Contributed: \_\_\_\_\_  
Signature: \_\_\_\_\_

**MEMBERS**

**MEMBERS WHOSE CONTRIBUTIONS ARE OTHER THAN CASH**

**THE FOLLOWING SIGN THE FOREGOING AGREEMENT AS INVESTOR MEMBERS, BUT IN LIEU OF A CASH CONTRIBUTION, AGREE TO MAKE THEIR CONTRIBUTION BY GIVING, OR CAUSING TO BE GIVEN, THE FOLLOWING DESCRIBED BOND OR SECURITY DEPOSIT OF THE FOLLOWING FACE AMOUNT:**

Printed Name: \_\_\_\_\_  
Social Security No.: \_\_\_\_\_  
and/or Employer I.D. No.: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Home Telephone No.: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Business Telephone No.: \_\_\_\_\_  
Amount to be Contributed: \_\_\_\_\_  
Signature: \_\_\_\_\_

## PRIVATE PLACEMENT MEMORANDUM

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Total Capitalization of \$500,000 in  
Limited Liability Company Interests in  
Rogers & Paternoster Productions Limited Liability Company

Paul Paternoster and Jim Rogers will be the managing members (the "Managing Members") of Rogers & Paternoster Productions Limited Liability Company (the "Company"), a Limited Liability Company formed under the Laws of the State of New York to produce and present in an Off-Broadway Theatre in New York City with approximately 299 seats and, if successful thereafter, elsewhere in the United States and Canada and on tour the stage play presently entitled:

*Escape From Bellevue* (the "Play")

Book and lyrics by Christopher Campion, music by Christopher Campion, Thomas Licameli and Philip Mastrangelo ("Author")

**THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES THE COMMISSION PASS UPON THE ACCURACY OR COMPLETENESS OF ANY PRIVATE PLACEMENT MEMORANDUM OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.**

Proceeds to Company: \$500,000

Per Unit: \$10,000

Price to Public: \$500,000

Per Unit: \$10,000

\*Underwriting Discount or Commission: 0

**NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM"), AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE MANAGING MEMBERS. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER HEREBY TO ANY PERSON IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.**

**THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE PURCHASERS SHOULD BE PREPARED TO SUSTAIN A LOSS OF THEIR ENTIRE INVESTMENT (SEE "RISK FACTORS"). THIS MEMORANDUM MAY NOT BE USED FOR A PERIOD OF MORE THAN NINE (9) MONTHS AFTER THE DATE HEREOF UNLESS AMENDED.**

**THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT REVIEWED THIS DOCUMENT SUBMITTED TO INVESTORS IN CONNECTION WITH THIS OFFERING FOR THE ADEQUACY OF ITS DISCLOSURE AND DOES NOT PASS ON THE MERITS OF THIS OFFERING.**

**EACH PURCHASER OF COMPANY INTERESTS ACKNOWLEDGES THAT THE PURCHASE IS AN INVESTMENT, AND THE SALE OF SUCH INTERESTS IS SPECIFICALLY LIMITED AS SET FORTH IN THE OPERATING AGREEMENT OF THE ROGERS & PATERNOSTER PRODUCTIONS LIMITED LIABILITY COMPANY (THE "OPERATING AGREEMENT") AND, BY SIGNING THE OPERATING AGREEMENT, EACH PURCHASER AGREES TO BE BOUND BY SUCH TERMS.**

Limited Liability Company Interests are being offered (the "Offering") by Paul Paternoster and Jim Rogers, the Managing Members. The ultimate issuer will be Rogers & Paternoster Productions Limited Liability Company, a Limited Liability Company formed under the laws of the state of New York. The address of the Company will be c/o WestBeth Entertainment, 111 West 17<sup>th</sup> Street, 3<sup>rd</sup> Floor, New York, New York 10011.

Aggregate Limited Liability Company Interests are not actually divided into a specific number of units and monetary amounts. For purposes of convenience, they may be considered to consist of fifty (50) units of \$10,000 per Unit with a capitalization of \$500,000. An investor may purchase fractional Units.

All money raised will be held by the Managing Member in a special account at JP Morgan Chase – 32 University City Place Branch, New York, NY, until the total Capital Contributions are raised, at which time the Offering will be closed. The money held in the special account will not be released until the Offering is closed, and when all funds are released, no additional sales will be made. The Offering expires eighteen (18) months after the commencement date of the Production Agreement between the Managing Members as Producer and Author (the "Production Agreement"), unless the option to produce the Play is extended for an additional twelve (12)-month period pursuant to the Production Agreement, which Agreement has been duly assigned to the Company. This Memorandum may not be used after nine (9) months from the date of this Memorandum unless it is amended.

#### **SUMMARY OF THE PRIVATE PLACEMENT MEMORANDUM**

The Company has been formed pursuant to the laws of the State of New York for the purpose of producing and presenting the Play and exploiting and turning to account the rights at any time held by the Company in connection therewith. All rights to produce the Play as set forth in the Production Agreement have been retained by the Company. It is currently anticipated that the Play will open Off-Broadway in New York City in a theatre containing approximately 299 seats. It is currently contemplated that the theatre in which the Play will open will be the Village Theatre.

All money raised from the Offering shall be held in a special bank account in trust at JP Morgan Chase – 32 University City Place Branch, New York, NY, unless actually employed for production purposes of this particular theatrical production, or until returned to the Investor Members. The Managing Members shall have sole discretion as to whether such funds are to be maintained in an interest-bearing account. The Investor Members will receive fifty percent (50%) of the Net Profits of the Company and the Managing Members will receive the other fifty percent (50%) of such Profits.

The Company shall terminate upon the occurrence of any of the following: (i) Company's Bankruptcy, dissolution, cessation of business or resignation of the Managing Members; (ii) the expiration of all of Company's right, title and interest in and to the Play; (iii) a date fixed by the Managing Members after abandonment of all further activities of the Company; or (iv) any other event causing the dissolution of the Company under the laws of the State of New York. The Managing Members have the right to add one or more Persons or corporate entities as a Managing Member. In the event that a Managing Member is added, if this occurs prior to Total Capitalization, an offer of rescission will be made to Investor Members who invested before the additional Managing Member is added.

The Company's plan of operation is: (a) to engage in pre-production activities with respect to the Play; (b) upon completion of pre-production activities, to engage in rehearsals of the Play; (c) during the rehearsal period, to begin the promotion and publicity for the Play; and (d) to produce and present the Play.

Since the Company has not yet engaged in its business, there are no income statements, expenses or other financial statements of the Company presently available. The accountants for the Company have not as of yet been engaged. For information with respect to the risks to Subscribers in connection with the Offering, see generally "RISK FACTORS" hereinbelow.

## THE COMPANY

The Managing Members have organized the Company as a New York Limited Liability Company to raise Capital Contributions totaling \$500,000 for the purpose of producing and presenting the Play and exploiting and turning to account the rights held by the Company therein. The capitalization requirement is, in the opinion of the Managing Members, sufficient to mount a production in a theatre of 299 seats.

If the Total Capitalization has not been raised by August 20, 2009, the Offering will cease and all Capital Contributions previously received will be returned with accrued interest, if any.

The Managing Members will have sole and complete authority over the management and operations of the Company. The Managing Members, in their sole discretion, may purchase Units of Interests in the Company and participate therein as Investor Members.

## RISK FACTORS

These securities involve a high degree of risk, and prospective purchasers should be prepared to sustain a loss of their entire investment.

1. The vast majority of theatrical productions report losses and unrecovered production costs.
2. Based on a capitalization of \$500,000 for the production of the Play, and assuming the Play is presented at prevailing box-office scale in an approximately 299-seat Off Broadway Theatre in New York City with potential Gross Weekly Box-Office Receipts of approximately \$64,285.00 and estimated weekly expenses of approximately \$48,251.57, the Play must run for at least thirty five and 45/100 (35.45) weeks at five (5) performances per week to a full-house capacity in order to recoup the total production costs, exclusive of bonds and returnable deposits, in order to return to the Investor Members their initial Capital Contributions, or for a longer period of time if presented at less than full-house capacity.
3. The substantial majority of the plays produced for the stage fail to run long enough to recoup the total production costs. Of those that do, few play to full-house capacity audiences throughout their run.
4. There is no assurance that the Play will be an economic success even if the Play receives critical acclaim.
5. These securities should not be purchased unless the Subscriber is prepared for the possibility of total loss and is able to afford such total loss. The sole business of the Company will be the production of the Play. In such a venture, the risk of loss is especially high in contrast with the prospect for the realization of any profits.
6. In the event that the Capital Contributions raised through the Offering are insufficient to produce the Play as contemplated, the Managing Members may advance or cause to be advanced, or may borrow on behalf of the Company, additional capital, without interest. Such advances or loans are to be repaid prior to the repayment of the Capital Contribution of any Investor Member. Such advances or loans might result in a considerable delay in the repayment of the Capital Contributions, or in a complete loss to Subscribers if such loans or advances equal or exceed the revenues from the production of the Play.
7. If the Company receives an exemption from the requirements of filing certified accounting statements, pursuant to the New York Theatrical Syndication Financing Act, Investor Members may only be furnished with unaudited financial statements. The Managing Members have not, as of the date of this Memorandum, applied for such exemption or determined whether such application will be made. The Managing Members agree to furnish financial statements to the Investor Members and the Department of Law of the State of New York pursuant to the provisions of Article 23 of the Arts and Cultural Affairs Law and the regulations issued by the Attorney General thereunder. The Managing Members further agree to deliver to the Investor Members information necessary to enable the Investor Members to prepare their respective Federal and State income tax returns.
8. Contributions other than cash may be accepted in the form of guarantees or bonds as may be required by theatres and other unions or organizations, and such contributors will receive the Investor Member's Interest allocable to the amount of bonds or guarantees contributed and, furthermore, shall have the right to be reimbursed in full prior to the return of capital to other Investor Members. The security instruments underlying such bonds or guarantees will be returned to the contributors only after the Investor Members have sufficient money to make payment to such theatre or union of cash in the amount of the bond or

guarantee. The first Net Profits will be paid to the theatre or union to release such bond or guarantee, prior to the payments to the Investor Members of the return of capital or Net Profits. Such preference may delay the repayment of the Capital Contributions of the Investor Members.

9. The Managing Members have never produced a commercial theatrical stage production in New York City, but have hired WestBeth Entertainment, LLC to serve as general manager of the production, a theatrical production company with extensive experience in producing Off-Broadway productions such as these.

10. The Managing Members may have received fees and payments as herein provided. The Managing Members may continue to present the Play regardless of whether the Company realizes any profit. Continuation of the run of the Play may provide additional compensation to the Managing Members in their various capacities, at a time when the production should be closed in the interest of the Investor Members.

11. No market presently exists for resale of the Investor Members' Interests, and it is unlikely that one will develop. Investor Members may not assign their interests without the consent of the Managing Members.

12. If the Company has not attained Total Capitalization by August 20, 2009, the Capital Contributions of the Investor Members shall be returned promptly, with accrued interest, if any. In the event of abandonment, all Investor Member money not expended for production purposes will be returned to Investor Members.

13. Company Net Profits distributed to the Managing Members and the Investor Members and Capital Contributions returned to the Investor Members (including accrued interest returned, if any) may be recalled by the Managing Members for the purposes of paying any debts, taxes, liabilities, or obligations of the Company.

14. The Managing Members shall have the absolute right to abandon the production of the Play at any time for any reason. If such abandonment occurs after the Offering has closed and before the opening of the Play, the Investor Members may lose all or substantially all of their investment.

15. The Managing Members have not contracted for certain key elements of the production, including the scenic, lighting, sound and costume designers and the theatre.

16. In any year in which the Company shall report Net Profits, an Investor Member will be taxable for his or her proportionate share of such Net Profits, whether or not such Net Profits have been distributed to such Investor Member.

17. The Managing Members have the right to add one or more Persons or corporate entities to become Managing Members of the Company. In the event that a Managing Member is added, if this occurs prior to Total Capitalization, an offer of rescission will be made to Investor Members who invested before the additional Managing Members are added.

18. In addition, a Managing Member, alone or associated in any way with any Person, firm or corporation, may produce or co-produce other productions of the Play in other places and media and may receive compensation therefor without any obligation whatsoever to account to the Company or the Investor Members; provided, however that the Company shall be entitled to receive from any such producing entity the customary fees and royalties payable to it.

19. The Managing Members are not obligated to devote their full time and efforts to the Company's activities and may participate in other business activities, including other theatrical ventures.

## THE OFFERING

Each of the fifty (50) Units of Company Interests is being offered via this Memorandum at a purchase price of \$10,000 for a Total Capitalization of the Company of \$500,000. Fractional Units may, however, be issued by the Managing Members. Subscribers of Units and fractional Units will each be entitled to receive that proportion of fifty percent (50%) of the Company's Net Profits which their respective Capital Contribution bears to the Total Capitalization of the Company. Purchasers of fractional Units will be entitled to the same rights and be subject to the same obligations as purchasers of Units. A Managing Member may purchase Units and will be treated as an Investor Member to the extent of his purchase of such Units. The investment of a Managing Member as an Investor Member may be used to complete the amount of the Offering. In his sole discretion, the Managing Member may permit certain Capital Contributions to be made by the posting of required performance bonds on behalf of the Company. The Persons posting such bonds shall participate as Investor Members and shall be entitled to a share of Net Profits of the Company, based on the costs of such bonds had they been posted directly by the Company.

In addition, Investor Members who post bonds shall have the right to be reimbursed in full prior to the return of capital to other Investor Members.

Offers to subscribe to Company Interests are subject to acceptance by the Managing Members. A Capital Contribution shall be payable at the time of execution and delivery to the Managing Member of the Operating Agreement by the Subscriber. All money raised pursuant to the Offering shall be at JP Morgan Chase – 32 University City Place Branch, New York, NY, until actually employed for production expenses or returned to Investor Members. If \$500,000 in Capital Contributions has not been raised by August 20, 2009, the Offering will cease and Capital Contributions will be promptly returned to the Investor Members, with accrued interest, if any. The Managing Members shall decide whether such Capital Contributions are to be held in an interest-bearing account.

A copy of this Memorandum and the Operating Agreement shall be presented to each potential Subscriber. A potential Subscriber desiring to become an Investor Member in the Company must sign the Operating Agreement and indicate the amount and category of the Capital Contribution being made, as well as the Subscriber's actual residence address (or principal place of business if a corporation, company, association or other entity) and social-security or Employer Identification Number. The executed signature page of the Operating Agreement should be forwarded to the Managing Members at the Company address hereinabove, or delivered to a Managing Member in person, and must be accompanied by a check or money order made payable for the full amount of the Investor Member's Capital Contribution.

With respect to the Capital Contributions of Investor Members, either one of the following must also apply:

- (1) The Managing Members may accept as an investment, in lieu of cash, a cash deposit for union bonds, the theatre deposit or property, services rendered, or a promissory note or other obligation to contribute cash or property or to render services; and
- (2) An individual Subscriber may also invest in the Company by purchasing an assignment from an Investor Member, provided the Managing Members consent to such assignment in writing. An assignment purchased pursuant to this procedure may not be further assigned by such Subscriber, and the Managing Members may not waive or modify this restriction.

The Managing Members reserve the right to give to any Subscriber an additional participation in Net Profits for any reason whatsoever, provided such participation is payable solely from the Managing Members' share of such profits and does not affect the proportion of Net Profits payable to the Investor Members. As of the date of this Memorandum, the Managing Members have not yet determined a date for the production of the Play, but contemplate that the Play will open on or before November 1, 2007.

There is no involuntary overcall provided for in the Operating Agreement, and if additional money is needed above the Capital Contributions raised, the Managing Members may make funds available, and must do so in a manner that will not reduce the interest of the Investor Members in the Net Profits of the Company. Any additional funds advanced or loaned to the Company are to be repaid prior to the return of contributions of Investor Members.

#### USE OF PROCEEDS

The Managing Members anticipate that the Play can be produced in a theatre of approximately 299 seats for the Total Capitalization. The present estimates of pre-production and production expenses and the allocation of Capital Contributions made to the Company are set forth in Exhibit "A", attached hereto and made a part hereof.

Nothing contained in the budget set forth in Exhibit "A" shall limit the right of the Managing Members to make such changes in the above allocations as they may deem necessary or advisable. There is no assurance that the total actual production requirements will not exceed Total Capitalization. The aggregate limited contributions may, in the Managing Members' discretion, be used to pay Running Expenses and Other Expenses as well as Production Expenses. The monies allocated in the production budget under the

reserve category are contingency funds. The payments to be made from this reserve fund are most likely to include: (1) additional expenses for items which constitute Production Expenses, due to artistic changes made in the Play prior to the official opening in New York City; and (2) additional advertising expenses as needed.

Based on capitalization of \$500,000 for the production of the Play, and assuming the Play is presented at prevailing box-office scale in an approximately 299-seat theatre in New York City with potential Gross Weekly Box Office Receipts of approximately \$64,285, the Play must run for 35.45 weeks at five (5) performances per week to a full-capacity house in order to recoup the total production costs, exclusive of bonds and returnable deposits, in order to return to the Investor Members their initial Capital Contributions, or for a longer period of time if presented at less than full-capacity house.

Of course, there can be no assurance that the Play will run for that length of time or that it will have audiences of any specified size. Furthermore, additional Production Expenses, Running Expenses and Other Expenses may be incurred which would increase the budget, and, consequently, the period of time required to recover invested capital.

Up to the date of this Memorandum, the Managing Members have expended \$30,000, for which the Managing Members will be reimbursed when the total budget is raised or for which the Managing Members will, at their sole option, own an Interest in the Company to the extent of such payment.

#### THE PLAY

*Escape From Bellevue* is a music, multimedia, and monologue-driven theater odyssey based on the life of "Knockout Drops" singer Chris Champion. The story begins in "Knockout Drops" hometown of Huntington, Long Island, where they first formed a band as teenagers and takes you through their travails in the music business as well as Champion's own surreal escapades as an alcoholic/addict. The story focuses on his various trips to the world's most foreboding and infamous mental institution, Bellevue, and culminates with the slapstick escape of his second visit, and his redemptive final entry to the hospital where he surrenders to sobriety. The story is propelled by live performances of "Knockout Drops" songs (the band is onstage) and hilarious video segments making this theater experience a combustible cocktail and blitz of the senses.

#### COMPENSATION TO AUTHOR

Author will be paid, prior to recoupment of the total production costs of the Play, a royalty of six percent (6%) of the Gross Weekly Box Office Receipts. After recoupment of the total production costs of the Play (exclusive of returnable bonds and security deposits), Author will be paid a royalty of eight percent (8%) of the Gross Weekly Box Office Receipts. In lieu of receiving a percentage of the Gross Weekly Box Office Receipts, if the Managing Members as Producers determine at any time prior to the official opening of the New York City production, in Producer's sole discretion, to pay to Author and other royalty participants a royalty based on a royalty pool formula (the "Formula"), to be negotiated in good faith at such time with Author and other royalty pool participants and calculated consistent with industry standards, Author has agreed to participate in the royalty pool and to be paid in accordance with the Formula in connection with Producer's production of the Play. "Royalty Pool" for the purpose of the Formula shall mean the share of Net Receipts allocated to royalty participants. Notwithstanding the foregoing, each royalty participant will receive a guaranteed advance payment of not less than one hundred fifty dollars (\$150.00) per point which shall be an advance against each royalty participant's share of the Net Receipts in the Royalty Pool. Notwithstanding the foregoing, Author's share of Net Receipts shall be a percentage equal to or higher than the Dramatists Guild minimum. The Royalty Pool for each production company presenting the Play shall be computed separately and apart from any such computation in connection with a different production company of the Play.

## THE MANAGING MEMBERS

Paul Paternoster has been employed by Selectrode Industries Incorporated for 17 years and has served as President for the past 7 years. Selectrode is a New York-based company with additional facilities in Pittsburgh, Pennsylvania and Omaha, Nebraska, which sells its products in over 70 countries. As President, Paul is responsible for all sales and operations of Selectrode Industries. Paul is a 1990 graduate of Villanova University.

Jim Rogers is a Treasury Bond Broker with Tullett Prebon Brokerage, with whom he has been employed since 1994. Tullett Prebon is one of the world's leading inter dealer brokers with over 2500 employees worldwide. Jim attended Chaminade high school in Mineola, NY and graduated from Villanova University in 1990. Born and raised in Oyster Bay, he now resides in Lloyd Harbor, NY with his wife Sarah and two children, Jake and Rose.

Paul Paternoster and Jim Rogers have never produced an Off-Broadway Play, but have hired WestBeth Entertainment, LLC to serve as general manager of the production, a theatrical production company with extensive experience in producing Off-Broadway productions such as these.

The Managing Members as Producers, along with the general managers and executive producers will be paid a weekly fee in the amount of three percent (3%) of the Gross Weekly Box Office Receipts and will receive a cash charge of \$500 per week. In lieu of receiving a percentage of the Gross Weekly Box Office Receipts, if all Royalty Participants agree to share in a pool, the Managing Members have agreed to also share in such Royalty Pool Formula and will share such pool with the other Royalty Participants in the same proportion that they would have shared in the Gross Weekly Box Office Receipts.

In the event that the Managing Members find it necessary to perform any other services usually performed by a third Person, the Managing Members may, if they so desire, receive the compensation for such services which the third Person would have received had such third Person directly performed the required services. The Managing Members have not made any plans, arrangements, commitments or undertakings to perform any such services for the Company which would otherwise be provided by a third Person. If such services do become necessary, the compensation would be what is reasonable and proper and would be in the amount actually set forth in the production budget. The Managing Members will receive no compensation, other than that stated above, for any services, equipment or facilities customarily rendered or furnished by a theatrical stage producer, nor will the Managing Members receive concessions of cash, property, or anything of value from Persons rendering services or supplying goods to the Company.

## THE CAST

The Managing Members as Producer have engaged Christopher Campion, Thomas Licameli, Philip Mastrangelo, Vincent Cimino, and Paul Giannini, collectively and professionally known as "The Knockout Drops" (hereinafter collectively and jointly and severally referred to as "Performers") to perform in its production of the Play as original cast members per the Performer Agreement entered into between the Managing Members as Producer and the Performers, dated as of February 20, 2007. Performers will play themselves as individual members of the band "The Knockout Drops" performing in at least five (5) but not more than eight (8) performances per week (a "Production Week"). Performers will each be paid a salary of seven hundred fifty dollars (\$750.00) per Production Week, payable at the end of each such Production Week. If any Performer performs less than five (5) performances in a week, said Performer's salary will be prorated. Each Performer's salary shall increase to nine hundred sixty dollars (\$960.00) in the week following full recoupment of Production Costs of the initial production, as such term is defined in the Operating Agreement. Performers will each be paid a salary for rehearsals prior to the official opening of the Play which shall be calculated in good faith by Producer at a rate which is consistent with the "Rehearsal Salaries" as set forth in the Production Budget of the initial Off Broadway production of the Play.

## THE THEATRE

As of the date of this Memorandum, a license agreement has not been entered into for a theatre in which to present the Play. It is anticipated that the theatre will contain approximately 299 seats. It is further anticipated that the theatre in which the Play will open Off-Broadway in New York will be the Village Theatre.

It is anticipated that the theatre will be paid a weekly fee, which together with the service package and electricity and other miscellaneous charges will total approximately \$12,000 per week. The theatre may also receive a percentage of the Gross Weekly Box Office Receipts. The payment to the theatre will be considered an expense that is deducted prior to the division of weekly Net Receipts (as set forth in the Production Agreement) between royalty participants and the production company, whether it is a fixed amount or a percentage of the Gross Weekly Box Office Receipts, or a combination of both.

## PRODUCTION RIGHTS

Pursuant to the Production Agreement, dated as of February 20, 2007, the Company has the sole and exclusive Off Broadway, regional, cabaret, second-class touring and sit down rights to present the Play or cause the Play to be presented in the United States and Canada within eighteen (18) months of the commencement date of the Production Agreement (the "First Option Period"), unless the option is extended to present the Play or cause the Play to be presented for an additional twelve (12)-month period. Author has been paid a non-returnable advance in the amount of \$10,000 against the royalties for the right to open the Play during the First Option Period and may be paid a \$5,000 advance for the right to open during the Second Option Period.

## SUBSIDIARY RIGHTS

If the Company has produced the Play as provided in the Production Agreement, a copy of which is on file at the office of Legal Counsel for the production, the Company shall receive an amount equal to the percentage of Net Receipts (regardless of when paid) specified herein below, received by Author if the Play has been produced for the number of consecutive performances set forth below and if before the expiration of twelve (12) years subsequent to the date of the first paid public performance of the Play in New York City, any of the following rights are disposed of anywhere throughout the United States and/or Canada and in any other territory where the Play is presented by Producer for the applicable number of performances set forth in this Paragraph 15: motion picture, radio, television, touring performances, stock performances, Broadway performances, Off Broadway performances, amateur performances, foreign-language performances, condensed tabloid versions, concert tour versions, commercial and merchandising uses, audio and video cassettes and discs, DVDs and any and all electronic media now known or hereinafter devised, Producer shall receive the following percentages of Net Receipts (regardless of when paid) received by Author from dispositions made within the above twelve (12)-year time period, regardless of when paid (the "Subsidiary Rights"):

- (a) ten percent (10%) if Producer presents the Play or causes the Play to be presented as a commercial Off-Broadway production in New York City for at least twenty-one (21) consecutive paid public performances (including an official press opening and up to six (6) previews);
- (b) twenty percent (20%) if Producer presents the Play or causes the Play to be presented as a commercial Off-Broadway production for a run of twenty-two (22) to thirty-nine (39) consecutive paid public performances (including an official press opening and up to six (6) previews);
- (c) thirty percent (30%) if Producer presents the Play or causes the Play to be presented as a commercial Off-Broadway production for a run of forty (40) to fifty-five (55) consecutive paid public performances (including an official press opening and up to six (6) previews); and
- (d) forty percent (40%) (fully vested) if Producer presents the Play or causes the Play to be presented as a commercial Off-Broadway production for a run of fifty-six (56) or more

consecutive paid public performances (including an official press opening and up to six (6) previews).

For the purposes of computing the number of performances, provided the Play officially opens in New York City and Author has been paid all royalties due, the first paid performance shall be deemed to be the first performance; however, only six (6) paid previews will be counted in this computation. The Company's aforesaid participation shall not apply to any production or exploitation of the Play of any kind or nature produced under the lease, license or authority of the Company or in which the Company or any related party shall participate.

#### RETURN OF CAPITAL CONTRIBUTIONS – SHARE OF COMPANY NET PROFITS

The Investor Members as a group will be entitled to receive fifty percent (50%) of any Net Profits of the Company, each in the proportion to which such Investor Members' Capital Contribution bears to the Total Capitalization of the Company. The Managing Members will also receive fifty percent (50%) of such Profits. Any Net Profits will be distributed only after all Capital Contributions have been returned to the Investor Members and the Company maintains a reserve fund in the amount of \$175,000.

#### LIABILITY OF MEMBERS

No Investor Member shall be personally liable for any debts, obligations or losses of the Company beyond the amount of such Investor Member's Capital Contribution to the Company and his or her share of any undistributed Net Profits. An Investor Member shall be liable only to make his or her Capital Contribution and shall not be required to lend any funds to the Company. If any sum by way of repayment of Capital Contribution or distribution of Net Profits shall have been paid prior or subsequent to the termination date of the Company, and at any time subsequent to such repayment there shall be any unpaid debts, taxes, liabilities or obligations of the Company and the Company shall not have sufficient assets to meet them, then each Investor Member and the Managing Members may be obligated to repay the Company to the extent of his or her Capital Contributions so returned, or any Net Profits so distributed to him or her as the Managing Members may need for such purpose and demand. In such event, the Investor Members and the Managing Members shall first repay any Net Profits previously distributed to him or her, respectively, and if insufficient, the Investor Members shall return Capital Contributions which may have been repaid to them, such return by the Investor Members, respectively, to be made in proportion to the amount of Capital Contributions which may have been repaid to them, respectively. All such repayments by Investor Members shall be repaid promptly after receipt by each Investor Member from the Managing Members of a written notice requesting such repayment. The Investor Members and the Managing Members will bear the losses of the theatrical production Company only to the extent of their actual investment in the Company.

Upon termination of the Company, the assets of the Company shall be liquidated as promptly as possible and the cash proceeds shall be applied in the following order of priority:

- (a) To the payment of debts, taxes, obligations and liabilities of the Company and the necessary expenses of liquidation. Where there is a contingent debt, obligation or liability, a reserve shall be set up to meet it, and if and when such contingency shall cease to exist, the money, if any, in such reserve shall be distributed as provided for in the Operating Agreement;
- (b) To the repayment of Capital Contributions of the Investor Members, such Investor Members sharing such repayment proportionately to their respective Capital Contributions; and
- (c) The surplus, if any, of such assets then remaining shall be divided among the Managing Members and Investor Members in the proportion that they share in the Net Profits of the Company.

#### OTHER FINANCING

Except as described herein, no Person or entity has advanced anything of value toward the production of the Play. Scott Paternoster has agreed to pay \$60,000 for advertising in connection with the Play in exchange for six (6) units (at \$10,000 each) towards Total Capitalization.

## FINANCIAL STATEMENTS

The Company will be the ultimate issuer of these securities. Since the Company has not heretofore been engaged in business, there are no financial statements. Investor Members will be furnished with all financial statements require by the New York Theatrical Syndication Financing Act and Regulations promulgated in accordance with New York Law and will include annual statements of operations.

If the Company receives an exemption from the requirements of filing certified accounting statements and the Managing Members are permitted to furnish an unaudited statement, Investor Members will not have the benefit of a certified accounting and will rely wholly upon the Managing Members' statement for the determination of their share of any Net Profits.

## EFFECT OF FEDERAL INCOME TAXES

It is the belief of the Managing Members that for purposes of Federal income tax, the Company should be treated as a partnership. A tax ruling from the Internal Revenue Service ("IRS") as to the Company's status as a partnership for Federal income tax purposes has not, however, been applied for, nor do the Managing Members intend to apply for such a ruling. If the Company is treated as a partnership for Federal income tax purposes, then (a) the Company will be required to file an annual information tax return but will not itself be subject to Federal income tax; and (b) each Investor Member and the Managing Members, regardless of whether he or she receives any distribution from the Company, will be required to report his or her proportionate share of each item of Company income and will be entitled to deduct (to the extent of his or her Interests in the Company) such proportionate share of each item of Company expense on the appropriate tax return of such Investor Member and each Managing Member for each relevant tax period, subject to the limitations set forth in the IRS Code relating to losses from passive activities. If the Company is so required under IRS provisions or regulations, it shall select a Managing Member to act as its "tax matters partner" in accordance with the applicable IRS provisions and regulations, who will fulfill this role by being the spokesperson for the Company in dealings with the IRS, as required under the IRS Code and Regulations.

## INDEMNIFICATION

There is no personal liability of the Managing Members to the Company or to the Investor Members for damages for any breach of duty in their capacity as Managing Members, unless there is a judgment or other final adjudication adverse to them that establishes that their acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or that they personally gained in fact a financial profit or other advantage to which they were not legally entitled, or that with respect to any distribution, their acts were not performed in accordance with the applicable laws governing a Limited Liability Company in the State of New York.

## FEDERAL SECURITIES LAW

This Offering of securities has been organized with the intent of qualifying for an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act") pursuant to Regulation D, promulgated by the Securities and Exchange Commission (the "Commission") under the Act. Company Interests are not registered under the Act. Whether these securities are exempt from registration pursuant to Regulation D or otherwise has not been passed upon by the Commission or other regulatory agency, nor has any such agency passed upon the merits of the Offering.

## LEGAL COUNSEL

Almy & Associates PLLC by Tiffany R. Almy, 75 Gold Street, Suite 100, Brooklyn, NY 11201, is the attorney for the production.

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