***THE NEW CONCEPTS PRODUCTIONS PROJECT***

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***REIFICATION OF ENERGY AND EMOTIONS PROJECT SUMMARY***

***This document presents a patent granted visual media effect.***

***Innovation, Visualization, and Technology will revolutionize the media world.***

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***New Concepts Productions***

***NEW CONCEPTS PRODUCTIONS (NCP)***

***PROJECT SUMMARY – Reification of Energy***

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***NEW CONCEPTS PRODUCTIONS (NCP)***

***PROJECT SUMMARY***

**NEW CONCEPTS MISSION:**

NCP's mission is to provide visual arts the technology to reify (make perceivable) energy and emotion. NCP will enhance the viewing audiences experience, and reward stakeholders financially.

**PRODUCT, TECHNOLOGY, RESEARCH, DEVELOPMENT AND FEATURES:**

NCP's technology, which reifies energy and emotion, has required over 7.5 years and highly specialized software and hardware to assemble the ‘open domain’ components. NCP’s technology is “patent granted”. A video sample of these effects is provided. To be implemented efficiently and effectively, the components only need to be combined into a software suite.

**THE MARKET:**

The ultimate market for NCP’s visual innovation is the consumer of visual art. The interim markets are professional artists, marketing, advertising, movie, TV, video game, publishing industries, and the amateur artist. The initial market is the software industry that will produce and distribute software products to professionals and the millions of home computer users. NCP will not produce software, but support licensees. Any major software or media business worldwide is a potential licensee.

The Visual Arts Industry represents an annual Total Available Market (TAM) greater than $500 billion in the United States and $1 trillion worldwide. The reification of energy can be applied to most visual arts. Therefore, there will be significant interest in developing that market. NCP’s target market is a software developer that will make implementation of these effects practical. The software will likely be first developed for media professionals. Additionally, there will be an extensive new market for software plug-ins for bundled and stand alone editing programs.

**THE PROJECT:**

The project has been divided into three Phases:

**Phase 1: Primary Development**

NCP developed the concept and the techniques to manipulate video in postproduction to achieve the desired effect. After over 7 years, and over $ 519,000.00 invested, NCP has developed a demonstration video, still photographs, NCP’s Patent Attorney Michael Kelly of Jennings, Strouss, PLC has generated a granted utility patent and filed for overseas patent extension. Additionally Jennings Strouss, PLC will represent the company in negotiating and licensing the patent, and in future business matters.

Phase 1 has been completed.

**Phase 2: Secondary Development**

NCP will produce a marketing demonstration video with a refined version of the technology and a software module that will be functional.

Growthink will produce The Engagement Action Plan: Business Plan, Ex Summary, and Market Study.

* Comprehensive Financial Model - Assumptions based on 5 year pro-forma demonstrating value proposition to both licensor and licensee
* Extended Executive Summary (15-20 pgs.) - Contains all necessary components of a business plan, completed in a more succinct and visual manner so that multiple parties can understand quickly.  Think about it moving through multiple layers of Sony, it cannot be overly cumbersome.
* Pitch Deck (12-17 slides) - Contains critical components of Model and Executive Summary.  Critical opening step or "tip of the spear" in today's strategic partnership or fundraising activities.  It will act as your resume as well as your presentation to garner partnership.

Completion is estimated to be 180 days.

**Phase 3: Development Completion**

NCP produce a significantly upgraded version of the software for demonstration purposes.

NCP will enter into an agreement with one or more marketing companies to produce a completed version of three video adds for their existing clients to use as an actual showcase of our product in the market place utilizing both moving and still pictures.

NCP will produce 3 prime time quality advertisement videos and stills for the established companies that agree to participate.

Jennings Strouss, PLC will negotiate licensing agreements and extend patents overseas.

NCP will engage a media-marketing firm to start work on brokering the licensing of the Energy Reification Project with major software producers.

**Phase 4: Licensing The Patent**

NCP will oversee the licensing of the patent.

**BUSINESS STRUCTURE:**

The patent will be owned by the inventor and assigned to a LLC holding company, which will grant licensing rights to REIFICATION ENERGY PATENT, LLC. A 2nd company REIFICATION ENERGY PROJECT, LLC will be utilized for raising capital for Phase II and Phase III development and the licensing of the patent.

**RISK MANAGEMENT:**

NCP technology will be marketed to the trillion-dollar worldwide visual arts industry.

NCP is the first to develop, apply for and receive a granted patent on the special effects to reify energy and emotions there is no competition

NCP has demonstrated that these visual effects can be produced with existing technology.

NCP will engage law firms and agents experienced with the media industry.

NCP will license entities that are financially capable of developing, distributing, and defending the NCP patented technology.

NCP will require all software licensees to use the established placement and connotations related to the colors used to create the desired effect. This will work to insure the development of standardized color langue. (See section two in the Reification Summary)

**COMPETITION:**

NCP is first to develop, first to patent, and first to market this technology. Every existing and future editing software manufacturer is a potential customer.

**THE NEW CONCEPTS TEAM:**

**Larry L’Heureux**

**Inventor Of The Reification Process**

**New Concepts Productions (NCP)** is a division of **Concepts In Human Development (CHD)** a 501 (c) 3, CA corporation and is recognized by the Private Postsecondary Division of the Board of Education of CA as an educational institution. Larry L'Heureux, Founder, and President since 1977.

NCP is the media arm of CHD’s educational programs and since 2009 has produced over 100 video programs and concerts, many of which are on: www.ncidh.org. Larry L'Heureux is the Executive Producer on several infomercials, one for Jeff Wetzel and United Health Care Insurance, one for Dr. Norman Deitch and The Non-Surgical Spine Care Center, and one on the Reification of Energy.

**Michael Kelly, Attorney**

**JENNINGS STROUSS ATTORNEYS AT LAW**

Jennings, Strouss is a dynamic law firm with the talent and insight to address a wide range of business legal issues. With law offices in [Phoenix](http://jsslaw.com/phoenix.aspx), [Peoria](http://jsslaw.com/peoria.aspx) and [Yuma](http://jsslaw.com/yuma.aspx), Arizona and [Washington, D.C.](http://jsslaw.com/washington.aspx), the firm leverages its resources regionally and nationally.

Mr. Kelly is Chair of the firm’s Intellectual Property Practice Group.  He has over 27 years of experience in dealing with intellectual property related matters.  Mr. Kelly has extensive transactional and litigation experience representing plaintiffs and defendants in patent, trademark, copyright, trade secret, contract, licensing, and technology transfer disputes, including first chair jury trial experience in federal district court. Mr. Kelly is well versed in patent, trademark and copyright (including software) prosecution and infringement, trade secrets and unfair competition, international dispute resolution, and intellectual property insurance and legal opinions.

Mr. Kelly is also familiar with the rules and procedures governing United States patent and trademark prosecution, as well as the evolving protocols in Europe, the Middle East and Asia.

Mr. Kelly’s technical expertise includes encryption, cyber security, medical imaging, software architecture, data cache and database systems, microprocessors, optics, semiconductor processing and wafer fabrication technologies, cloud computing, advanced weapons systems, medical devices, supersonic aircraft design, automotive systems, business methods, avionics, credit and financial services, mobile devices, smart phone applications, and consumer electronics.

**John Harrison, Business Consultant**

Mr. Harrison has over 45 years of sales, marketing, executive, management, and entrepreneurial experience. John is a former owner of Toltec Industries, Inc., an OEM manufacturer of electronic components. John founded MEMCOR, a manufacturers’ Rep Company. John Served as President of the San Diego chapter of the Electronics Representatives Association (ERA), and managed the San Diego Electronics Show at the San Diego Convention Center. As a consultant, Mr. Harrison has assisted the founders of over a dozen startup companies.

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**Growthink Consulting Group**

Los Angeles, CA 90045

Growthink helps entrepreneurs become more successful. Since 1999, we have helped over 500,000 entrepreneurs to successfully start, grow and/or exit their companies.

Growthink accomplishes this through our suite of services and products that solve the key needs of entrepreneurs. These needs include: expertly identifying and pursuing new opportunities, developing business plans, raising capital, creating executive dashboards, building marketing and growth strategies, and developing and executing on exit plans.

In 1999, at the height of the Internet bubble, Growthink co-founders and serial entrepreneurs Dave Lavinsky and Jay Turo graduated with their MBAs from UCLA’s Anderson School of Management. At that time, Lavinsky and Turo identified an interesting opportunity; thousands of businesspeople wanted to launch Internet ventures, but they didn’t know how to start, finance and build them.

So, Lavinsky and Turo used their market research, finance, and small business backgrounds plus their recently gained MBA skills and mentalities to systematically help these entrepreneurs succeed. Since that time, Lavinsky and Turo have built Growthink’s team, client base, and service and product offerings in pursuit of their mission of helping all entrepreneurs succeed.

**CAPITAL PLAN:**

NCP is seeking an $766,500.00 equity investor to fund the completion of this project.

The project has been divided into four Phases:

**Phase I: Primary Development - (Completed) $ 519,000.00**

**Phase II: Secondary Development - $ 362,500.00**

**Phase III: Completion, Operations, & Sale - $ 420,000.00**

**Total potential additional investment $782,500.00**

**(See Capital Expenditures Itemized Pages 7 & 8)**

**RETURN ON IINVESTMENT & EXIT:**

NCP is offering an investor a ‘Revenue Participation Note’ in which the investor will receive a percentage of gross revenues, including proceeds of a sale, for the life of the project. Please see the sample RPN for details. Alternatively, investors may accept equity in a to be formed LLC.

EXIT: The most direct and fastest return would be outright sale of the project to a large editing software company for an acceptable price and a piece of the long term proceeds for the life of the patent thereby letting them develop it to its’ potential. The terms would have to include performance timelines and color language development guidelines.

**Capital Expenditures Itemized**

**PHASE I EXPENSES (COMPLETED)**

Expenses:

San Marcos Office expense = $ 1,860.00 / Mo. X 36 Mo. = $ 66,960.00

Escondido & Poway Offices expense = $ 1,350.00 / Mo. X 54 Mos. = $ 72,900.00

Executive expense = $ 36,000.00 / Yr. X 7.2 Yrs. = $259,200.00

Equipment Purchased $ 38,608.00

Expenses to Crew and Editors Expenses $ 29,600.00

Legal & Patent $ 23,632.00

Legal: File Patent Cooperation Treaty Documents All Overseas Countries $ 3,500.00

Interest $ 19,100.00

Website $ 5,500.00

Total Phase I Expenses $519,00.00

**PHASE II EXPENSES – ESTIMATED TO BE COMPLETED IN 180 DAYS**

Legal: outstanding fees currently due $12,500.00

Preparation for contracts, licensing, and forming Nevada LLC $ 2,500.00

Additional Legal Expenses $ 10,000.00

Market Research and complete Business Plan $ 12,000.00

Produce Revised and Improved Video Effects, Demos, and initial software module $ 90,000.00

Modify and Extend Patent Overseas $ 90,000.00

Retire Part Of Previous Incurred Debt and Interest $ 90,000.00

Operating Expenses $ 7,500.00 / Mo. X 6 Mos. = $ 45,000.00

Contingencies Allowance $ 10,500.00

**Total Phase II $362,500.00**

**PHASE III EXPENSES – ESTIMATED TO BE COMPLETED IN 365 DAYS**

Additional Legal Fees $ 50,000.00

Production of 3 premium videos and market research group testing $100,000.00

Upgraded functional software $ 80,000.00

Specialized Agent Representation for marketing $ 75,000.00

Operating Expenses $7,500.00 / For 1 Year $ 90,000.00

Contingencies $ 25,000.00

**Total Phase III $420,000.00**

Phase I - Completed ($519,000.00)

Phase II $352,500.00

Phase III $420,000.00

Subtotal $782,500.00

**Total Additional Investment Required For Completion Of This Project: $782,500.00**

New Concepts Productions

REVENUE PARTICIPATION

PROMISORY NOTE

This agreement, created and entered into \_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2015, is by and between New Concepts Productions (NCP), a subsidiary of Concepts In Human Development, Inc. a California 501 C 3 Corporation with offices at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_; and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Investor(s), residing at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The Parties agree:

1. The Investors wish to invest in NCP.
2. The Investors are experienced investors, and recognize that an investment in NCP is high risk. High risk means that in spite of considerable potential returns, NCP could fail and the Investors would lose all of their investment. The Investors represent that they are able to sustain such a loss without jeopardizing their lifestyle.
3. Investors will invest $ by check or wire transfer to NCP.
4. In return for the investment, NCP will pay to Investors quarterly, a proportionate share of a pool created for all investors. This pool will equal percent of the gross income of NCP. Investors’ proportionate share will equal the investment divided by the total of all investments in NCP. Investor will continue to receive these proportionate quarterly payments until they have received $ .
5. After Investors have received $ , as above, NCP will pay to Investors quarterly, a proportionate share of a pool created for all investors. This pool will equal percent of the income of NCP. Investors’ proportionate share will equal the investment divided by the total of all investments in NCP. Investor will continue to receive these proportionate quarterly payments for the life of NCP.
6. In the event of the partial or full sale of NCP, or any of its product lines, NCP will distribute proportionately among the investors their percent (As in 4 & 5) of the proceeds of such sale.

*Accepted and agreed \_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2018*

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Investors Larry L’Heureux – President NCP