



Allied Vaughn MOD Distribution

Allied Vaughn is one of the fastest growing and largest distributors of motion picture and television titles. We have relationships with hundreds of e-commerce, catalog, and physical retail merchants, including nearly every meaningful DVD and Blu-ray reseller in the United States. Allied Vaughn licenses and distributes over 15,000 films, TV series, special interest and audio titles from studios and networks including Warner Bros., Fox, MGM, Sony Pictures, Universal Pictures, CBS, National Geographic, and TCM.

We are the distribution solution for a significant and growing collection of film, television, documentaries, sports, educational, and specialty content. Our unique and proprietary manufacturing and distribution process enables all retail channels to merchandise and sell our catalog without the investment, risks and constraints of the traditional distribution supply chains.

Our business is founded on the premise that:

- Maximizing distribution maximizes sales.
- Sales of new release and core catalog are increasingly driven by online sales.
- Major retailers require streamlined and efficient distribution.
- Expanding the availability of our catalog beyond just the major retailers is critical to maximizing sales.
- Consumer conversion, from shop to sale, is driven by 100 percent available to ship guarantees.
- Investment should be in merchandising and promotion, **not** in inventory.
- Every sale should result in a net royalty payment to the content owner. Elimination of returns and other charges should be the standard, not the exception.
- Our program scales from top selling new release titles to long-tail catalog, all with no out-of-pocket cost to the content provider.

Here's what we do for you as a content partner:

Ingestion and Launch

- We ingest your finished DVD files, packaging art files, and metadata into our MOD manufacturing and sales systems.
- We can author your DVD and Blu-ray titles from digital files at well-below-market rates, if a title has not yet been authored.
- We provide a dedicated Content Onboarding Manager who works with content partners to coordinate all the aspects of getting materials to us – and set up for launch.
- We collaborate with our content partners to set the MSRP for each title.
- Allied Vaughn will sell titles to all sales channels at 30%-35% off the title MSRP.
- Allied Vaughn has a deep integration with Amazon, and will also set your titles up for sale through Amazon's DVD and Blu-ray on Demand program.

Retail Management

- We proactively feed new title information to our network of resellers via weekly emails and newsletters. We have both manual and automated product data feeds set up for all our resellers. This enables us to get your titles into dozens of webstores, direct mail film catalogs, and specialty distributors, including Amazon.

- We have dedicated sales staff who works with our sales channels to increase visibility and reseller focus on catalog and specialty content.
- We run regular promotions on title collections in collaboration with you as a content partner. We tailor them as needed for maximum effectiveness with individual sales channels. And, we administrate them so you don't have to.

Manufacturing and Fulfillment

- We manufacture and fulfill orders on-demand to both reseller warehouses and direct to consumers. Most have direct EDI order integration with us. So, once the title is listed on their site, we can take orders.
- Our ship turn times are generally 1-2 business days or less. We ship worldwide using a variety of land and express methods.
- We guaranty against material defects.
- We provide dedicated customer service staff to our resellers, freeing you up to focus on content.

Reporting and Royalties

- We report sales to content partners on a monthly basis, and pay royalties 60 days after the end of the quarter.
- Royalties are 70% of the net revenue. Net revenue is the sale price minus a manufacturing fee and a per-title set up fee (if any). The manufacturing fee includes the cost of disc, printed wrap, all outer packaging, and fulfillment. The consumer or the resellers pay the shipping cost. None of this is borne by the content partner.
- We do not take returns for reasons other than defects. So, all sales are a "good sale".

Royalty Calculation

Royalties by MSRP (all retail except Amazon)	DVD 5	DVD 9	BD 25		Royalties by MSRP (Amazon)	DVD 5	DVD 9	BD 25
\$29.95	\$12.65	\$11.53	\$11.53		\$29.95	\$10.13	\$10.13	\$10.13
\$24.95	\$10.20	\$ 9.08	\$ 9.08		\$24.95	\$ 8.21	\$ 8.21	\$ 8.21
\$19.95	\$ 7.75	\$ 6.63	\$ 6.63		\$19.95	\$ 6.28	\$ 6.28	\$ 6.28
\$14.95	\$ 5.30	\$ 4.18	\$ 4.18		\$14.95	\$ 4.36	\$ 4.36	\$ 4.36
\$9.95	\$ 2.85	\$ 1.73	\$ 1.73		\$9.95	\$ 2.43	\$ 2.43	\$ 2.43
*Assumes no encryption								
*30% discount from MSRP to retail/wholesale								
* Multiple disc and TV episodic content royalties available								

Summary

- In short – we can handle the entire process of taking your catalog of titles to market. Once you say yes – we do the rest.
- You merely give us finished files for DVD, Packaging Art, and metadata, or we can help with that as needed.
- Your physical product marketing and supply chain strategy is now handled so you can focus on adding new titles.

