



## 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 over 180 studios and networks including Warner Bros., Universal Studios, Sony Pictures, Fox, MGM, Paramount, CBS, NBC, Viacom, National Geographic, BBC and TCM. We are sales and marketing distribution choice for film, television, documentaries, sports, educational, and specialty content. Our unique, 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 chain.

Our business is founded on the premise that:

- Maximizing distribution maximizes sales.
- Sales of new release *and* catalog titles are increasingly driven by online sales.
- Retailers require streamlined and efficient distribution.
- Expanding the availability of our catalog beyond the major retail outlets is critical to maximizing sales.
- Sales are driven by 100% '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.

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. All at no charge. If the title has not yet been authored, we can also author your DVD or Blu-ray from your mezzanine file at below market rates.
- We provide a dedicated Content Onboarding Manager to work with our content partners to coordinate all aspects of getting materials to us – from set-up to launch.
- We collaborate with our content partners to set the Suggested List Price for each title.
- Allied Vaughn sells titles to all sales channels at 30% off the title Suggested List Price.
- 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 title pitch pages, 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 staff to work 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.
- We offer a co-branded e-commerce store for our content partners, using Allied Vaughn's proprietary MovieZyng e-commerce platform. Content partners are provided a branded online store for titles licensed to Allied Vaughn through our distribution services. The store is fully integrated with our manufacturing, customer service and fulfillment center. Content partners can direct traffic to their store using social media, blogs, press releases, and affiliates to drive sales. When you agree to partner with Allied Vaughn to direct traffic – we provide you with a Movie Zyng store at no charge.

**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. 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 guaranty against material defects.
- We provide dedicated customer service staff to our resellers, freeing you up to focus on your 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. This 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 "final sale".

**Royalty Calculation Examples**

Royalti Examples by Suggested List Price*						
All Retail except Amazon	DVD	Blu-ray		Amazon Only	DVD	Blu-ray
\$ 9.99	\$2.87	\$1.75		\$ 9.99	\$2.45	\$2.45
\$ 14.99	\$5.32	\$4.20		\$ 14.99	\$4.37	\$4.37
\$ 19.99	\$7.77	\$6.65		\$ 19.99	\$6.30	\$6.30
\$ 24.99	\$10.22	\$9.10		\$ 24.99	\$8.22	\$8.22
• Assumes DVD-5 and BD-25 discs used • Assumes no encryption • Multiple disc title examples 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.

