

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

**FORM 10**

**Amendment No. 3**

**GENERAL FORM FOR REGISTRATION OF SECURITIES  
Under Section 12(b) or (g) of the Securities Exchange Act of 1934**

**American Picture House Corporation**

(Exact name of registrant as specified in its charter)

**Wyoming**

(State or other jurisdiction of incorporation or organization)

**85-4154740**

(I.R.S. Employer Identification No.)

**555 Madison Avenue 5FL, New York, NY**

(Address of principal executive offices)

**10022**

(Zip Code)

**1-800-689-6885**

(Registrant's telephone number)

Copies of all correspondence to:

Gary L. Blum, Esq.  
Law Offices of Gary L. Blum  
3278 Wilshire Boulevard, Suite 603  
Los Angeles, California 90010  
Cell: 213-369-8112

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities to be registered pursuant to Section 12(g) of the Act:

**Common shares, \$0.0001 par value**

(Title of class)

Indicate by check mark whether the registrant is a large, accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large, accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer   
Non-accelerated filer

Accelerated Filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Table of Contents**

<a href="#">Cautionary note on forward-looking statements</a>	3
<a href="#">Item 1. Business</a>	3
<a href="#">Intellectual Properties</a>	5
<a href="#">Item 1A Risk Factors</a>	8
<a href="#">Item 2. Financial Information</a>	17
<a href="#">Management's discussion and analysis of financial condition and results of operations</a>	17
<a href="#">Item 3. Properties</a>	26
<a href="#">Item 4. Security Ownership of Certain Beneficial Owners and Management</a>	27
<a href="#">Item 5. Directors and Executive Officers</a>	28
<a href="#">Item 6. Executive Compensation</a>	32
<a href="#">Item 7. Certain Relationships and Related Transactions, and Director Independence</a>	32
<a href="#">Item 8. Legal Proceedings</a>	35
<a href="#">Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Shareholder Matters</a>	35
<a href="#">Item 10. Recent Sales of Unregistered Securities</a>	37
<a href="#">Item 11. Description of Registrant's Securities to be Registered</a>	39
<a href="#">Item 12. Indemnification of Directors and Officers</a>	40
<a href="#">Item 13. Financial Statements and Supplementary Data</a>	41
<a href="#">Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	41
<a href="#">Item 15. Financial Statements and Exhibits</a>	41

Some of the statements contained in this registration statement on Form 10 of American Picture House Corporation (hereinafter the “Company,” “APHP,” “we,” “us” or “our”) discuss future expectations, contain projections of our plan of operation or financial condition or state other forward-looking information. In this registration statement, forward-looking statements are generally identified by the words such as “anticipate,” “plan,” “believe,” “expect,” “estimate” and the like. Forward-looking statements involve future risks and uncertainties, there are factors that could cause actual results or plans to differ materially from those expressed or implied. These statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and is derived using numerous assumptions. A reader should not place undue reliance on these forward-looking statements, which apply only as of the date of this registration statement. Important factors that may cause actual results to differ from projections include, for example:

- The success or failure of management’s efforts to implement the Company’s business plan;
- The ability of the Company to fund its operating expenses;
- The ability of the Company to compete with other companies that have a similar business plan;
- The effect of changing economic conditions impacting our plan of operation;
- The ability of the Company to meet the other risks as may be described in future filings with the SEC.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. We believe the information contained in this Form 10 to be accurate as of the date hereof. Changes may occur after that date. We will not update that information except as required by law in the normal course of our public disclosure practices.

Additionally, the following discussion regarding our financial condition and results of operations should be read in conjunction with the financial statements and related notes included in this Form 10.

## Item 1. Business

### Business Overview

American Picture House Corporation *aka* American Picture House Pictures plans to be a premiere entertainment company with a focus on feature films, limited series, and content-enhancing technologies. APHP is managed by astute financiers and supported by seasoned creatives. To date, the Company has provided general consulting services to entertainment industry-based clients. These clients were interested in our entertainment industry expertise and general business knowledge. The services provided included the strategy, development, and procurement of materials including; business plans, financial projections, and corporate marketing materials for the entertainment industry. The Company has refocused its efforts and will no longer be providing these services to independent clients. Going forward, APHP plans to partner with filmmakers, showrunners, content developers and strategic technology partners to develop, package, finance, and produce high-quality feature films and television shows with broad-market appeal. The Company’s management, Board of Directors and advisors have had relationships with major studios due to many of them having worked within the entertainment industry on many films and shows in a variety of specialties including: writing, producing, directing, casting, sales, and licensing. Although these relationships have not yet yielded results to APHP to date, the Company anticipates it will be able to access these relationships to benefit the Company in its future endeavors.

The Company intends to specialize in mid-budgeted productions where more than 100% of the budget can be collateralized by a films’ or shows’ intellectual property (“IP”), unsold licensing sales projections, pre-sold licensing contracts, incentive agreements, tax rebates, and grants. The Company’s management and advisors will use these assets to limit risk and guarantee greater profitability. The IP (e.g., the book rights, script, screenplay, etc.) of a particular film or show usually has a quantifiable value, especially if such IP was written by a recognized author or by a WGA (“Writers Guild of America”) writer and further enhanced by the addition of competent producers, proven directors and directors of photography, and talented actors. While the IP itself has value, the previously mentioned elements plus the addition of factors like choosing favorable filming locales to film in (that provide monetary and/or tax incentives) and formulating lean budgets, enable third party financiers to quantify a films’ or shows’ value and this quantifiable-value can be utilized to secure additional equity investors and or be utilized to secure loans. Through the development of a strong package, APHP can limit its overall financial exposure, mitigate financial risk, and reduce the equity required from the Company to produce a film or show. Loans and additional equity, are usually only secured for films that have a package that has strong elements and additional factors; therefore, a reduction in equity combined with third-party participation also is expected to increase profitability to the Company.

The Company will strive to become synonymous with creative ability, financial sophistication, and leading-edge technology. The Company has optioned IP with the intent to co-finance and co-produce feature films and limited series shows.

### Filmmaking Stages and Our Strategy

To understand our business strategy, it is useful to think of filmmaking in five stages - often with different teams involved at different stages:

- Development: The first stage in which the ideas for the film are created, rights to books/plays are acquired and the screenplay is written. Financing for the project has to be sought and obtained;
- Pre-Production: Arrangements and preparations are made for the shoot, such as hiring cast and film crew, selecting locations and constructing sets;
- Production: The raw footage and other elements for the film are recorded during the film shoot;
- Post-Production: The images, sound, and visual effects of the recorded film are edited and combined into a finished product; and
- Distribution: The completed film is distributed, marketed, and screened in cinemas and/or released to video or streaming services.

### Our Strategy to Build Value

Our business strategy is to purchase and/or option “entertainment properties” (e.g., book rights, screenplays, scripts, etc.) that have had some level of financial investment in the development stage before we acquire the entertainment property where the initial owner or development team decided to stop development for financial or other reasons after making a substantial investment in development. For this investment, we may share with the original team rights to revenue from the acquired entertainment properties. This strategy will allow the Company to reduce our initial cash outlay when acquiring intellectual properties, allows us to allocate more funds in moving the entertainment property up the filmmaking chain, gives us assistance and goodwill from the original development team, and reduces our financial risks.

Our strategy requires us to make an informed assessment that our management team has the ability to move the script forward where the initial team failed while allowing APHP to capitalize on the initial investment.

We seek to build value in our entertainment properties by many means, including the following:

- Hiring other qualified Writers Guild of America (“WGA”) writers to further develop, polish, or re-write entertainment properties;
- Securing or attaching quality talent (e.g., producers, director, actors, etc.);
- Determining pre-sales values;
- Securing some pre-sales (*mostly in international markets*);
- Securing financial and banking relations;
- Hiring a talent agency, retaining attorneys;

- Determining shooting locations, including the best place to obtain financial incentives and/or grants;
- Developing a comprehensive budget and devising financing strategy;
- Securing a completion bond; and
- Developing production and marketing materials (e.g., look-book, location scouting, poster-design, etc.).

### Organizational Structure

At present, the Company has no employees. We do, however, utilize the services of consultants. The Company is managed by its officers. Bannor Michael MacGregor is the CEO, A. John Luessenhop, Jr. is the President, Donald J. Harris is the Secretary, Daniel Hirsch is the Treasurer, and James H. Hayne is the Assistant Treasurer and the Assistant Secretary, all report to a Board of Directors. At present, only Bannor Michael MacGregor is under a Consulting Agreement.

### Our Offices

The Company maintains three virtual offices in New York, NY, Raleigh, NC, and Los Angeles, CA.

### Intellectual Properties

The following overview concerns the intellectual property matters of our Company.

Intellectual properties and other proprietary rights are important to our business and can provide us with a competitive advantage. While the Company uses reasonable efforts to protect its trade and business secrets, the Company cannot assure that its employees, consultants, contractors, or advisors will not, unintentionally, or willfully, disclose the Company's trade secrets to competitors or other third parties. In addition, courts outside the United States are sometimes less willing to protect trade secrets. We periodically review third-party proprietary rights, including copywriting and copywriting applications, in an effort to avoid infringement on third-party proprietary rights and protect our own, identify licensing or partnership opportunities and monitor the intellectual property claims of others. Any infringement of the Company's proprietary rights could result in significant litigation costs, and any failure to adequately protect could result in the Company's competitors offering similar products, potentially resulting in loss of a competitive advantage and decreased revenue.

Existing copyright, trademark, and trade secret laws afford only limited protection. In addition, the laws of some foreign countries do not protect the Company's proprietary rights to the same extent as do the laws of the United States. Litigation may be necessary in the future to protect the Company's trade secrets or to determine the validity and scope of the proprietary rights of others. This litigation could result in substantial costs and diversion of resources and could materially adversely affect the Company's future operating results.

We own a portfolio of intellectual properties including the following screenplays: APHP owns 100% of the following titles and maintains copyrights at the U.S. Copyright Office:

- *THIEF* written by Karl Gajdusek;
- *ACE IN THE HOLE* by Richard D'Ovidio;
- Three additional *THIEF* titles; and
- *SPREAD THE WORD* written by Michael Andrews.

APHP also own a portion of the beneficial ownership to the feature film *BUFFALOED*. The Company maintains a CAMA (Cash Asset Management Account) agreement with Fintage Collection Account Management, B.V. (a global film and television rights company that operates collection services) which collects licensing revenue streams worldwide from distributors on behalf of either a film or show which are then allocated to the respective CAMA participants, the beneficial owners of the film or show. APHP owns fifty percent (50%) of the IP of the feature film titled *BUFFALOED* and thirty five percent (35%) of the revenues generated from the CAMA.

Additionally, APHP solely maintains option rights to:

- *DEVIL'S HALF-ACRE* written by Dashiell Luessenhop. These option rights expire in July 2024 with the ability to extend the option for an additional two (2) years. We are currently in pre-production of *DEVIL'S HALF-ACRE* including finalizing the script, hiring film crew, location scouting, determining equipment and finalizing the proposed budget. Additionally, on August 18<sup>th</sup>, 2023, APHP has acquired a Special Purpose Vehicle ("SPV") called Devil's Half-Acre Productions, LLC, for the specific purpose of producing the feature film. APH owns 100% of this SPV; and
- *ASK CHRISTINE*, a screenplay written by Danielle Silvie Gershberg. These option rights expire in March 2024 with the ability to extend the option for an additional two (2) years. We are currently in pre-production of *ASK CHRISTINE* including finalizing the script, hiring film crew, location scouting, determining equipment and finalizing the proposed budget. Additionally, APHP has established a SPV called Ask Christine Productions, LLC, for the specific purpose of producing the feature film. APH owns 100% of this SPV. This SPV has filed a Form V2.3 with the Screen Actors Guild ("SAG") for an interim contract to enable APH to begin filming and utilizing SAG actors; and
- *MIDNIGHT'S DOOR*, a screenplay written by Kirsten Elms. These option rights expire in February 2024 with the ability to extend the option for an additional two (2) years.

While we consider our intellectual properties to be assets, we do not believe that our competitive position is dependent primarily on our entertainment properties or that our operations are dependent upon any single Entertainment Property. We nevertheless face intellectual property-related risks. For more information on these risks, see "Risk Factors."

### Competition

Our business operates in highly competitive markets. We compete with companies within the film and media business, but ultimately our competition includes all businesses that compete for consumer entertainment dollars, including travel, sporting events, outdoor recreation and other cultural related activities.

Entertainment competitors include the major film and television studios, numerous independent motion picture and television production companies, television networks, pay television services and digital media platforms.

The scope of the competition extends beyond consumer dollars to competing to acquire rights to literary and film properties, the services of performing artists, directors, producers and other creative and technical personnel and production financing, all of which are essential to the success of our entertainment businesses.

In addition, our motion pictures will compete for audience acceptance and exhibition outlets with motion pictures produced and distributed by other companies. Likewise, we

face significant competition from independent distributors as well as major studios. As a result, the success of any of our business is dependent not only on the quality and acceptance of a particular project, but also on the quality and acceptance of other competing content released into the marketplace at or near the same time as well as on our ability to license and produce content for the networks that is adequate in quantity and quality and will generate satisfactory subscriber levels.

Given such competition, we will attempt to operate with a different business model than others. We plan to emphasize a lower cost structure, risk mitigation, reliance on financial partnerships and innovative financial strategies. Our cost structures will be designed to utilize our flexibility and agility as well as the entrepreneurial spirit of our employees, partners and affiliates, in order to provide creative entertainment content to serve diverse audiences worldwide.

Many of our anticipated competitors, such as those listed below, have substantially greater financial, technical, and other resources and larger, more established marketing, sales and distribution systems than we have. Our success will depend, in part, on our ability to develop our intellectual properties in a timely manner, achieve market acceptance of our future products, gain name recognition and a positive reputation in the film industry, and establish successful marketing, sales and distribution efforts.

**2AM** is a Los Angeles & New York based production and management company that specializes in supporting work from auteur driven filmmakers and talent. The company was founded in 2020 by Christine D'souza Gelb, David Hinojosa, and Kevin Rowe, and was launched in strategic partnership with A24 Films LLC, the Oscar-winning studio behind films such as *EVERYTHING EVERYWHERE ALL AT ONCE* and *MOONLIGHT*, as well as the hit TV series *EUPHORIA*. Their website is: [www.2am.com](http://www.2am.com).

**Utopi** is a film distribution and sales company that specializes in independent and documentary cinema. With a "filmmaker first" approach, Utopia focuses on creating new theatrical and digital distribution opportunities, improving the direct-to-consumer experience, and helping filmmakers maintain a global presence. Co-founded by filmmaker Robert Schwartzman and Cole Harper in 2018, Utopia has since launched technology platform *Altavod*, which gives filmmakers more control, higher marketing ROI, and stronger data collection tools than other platforms; and Utopia Originals, a division dedicated to the development, packaging, and sales of original film and television content. Their website is: [www.utopiadistribution.com](http://www.utopiadistribution.com).

**XTR** is a premium global nonfiction entertainment studio. With a focus on audience appeal and a commitment to artistry, the award-winning studio works with outstanding creators to produce, distribute, finance, and develop films, series, and podcasts. XTR has a world-class production facility, XTR Studios, on the Eastside of Los Angeles that includes production and post-production facilities, a sound stage, and recording studio. Since its inception in 2019, XTR has produced and financed over 80 documentaries, including *THEY CALL ME MAGIC*, on AppleTV+; MTV Documentary Films Oscar-nominated *ASCENSION*; and the Emmy and Peabody award-winning *76 DAYS*. In 2021, XTR launched DOCUMENTARY+, an AVOD platform and FAST channel that brings the best in nonfiction film and television to over 80 million households in the U.S and nearly every country globally. Their website is: <https://www.xtr.com/>.

## Employees

At present, the Company has no employees. We do, however, utilize the services of consultants. The Company is managed by its officers. Bannor Michael MacGregor is the CEO, A. John Luessenhop, Jr. is the President, Donald J. Harris is the Secretary, Daniel Hirsch is the Treasurer, and James H. Hayne is the Assistant Treasurer and the Assistant Secretary, all report to a Board of Directors. At present, only Bannor Michael MacGregor is under a Consulting Agreement.

## Smaller Reporting Company

The Company is a "smaller reporting company" as defined in Rule 12b-2 under the Exchange Act. There are certain exemptions available to us as a smaller reporting company, including: (1) not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes Oxley Act; (2) scaled executive compensation disclosures; and (3) the requirement to provide only two years of audited financial statements, instead of three years. As long as we maintain our status as a "smaller reporting company", these exemptions will continue to be available to us.

## Corporate History

American Picture House Corporation was incorporated in Nevada on September 21, 2005 under the name Servinational, Inc. The Company subsequently changed its name to Shikisai International, Inc. in November 2005 and then to Life Design Station, Intl., Inc. in August 2007. The Company changed its state of domicile from Nevada to Wyoming on October 13, 2020. On December 4, 2020, the Company changed its name to American Picture House Corporation.

The Board of Directors approved a 50:1 reverse stock split that became effective in the marketplace on October 11, 2021.

Following the reverse stock split, on September 13, 2021, the Company adopted an amendment to the Company's Articles of Incorporation to reduce the number of authorized shares from 4,700,000,000 shares of Common Stock at \$0.0001 par value to 1,000,000,000 shares of Common Stock at \$0.0001 par value.

As of October 11, 2023, the Company has 1,001,000,000 shares authorized, including 1,000,000,000 common shares and 1,000,000 preferred shares.

**Common Shares** - As of October 11, 2023 APHP has 1,000,000,000 common shares authorized of which 107,740,991 shares issued and outstanding. As of October 11, 2023 the total number of shareholders of record was 308. All common shares are entitled to participate in any distributions or dividends that may be declared by the Board of Directors, subject to any preferential dividend rights of outstanding shares of preferred shares.

**Preferred Shares** - As of October 11, 2023 the Company had 1,000,000 preferred shares authorized, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock ("Series A preferred shares" herein). At present, 3,829 Series A preferred shares are issued and outstanding. The Series A preferred shares do not have any rights to dividends; voting - each share of Series A preferred shares carries a superior voting right to the Company's common shares, each Series A preferred share shall be counted as 1,000,000 votes in any Company vote. Each Series A preferred share is convertible at a ratio of 1 to 100,000 so that each one share of Series A preferred shares may be exchanged for 100,000 common shares. Series A preferred shares hold a first position lien against all of the Company's assets including but not limited to the Company's IP ("Intellectual Property"). The Preferred shares do not have any specific redemption rights or sinking fund provisions.

**Voting Control** - Our Chief Executive Officer and Chairman of the board of Directors, Bannor Michael MacGregor, is the beneficial owner of 31,532,737 shares of common stock, which controls 29.27% of the outstanding common voting shares. Mr. MacGregor is the owner of 100% of the Company's 3,829 shares of issued and outstanding Series A preferred stock. The Company's Series A preferred shares have voting rights equal to 1,000,000 votes per each one share. As such, Mr. MacGregor has voting rights equal to 3,860,532,737 shares of common stock, representing 98.1% of voting rights,

## Item 1A. Risk Factors

*An investment in our common shares involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this prospectus before making an investment decision. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we may currently deem immaterial, may become important factors that harm our business, results of operations and financial condition. If any of the following risks actually occurs, our business, results of operations and financial condition could suffer. In that case, the trading price of our common shares could*



decline, and you may lose all or part of your investment.

## Risks Related to Our Company

### We have had losses, and we cannot assure future profitability.

We have reported operating losses for fiscal years 2021, 2022, and the first and second quarters of 2023. Our accumulated deficit was approximately \$4.1 million at June 30, 2023. We cannot assure you we will continue to operate profitably, and if we cannot, we may not be able to meet our debt service, working capital requirements, capital expenditure plans, anticipated production slate or other cash needs. Our inability to meet those needs could have a material adverse effect on our business, results of operations and financial conditions.

### We face substantial capital requirements and financial risks.

*Our business requires a substantial investment of capital.* The production, acquisition and distribution of motion pictures require a significant amount of capital. A significant amount of time may elapse between our expenditure of funds and the receipt of commercial revenues from or government contributions to our motion pictures. This time lapse requires us to fund a significant portion of our capital requirements from our revolving credit facility and from other sources. Although we intend to continue to reduce the risks of our production exposure through financial contributions from broadcasters, distributors, tax shelters, government and industry programs and studios, we cannot assure you that we will continue to implement successfully these arrangements or that we will not be subject to substantial financial risks relating to the production, acquisition, completion and release of future motion pictures and television programs. If we increase (through internal growth or acquisition) our production slate or our production budgets, we may be required to increase overhead, make larger up-front payments to talent and consequently bear greater financial risks. Any of the foregoing could have a material adverse effect on our business, results of operations or financial condition.

*Budget overruns may adversely affect our business.* Our business model requires that we be efficient in production of our motion pictures. Actual motion picture and television production costs often exceed their budget, sometimes significantly. The production, completion and distribution of motion pictures and television productions are subject to a number of uncertainties, including delays and increased expenditures due to creative differences among key cast members and other key creative personnel or other disruptions or events beyond our control. Risks such as death or disability of star performers, technical complications with special effects or other aspects of production, shortages of necessary equipment, damage to film negatives, master tapes and recordings or adverse weather conditions may cause cost overruns and delay or frustrate completion of a production. If a motion picture or television production incurs substantial budget overruns, we may have to seek additional financing from outside sources to complete production. We cannot make assurances regarding the availability of such financing on terms acceptable to us, and the lack of such financing could have a material adverse effect on our business, results of operations and financial condition.

American Picture House Corporation - SEC Form 10

8 | Page

In addition, if a motion picture production incurs substantial budget overruns, we cannot assure you that we will recoup these costs, which could have a material adverse effect on our business, results of operations or financial condition. Increased costs incurred with respect to a particular film may result in any such film not being ready for release at the intended time and the postponement to a potentially less favorable time, all of which could cause a decline in box office performance, and thus the overall financial success of such film. Budget overruns could also prevent a picture from being completed or released. Any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

Production costs and marketing costs are rising at a faster rate than increases in either domestic admissions to movie theatres or admission ticket prices, leaving us more dependent on other media, such as home video, television and foreign markets, and new media. If we cannot successfully exploit these other media, it could have a material adverse effect on our business, results of operations or financial condition.

### Our revenues and results of operations may fluctuate significantly.

*Revenues and results of operations are difficult to predict and depend on a variety of factors.* Our revenues and results of operations depend significantly upon the commercial success of the motion pictures that we distribute, which cannot be predicted with certainty. Accordingly, our revenues and results of operations may fluctuate significantly from period to period, and the results of any one period may not be indicative of the results for any future periods. We cannot assure you that we will manage the production, acquisition and distribution of future motion pictures profitably.

*Our revenues and results of operations are vulnerable to currency fluctuations.* We report our revenues and results of operations in U.S. dollars, but a significant portion of our revenues is earned outside of the United States. currencies on revenues and operating margins, and fluctuations could have a material adverse effect on our business, results of operations or financial condition.

From time to time we may experience currency exposure on distribution and production revenues and expenses from foreign countries, which could have a material adverse effect on our business, results of operations and financial condition.

*Accounting practices used in our industry may accentuate fluctuations in operating results.* In addition to the cyclical nature of the entertainment industry, our accounting practices (which are standard for the industry) may accentuate fluctuations in our operating results.

### Failure to manage future growth may adversely affect our business.

*We may not be able to obtain additional funding to meet our requirements.* Our ability to grow through acquisitions, business combinations and joint ventures, to maintain and expand our development, production and distribution of motion pictures and to fund our operating expenses depends upon our ability to obtain funds through equity financing, debt financing (including credit facilities) or the sale or syndication of some or all of our interests in certain projects or other assets. If we do not have access to such financing arrangements, and if other funding does not become available on terms acceptable to us, there could be a material adverse effect on our business, results of operations or financial condition.

American Picture House Corporation - SEC Form 10

9 | Page

*We are subject to risks associated with acquisitions and joint ventures.* We have made or entered into, and will continue to pursue, various acquisitions, business combinations and joint ventures intended to complement or expand our business. Given that discussions or activities relating to possible acquisitions range from private negotiations to participation in open bid processes, the timing of any such acquisition is uncertain. Although from time to time we actively engage in discussions and activities with respect to possible acquisitions and investments, we have no present agreements or understandings to enter into any such material transaction. Any indebtedness incurred or assumed in any such transaction may or may not increase our leverage relative to our earnings before interest, provisions for income taxes, amortization, minority interests, gain on dilution of investment in subsidiary and discounted operation, or EBIDTA, or relative to our equity capitalization, and any equity issued may or may not be at prices dilutive to our then existing shareholders. We may encounter difficulties in integrating acquired assets with our operations. Furthermore, we may not realize the benefits we anticipated when we entered into these transactions. In addition, the negotiation of potential acquisitions, business combinations or joint ventures as well as the integration of an acquired business could require us to incur significant costs and cause diversion of management's time and resources. Future acquisitions by us could also result in:

- Impairment of goodwill and other intangibles;

- Development write-offs; and
- Other Acquisition-related expenses.

Any of the foregoing could have a material adverse effect on our business, results of operations or financial condition.

**Our ability to exploit our filmed content library may be limited.**

*A significant portion of our filmed content library revenues comes from a small number of titles.* We depend on a limited number of titles for the majority of the revenues generated by our filmed and television content library. In addition, many of the titles in our library are not presently distributed and generate substantially no revenue. If we cannot acquire new product and rights to popular titles through production, distribution agreements, acquisitions, mergers, joint ventures or other strategic alliances, it could have a material adverse effect on our business, results of operations or financial condition.

*We are limited in our ability to exploit a portion of our filmed content library.* Our rights to the titles in our filmed content library vary; in some cases we have only the right to distribute titles in certain media and territories for a limited term. We cannot assure you that we will be able to renew expiring rights on acceptable terms, and any such failure could have a material adverse effect on business, results of operations or financial condition.

**Our success depends on external factors in the motion picture industry.**

*Our success depends on the commercial success of motion pictures which is unpredictable.* Operating in the motion picture and television industry involves a substantial degree of risk.

Each motion picture is an individual artistic work, and unpredictable audience reactions primarily determine commercial success. Generally, the popularity of our motion pictures or programs depends on many factors, including the critical acclaim they receive, the format of their initial release, for example, theatrical or direct-to-video, the actors and other key talent, their genre and their specific subject matter. The commercial success of our motion pictures also depends upon the quality and acceptance of motion pictures that our competitors release into the marketplace at or near the same time, critical reviews, the availability of alternative forms of entertainment and leisure activities, general economic conditions and other tangible and intangible factors, many of which we do not control and all of which may change. We cannot predict the future effects of these factors with certainty, any of which factors could have a material adverse effect on our business, results of operations and financial condition.

In addition, because a motion picture's performance in ancillary markets, such as home video and pay and free television, is often directly related to its box office performance or television ratings, poor box office results or poor television ratings may negatively affect future revenue streams. Our success will depend on the experience and judgment of our management to select and develop new investment and production opportunities. We cannot make assurances that our motion pictures will obtain favorable reviews or ratings, that our motion pictures will perform well at the box office or in ancillary markets or that broadcasters will license the rights to broadcast any of our television programs in development or renew licenses to broadcast programs in our library. The failure to achieve any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

*Licensed distributors' failure to promote our programs may adversely affect our business.* Licensed distributors' decisions regarding the timing of release and promotional support of our motion pictures and related products are important in determining the success of these pictures and products. As with most companies engaging in licensed distribution, we do not control the timing and manner in which our licensed distributors distribute our motion pictures. Any decision by those distributors not to distribute or promote one of our motion pictures or related products or to promote competitors' motion pictures, programs or related products to a greater extent than they promote ours could have a material adverse effect on our business, results of operations or financial condition.

*We could be adversely affected by strikes or other union job actions.* The motion picture and television programs produced by us generally employ actors, writers and directors who are members of the Screen Actors Guild, Writers Guild of America and Directors Guild of America, respectively, pursuant to industry-wide collective bargaining agreements.

**We face substantial competition in all aspects of our business.**

*We are smaller and less diversified than many of our competitors.* Although we are an independent distributor and producer, we constantly compete with major U.S. and international studios. Most of the major U.S. studios are part of large diversified corporate groups with a variety of other operations, including television networks and cable channels, that can provide both means of distributing their products and stable sources of earnings that may allow them better to offset fluctuations in the financial performance of their motion picture and television operations. In addition, the major studios have more resources with which to compete for ideas, storylines and scripts created by third parties as well as for actors, directors and other personnel required for production. The resources of the major studios may also give them an advantage in acquiring other businesses or assets, including film libraries, that we might also be interested in acquiring. The foregoing could have a material adverse effect on our business, results of operations and financial condition.

*The motion picture industry is highly competitive and at times may create an oversupply of motion pictures in the market.* The number of motion pictures released by our competitors, particularly the major U.S. studios, may create an oversupply of product in the market, reduce our share of box office receipts and make it more difficult for our films to succeed commercially. Oversupply may become most pronounced during peak release times, such as school holidays and national holidays, when theatre attendance is expected to be highest. For this reason, and because of our more limited production and advertising budgets, we typically do not release our films during peak release times, which may also reduce our potential revenues for a particular release. Moreover, we cannot guarantee that we can release all of our films when they are otherwise scheduled. In addition to production or other delays that might cause us to alter our release schedule, a change in the schedule of a major studio may force us to alter the release date of a film because we cannot always compete with a major studio's larger promotion campaign. Any such change could adversely impact a film's financial performance. In addition, if we cannot change our schedule after such a change by a major studio because we are too close to the release date, the major studio's release and its typically larger promotion budget may adversely impact the financial performance of our film. The foregoing could have a material adverse effect on our business, results of operations and financial condition.

*Technological advances may reduce our ability to exploit our motion pictures.* The entertainment industry in general and the motion picture industry in particular continue to undergo significant technological developments, including video-on-demand. This rapid growth of technology combined with shifting consumer tastes could change how consumers view our motion pictures and television programs. For example, an increase in video-on-demand could decrease home video rentals. Other larger entertainment distribution companies will have larger budgets to exploit these growing trends. We cannot predict how we will financially participate in the exploitation of our motion pictures and television programs through these emerging technologies or whether we have the right to do so for certain of our library titles. If we cannot successfully exploit these and other emerging technologies, it could have a material adverse effect on our business, results of operations or financial condition.

**The loss of key personnel could adversely affect our business.**

Our success depends to a significant degree upon the efforts, contributions and abilities of our senior management. We cannot assure you that the services of our key personnel will continue to be available to us or that we will be able to successfully renegotiate such employment agreements. The loss of services of any key employees could

have a material adverse effect on our business, results of operations or financial condition.

#### **We face risks from doing business internationally.**

We distribute motion picture outside the United States through third party licensees and derive revenues from these sources. As a result, our business is subject to certain risks inherent in international business, many of which are beyond our control. These risks include:

- Changes in local regulatory requirements, including restrictions on content;
- Changes in the laws and policies affecting trade, investment and taxes (including laws and policies relating to the repatriation of funds and to withholding taxes);
- Differing degrees of protection for intellectual property;
- Instability of foreign economies and governments;
- Cultural barriers;
- Wars and acts of terrorism; and
- The spread of diseases such as COVID or SARS.

Any of these factors could have a material adverse effect on our business, results of operations or financial condition.

#### **Protecting and defending against intellectual property claims including those against copyright infringement may have a material adverse effect on our business.**

Our ability to compete depends, in part, upon successful protection of our intellectual property. We do not have the financial resources to protect our rights to the same extent as major studios. We attempt to protect proprietary and intellectual property rights to our productions through available copyright and trademark laws and licensing and distribution arrangements with reputable international companies in specific territories and media for limited durations. Despite these precautions, existing copyright and trademark laws afford only limited practical protection in certain countries. We also distribute our products in other countries in which there is no copyright and trademark protection. As a result, it may be possible for unauthorized third parties to copy and distribute our productions or certain portions or applications of our intended productions, which could have a material adverse effect on our business, results of operations or financial condition.

Litigation may also be necessary in the future to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Any such litigation could result in substantial costs and the diversion of resources and could have a material adverse effect on our business, results of operations or financial condition. We cannot assure you that infringement or invalidity claims will not materially adversely affect our business, results of operations or financial condition. Regardless of the validity or the success of the assertion of these claims, we could incur significant costs and diversion of resources in enforcing our intellectual property rights or in defending against such claims, which could have a material adverse effect on our business, results of operations or financial condition.

#### **Piracy of motion pictures, including digital and internet piracy, may reduce the gross receipts from the exploitation of our films.**

Motion picture piracy is extensive in many parts of the world, including South America, Asia, the countries of the former Soviet Union and other former Eastern bloc countries. Additionally, as motion pictures begin to be digitally distributed using emerging technologies such as the internet and online services, piracy could become more prevalent, including in the U.S., because digital formats are easier to copy. As a result, users can download and distribute unauthorized copies of copyrighted motion pictures over the internet. In addition, there could be increased use of devices capable of making unauthorized copies of motion pictures. As long as pirated content is available to download digitally, many consumers may choose to download such pirated motion pictures rather than pay for motion pictures. Piracy of our films may adversely impact the gross receipts received from the exploitation of these films, which could have a material adverse effect on our business, results of operations or financial condition.

*We face other risks in obtaining production financing from private and other international sources.* For some productions, we finance a portion of our production budgets from incentive programs as well as international sources in the case of our international treaty co-productions. The foregoing could have a material adverse effect on our business, results of operations or financial condition.

#### **Risks Related to the Company's Common Shares**

*An active, liquid and orderly market for the Company's Common Shares may not develop, and you may not be able to resell your Common Shares at or above the purchase price.*

APHP's common shares are quoted on the OTC Pink. An active trading market for the Company's Common Shares has not developed and may never develop or be sustained. The lack of an active market may impair an investor's ability to sell its shares at the time it wishes to sell them or at a price that it considers reasonable. An inactive market may also impair the Company's ability to raise capital by selling shares and may impair the Company's ability to acquire other businesses or technologies using the Company's shares as consideration, which, in turn, could materially adversely affect the Company's business.

*Our common shareholders face the risk of substantial potential dilution of their equity and voting rights from holders of our Series A preferred shares.*

All common shares are entitled to one vote per share, and participate in any distributions or dividends that may be declared by the Board of Directors. As of October 11, 2023, the Company has 1,000,000,000 common shares authorized of which 107,740,991 shares are issued and outstanding. As of October 11, 2023 the Company had 1,000,000 preferred shares authorized, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock ("Series A preferred shares" herein). At present, 3,829 Series A preferred shares are issued and outstanding, and no other preferred shares have been designated or issued. The Series A preferred shares do not have any rights to dividends; however, each share of Series A preferred shares carries a superior voting right to the Company's common shares: each Series A preferred share shall be counted as 1,000,000 votes in any Company vote. Further, each Series A preferred share is convertible at a ratio of 1 to 100,000 so that each one share of Series A preferred shares may be exchanged for 100,000 common shares. Series A preferred shares also hold a first position lien against all of the Company's assets including but not limited to the Company's intellectual property. The Preferred shares do not have any specific redemption rights or sinking fund provisions. Hence, the current holder (our Chief Executive Officer and Chairman of the Board of Directors, Bannor Michael MacGregor) of the 3,829 Series A preferred shares that are currently issued and outstanding, has the ability to control the election of Board members and other Company matters that require shareholder votes. Further, Mr. MacGregor has the ability to convert his 3,829 Series A preferred shares into 382,900,000 common shares, thereby retaining control of the Company for the foreseeable future even without owning the Series A preferred shares.

*Our Chief Executive Officer and Chairman of the Board of Directors holds a significant percentage of our outstanding voting securities, which could reduce the ability of minority shareholders to effect certain corporate actions.*

Our Chief Executive Officer and Chairman of the board of Directors, Bannor Michael MacGregor, is the beneficial owner of 31,532,737 shares of common stock, which controls 29.27% of the outstanding common voting shares. Mr. MacGregor is the owner of 100% of the Company's 3,829 shares of issued and outstanding Series A preferred stock. The Company's Series A preferred shares have voting rights equal to 1,000,000 votes per each one share. As such, Mr. MacGregor has voting rights equal to 3,860,532,737 shares of common stock, representing 98.1 % of voting rights, and thus control of any item brought before shareholders requiring a vote. As a result of this ownership, Mr. MacGregor possesses and can continue to possess significant influence and can elect and can continue to elect a majority of our Board of Directors and authorize or prevent proposed significant corporate transactions. Mr. MacGregor's ownership and control may also have the effect of delaying or preventing a future change in control, impeding a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer.

There exists the potential risk and conflict of interest presented by the ability of Mr. MacGregor to retain majority control of the Company's voting power while reducing, potentially significantly, his economic interest in the Company's shares. Although Mr. MacGregor may be able to sell his entire economic interest in the Company's common stock, Mr. MacGregor would retain control over the company by maintaining his Series A preferred shares.

***The trading price of the shares of the Company's Common Shares could be highly volatile, and purchasers of the Company's Common Shares could incur substantial losses.***

The Company's shares price is likely to be volatile. The shares market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their Common Shares at or above their purchase price. The market price for the Company's Common Shares may be influenced by those factors discussed in this "Risk Factors" section and many others, including:

- The success or failure of the Company's efforts to acquire, license or develop additional products;
- Innovations or new products developed by the Company or its competitors;
- Announcements by the Company or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- Manufacturing, supply or distribution delays or shortages;
- Any changes to the Company's relationship with any manufacturers, suppliers, licensors, future collaborators or other strategic partners;
- Achievement of expected product sales and profitability;
- Variations in the Company's financial results or those of companies that are perceived to be similar to the Company;
- Trading volume of the Company's Common Shares;
- An inability to obtain additional funding;
- Sales of the Company's shares by insiders and shareholders;
- General economic, industry and market conditions other events or factors, many of which are beyond the Company's control;
- Additions or departures of key personnel; and
- Intellectual property, product liability or other litigation against the Company.

***APHP does not currently intend to pay dividends on its Common Shares, and, consequently, investors' ability to achieve a return on their investment will depend on appreciation, if any, in the price of the Company's Common Shares.***

American Picture House has never declared or paid any cash dividend on its Common Shares. APHP currently anticipates that it will retain future earnings for the development, operation and expansion of the Company's business and does not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to shareholders will therefore be limited to the appreciation of their shares. There is no guarantee that the Company's Common Shares will appreciate in value or even maintain the price at which shareholders have purchased their shares.

***Sales of a substantial number of shares of the Company's Common Shares by the Company's shareholders in the public market could cause the Company's shares price to fall.***

Sales of a substantial number of the Company's Common Shares in the public market or the perception that these sales might occur could significantly reduce the market price of the Company's Common Shares and impair the Company's ability to raise adequate capital through the sale of additional equity securities.

***If the Company fails to maintain proper and effective internal control over financial reporting, the Company's ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in the Company's financial reporting and the trading price of the Company's Common Shares may decline.***

Pursuant to Section 404 of Sarbanes-Oxley, the Company's management is required to report upon the effectiveness of the Company's internal control over financial reporting. Additionally, if the Company reaches an accelerated filer threshold, the Company's independent registered public accounting firm will be required to attest to the effectiveness of the Company's internal control over financial reporting. The rules governing the standards that must be met for management to assess the Company's internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, the Company will need to upgrade its information technology systems; implement additional financial and management controls, reporting systems and procedures; and hire additional accounting and finance staff. If the Company or, if required, its auditors are unable to conclude that the Company's internal control over financial reporting is effective, investors may lose confidence in the Company's financial reporting and the trading price of the Company's Common Shares may decline.

The Company cannot assure its investors that there will not be material weaknesses or significant deficiencies in the Company's internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit the Company's ability that its internal control over financial reporting is effective, or if the Company's independent registered public accounting firm determines the Company has a material weakness or significant deficiency in the Company's internal control over financial reporting once that firm begins its Section 404 reviews, investors may lose confidence in the accuracy and completeness of the Company's financial reports, the market price of the Company's Common Shares could decline, and the Company could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in the Company's internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict the Company's future access to the capital markets to accurately report its financial condition, results of operations or cash flows. The Company intends to hire additional personnel to improve internal controls.

***Our Chief Executive Officer and Chairman of the Board of Directors holds a significant percentage of our outstanding voting securities, which could reduce the ability of minority shareholders to effect certain corporate actions.***

Our Chief Executive Officer and Chairman of the board of Directors, Bannor Michael MacGregor, is the beneficial owner of 31,532,737 shares of common stock, which controls 29.27% of the outstanding common voting shares. Mr. MacGregor is the owner of 100% of the Company's 3,829 shares of issued and outstanding Series A preferred stock. The Company's Series A preferred shares have voting rights equal to 1,000,000 votes per each one share. As such, Mr. MacGregor has voting rights equal to 3,860,532,737 shares of common stock and thus control of any item brought before shareholders requiring a vote. As a result of this ownership, Mr. MacGregor possesses and can continue to possess significant influence and can elect and can continue to elect a majority of our Board of Directors and authorize or prevent proposed significant corporate transactions. Mr. MacGregor's ownership and control may also have the effect of delaying or preventing a future change in control, impeding a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer.

There exists the potential risk and conflict of interest presented by the ability of Mr. MacGregor to retain majority control of the Company's voting power while reducing, potentially significantly, his economic interest in the Company's shares. Although Mr. MacGregor may be able to sell his entire economic interest in the Company's common stock, Mr. MacGregor would retain control over the company by maintaining his Series A preferred shares.

## Risks Related to our Management and Control Persons

***Our largest shareholder, officer, and director, Bannor Michael MacGregor, holds substantial control over the Company and is able to influence all corporate matters, which could be deemed by shareholders as not always being in their best interests.***

Bannor Michael MacGregor, Chairman and CEO, holds substantial control over the Company. As a result, Mr. MacGregor, could have significant influence over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions, even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other stockholders may view as beneficial. Mr. MacGregor controls 29.27% of the Company's common shares. Additionally, Mr. MacGregor owns 3,829 Series A Preferred Shares that have voting rights equivalent to 3,829,000,000 common shares.

***We are dependent on the continued services of our Chairman and CEO, and our President, and if we fail to keep them or fail to attract and retain qualified senior executives and key technical personnel, our business may not be able to expand.***

We are dependent on the continued services of Chairman/CEO, Bannor Michael MacGregor and President, A. John Luessenhop, Jr., and the availability of new executives to implement our business plans. The market for skilled employees is highly competitive, especially for employees in our industry. Although we expect that our planned compensation programs will be intended to attract and retain the employees required for us to be successful, there can be no assurance that we will be able to retain all our key employees or a sufficient number to execute our plans, nor can there be any assurance we will be able to continue to attract new employees as required.

***Our lack of adequate D&O insurance may also make it difficult for us to retain and attract talented and skilled directors and officers.***

In the future we may be subject to litigation, including potential class action and shareholder derivative actions. Risks associated with legal liability are difficult to assess and quantify, and their existence and magnitude can remain unknown for significant periods of time. While we do have D&O insurance it may not be sufficient in the case of litigation.

***Our Officers and Key Personnel may voluntarily terminate their relationship with us at any time and competition for qualified personnel is lengthy, costly, and disruptive.***

If we lose the services of our officers and key personnel and fail to replace them if they depart, we could experience a negative effect on our financial results and shares price. The loss and our failure to attract, integrate, motivate, and retain additional key employees could have a material adverse effect on our business, operating and financial results and shares price.

## Risks Relating to Our Company and Industry

***The success of our business depends on our ability to maintain and enhance our reputation and brand.***

We believe that our reputation in our industry is of significant importance to the success of our business. A well-recognized brand is critical to increasing our customer base and, in turn, increasing our revenue. Since the industry is highly competitive, our ability to remain competitive depends to a large extent on our ability to maintain and enhance our reputation and brand, which could be difficult and expensive. To maintain and enhance our reputation and brand, we need to successfully manage many aspects of our business, such as cost-effective marketing campaigns to increase brand recognition and awareness in a highly competitive market. We cannot assure you, however, that these activities will be successful and achieve the brand promotion goals we expect. If we fail to maintain and enhance our reputation and brand, or if we incur excessive expenses in our efforts to do so, our business, financial conditions and results of operations could be adversely affected.

***In the event that we are unable to successfully compete in our industry, we may not see lower profit margins***

We face substantial competition in our industry. Due to our smaller size, it can be assumed that some of our competitors have greater financial and other competitive resources. We will attempt to compete against these competitors by developing film content that exceed what is offered by our competitors. However, we cannot assure you that our intellectual properties will outperform competing films. Increased competition could result in:

- Lower than projected revenues;
- Lower profit margins

Any one of these results could adversely affect our business, financial condition, and results of operations. In addition, our competitors may develop competing products that achieve greater market acceptance. It is also possible that new competitors may emerge and acquire significant market share. Our inability to achieve sales and revenue due to competition will have an adverse effect on our business, financial condition, and results of operations.

***If we are unable to successfully manage growth, our operations could be adversely affected.***

Our progress is expected to require the full utilization of our management, financial and other resources. Our ability to manage growth effectively will depend on our ability to improve and expand operations, including our financial and management information systems, and to recruit, train and manage personnel. There can be no absolute assurance that management will be able to manage growth effectively.

If we do not properly manage the growth of our business, we may experience significant strains on our management and operations and disruptions in our business. Various risks arise when companies and industries grow quickly. If our business or industry grows too quickly, our ability to meet customer demand in a timely and efficient manner could be challenged. We may also experience development delays as we seek to meet increased demand for our services and platform. Our failure to properly manage the growth that we or our industry might experience could negatively impact our ability to execute on our operating plan and, accordingly, could have an adverse impact on our business, our cash flow and results of operations, and our reputation with our current or potential customers.

***We may fail to successfully integrate acquisitions or otherwise be unable to benefit from pursuing acquisitions***

We believe there are meaningful opportunities to grow through acquisitions and joint ventures across all service categories and we expect to continue a strategy of selectively identifying and acquiring intellectual properties. We may be unable to identify, negotiate, and complete suitable acquisition opportunities on reasonable terms. There can be no assurance that any business acquired by us will be successfully integrated with our operations or prove to be profitable to us. We may incur future liabilities related to acquisitions. Should any of the following problems, or others, occur as a result of our acquisition strategy, the impact could be material:

- Difficulties integrating personnel from acquired entities and other corporate cultures into our business; difficulties integrating information systems;
- The potential loss of key employees of acquired companies;
- The assumption of liabilities and exposure to undisclosed or unknown liabilities of acquired companies; or the diversion of management attention from existing operations.

*The elimination of monetary liability against our directors, officers and employees under our Articles of Incorporation and the existence of indemnification rights to our directors, officers and employees may result in substantial expenditures by our Company and may discourage lawsuits against our directors, officers, and employees.*

Our Articles of Incorporation contain provisions that mitigate the liability of our directors for monetary damages to our Company and shareholders. Our Bylaws also require us to indemnify our officers and directors. We may also have contractual indemnification obligations under our agreements with our directors, officers, and employees. The foregoing indemnification obligations could result in our Company incurring substantial expenditures to cover the cost of settlement or damage awards against directors, officers, and employees that we may be unable to recoup. These provisions and resulting costs may also discourage our Company from bringing a lawsuit against directors, officers, and employees for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our shareholders against our directors, officers, and employees even though such actions, if successful, might otherwise benefit our Company and shareholders.

## **Item 2. Financial Information**

### **Management's discussion and analysis of financial condition and results of operations**

*The following discussion and analysis of our results of operations and financial condition should be read in conjunction with our financial statements and the notes to those financial statements that are included elsewhere in this Form 10. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. See "Cautionary Note Regarding Forward-Looking Statements" at the beginning of this Form 10.*

#### **General**

American Picture House Corporation plans to be a premiere entertainment company with a focus on feature films, limited series, and content-enhancing technologies. APHP is managed by astute financiers and supported by seasoned creatives. The Company plans to partner with top filmmakers, showrunners, content developers, and strategic technology partners to develop, package, finance, and produce high-quality feature films and shows with broad-market appeal. The Company's management and advisors have relationships with major studios, Streamers, leading talent agencies, and proven foreign sales companies, which will empower the Company to offer A-list creatives (*and convincing up-and-comers*) the opportunity to partner with a financier/producer that values passion and imagination and understands profitability. The Company plans to specialize in mid-budgeted productions where more than 100% of the budget can be collateralized by a film's or show's intellectual property ("IP"), unsold licensing sales projections, pre-sold licensing contracts, incentive agreements, tax rebates, and grants. The Company's management and advisors will use these assets to limit risk and guarantee greater profitability. The Company will strive to become synonymous with creative ability, financial sophistication, and leading-edge technology. The Company has optioned IP with the intent to co-finance and co-produce feature films and limited series shows. The Company intends to embrace the ever-evolving technologies that service the industry including innovative artificial intelligence ("AI") tools and models.

Our ability to generate any revenue sufficient to achieve profitability will depend on the successful development, production, and distribution of motion pictures. We reported a net loss of approximately \$448,000 for the six months ended June 30, 2023 and net losses of \$86,000 and \$506,000 for the years ended December 31, 2022 and 2021, respectively. As of June 30, 2023, we had an accumulated deficit of approximately \$4.1 million. We expect to continue to incur significant expenses and increasing operating losses until we begin receiving revenue from the distribution of our film properties. We expect that our expenses and capital expenditures will increase substantially in connection with our ongoing activities including, but not limited to the following:

- Development and production of current and future film properties;
- Potential acquisition of additional intellectual property rights and/or acquisition of intellectual property and production companies in the entertainment industry;
- Add development and production personnel to support our film production activities; and
- Add operational, legal, compliance, financial, investor relations, and management information systems personnel to support our development and production and operations as a new public company.

Over the next twelve months management plans to use borrowings and the sale of Common Stock to mitigate the effects of cash flow deficits; however, no assurance can be given that debt or equity financing, if and when required, will be available on commercially reasonable terms.

#### **Components of Our Results of Operations**

##### **Revenue**

The Company's revenue comes from contracts with customers for consulting services and from the licensing and distribution of film and other entertainment rights. The Company accounts for a contract with a customer when there is an enforceable contract between the Company and the customer, the rights of the party are identified, the contract has economic substance, and collectability of the contract is considered probable.

##### **Cost of Revenues**

Cost of revenues includes only those costs directly related to the services being rendered. A majority of the consulting services were performed by management and members of the Board of Directors with no separate compensation due or payable to these individuals.

##### **Operating Expenses**

###### **General and Administrative Expenses**

General and administrative expenses consist primarily of salaries and personnel-related costs, including stock-based compensation, for our executives and other administrative functions. General and administrative expenses include legal fees, accounting, auditing, consulting, and tax services; insurance costs; investor relations and transfer agent fees; travel expenses; and facility costs.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our product candidates. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance, director and officer insurance, and investor and public relations expenses associated with operating as a public company.

###### **Other Income (Expense)**

*Interest Income.* Interest income consists of interest earned on our cash balances.

*Interest Expense.* Interest expenses consist of interest on the Company's *Economic Injury Disaster Loan ("EIDL")*; credit cards, and related party debt.

*Bad Debt Expense.* Bad debt expense reflects amounts recorded as a reserve for accounts receivable where management had subsequently determined collectability is uncertain

or improbable.

## Income Taxes

Since our inception, we have not recorded any income tax benefits for the net losses we have incurred or for the research and development tax credits earned in each year and interim period, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carry forwards and tax credit carryforwards will not be realized.

## Results of Operations

### Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

The following table summarizes our results of operations for the three months ended June 30, 2023 and 2022:

	Three Months ended June 30,		
	2023	2022	Change \$
Consulting revenues	\$ -	\$ -	\$ -
Cost of revenues	-	-	-
Operating Expenses:			
General and administrative:	395,120	139,594	255,526
Total Operating Expenses	395,120	139,594	255,526
Net Operating Loss	(395,120)	(139,594)	(255,526)
Other Income (Expenses):			
Interest income	1,712	-	1,712
Interest expense	(2,054)	(1,589)	(465)
Net Other Income (Expenses)	(342)	(1,589)	(1,247)
Loss before income taxes	(395,462)	(141,183)	(254,279)
Income taxes	-	-	-
Net loss	<u>\$ (395,462)</u>	<u>\$ (141,183)</u>	<u>\$ (254,279)</u>

## Revenues and Cost of Revenues

During the three months ended June 30, 2023 and 2022, the Company did not report any revenues or cost of revenues. The Company's revenue comes from contracts with customers for consulting services and from the licensing and distribution of film and other entertainment rights.

## General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2023 were approximately \$395,000 compared to approximately \$140,000 for the three months ended June 30, 2022. The increase of approximately \$256,000 in general and administrative expenses relates to accounting, auditing, and legal professional fees decrease in salaries and personnel-related costs and increased travel expenses and approximately \$194,000 of bad debt expense. The customer that owes APH approximately \$194,000 advised the Company in June 2023 that their Managing Director resigned and that the customer ceased operations. Consequently, in the second quarter of 2023 management established an allowance for this receivable and subsequently determined that the monies due were uncollectable and therefore was written off. As we transition to a public company, we expect general and administrative costs to increase in future periods.

## Other Income (Expense)

*Interest Income.* Interest income for the three months ended June 30, 2023 and 2022 was minimal and consisted of interest earned on invested cash balances.

*Interest Expense.* Interest expense for the three months ended June 30, 2023 and 2022 was approximately \$2,000 and \$2,000, respectively, and was primarily related to our *Economic Injury Disaster Loan ("EIDL")* and working capital loan.

## Liquidity and Capital Resources

During the second quarter of 2023, the Company sold 3,333,328 shares of Common Stock at \$0.15 per share to new investors resulting in total proceeds of \$500,000. \$40,166 of the \$500,000 is reported as a subscription receivable as of June 30, 2023 and was subsequently collected in July 2023.

We had an accumulated deficit of approximately \$4.1 million, incurred a net loss of approximately \$395,000, and had cash outflows from operations of approximately \$188,000 as of and for the three months ended June 30, 2023. Further, we expect to continue to incur significant costs in the pursuit of our business plans. We cannot assure you that our plans to raise capital or to complete our film development and production activities will be successful. These factors, among others, raise substantial doubt about our ability to continue as a going concern.

Since our inception, we have incurred significant operating losses. We expect to incur significant expenses and operating losses for the foreseeable future as we develop and produce feature films. To date, we have funded our operations with proceeds from sales of Common Stock and borrowings from related parties under promissory notes. As of June 30, 2023, we had cash and cash equivalents of approximately \$266,000.

## Operating Activities

During the three months ended June 30, 2023, operating activities used approximately \$188,000 of cash, primarily resulting from our net loss of approximately \$395,000, partially offset by non-cash charges and changes in our operating assets and liabilities of \$207,000.

During the three months ended June 30, 2022, operating activities used approximately \$20,000 of cash, primarily resulting from our net loss of approximately \$141,000,

partially offset by non-cash charges and changes in our operating assets and liabilities of approximately \$121,000.

#### **Investing Activities**

During the three months ended June 30, 2023 and 2022, investing activities were not significant.

#### **Financing Activities**

During the three months ended June 30, 2023, net cash provided by financing activities was approximately \$437,000 including approximately \$460,000 of proceeds from the sale of Common Stock partially offset by net repayments of \$23,000 on related party borrowings.

During the three months ended June 30, 2022, net cash provided by financing activities was \$0.

#### **Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022**

The following table summarizes our results of operations for the six months ended June 30, 2023 and 2022:

	<b>Six Months ended June 30,</b>		
	<b>2023 (As Restated)</b>	<b>2022</b>	<b>Change \$</b>
Consulting revenues	\$ 169,111	\$ -	\$ 169,111
Cost of revenues	36,701	-	36,701
	132,410	-	132,410
Operating Expenses:			
General and administrative:	578,723	206,790	178,001
Total Operating Expenses	578,723	206,790	178,001
Net Operating Loss	(446,313)	(206,790)	(45,591)
Other Income (Expenses):			
Interest income	2,453	-	2,453
Interest expense	(3,941)	(3,628)	(313)
Net Other Income (Expenses)	(1,488)	(3,628)	(2,140)
Loss before income taxes	(447,801)	(210,418)	(237,383)
Income taxes	-	-	-
Net loss	\$ (447,801)	\$ (210,418)	\$ (237,383)

#### **Revenues and Cost of Revenues**

During the six months ended June 30, 2023 and 2022, the Company had revenues of approximately \$169,000 and \$0, respectively. The Company's revenue comes from contracts with customers for consulting services and from the licensing and distribution of film and other entertainment rights.

#### **General and Administrative Expenses**

General and administrative expenses for the six months ended June 30, 2023 were approximately \$579,000 compared to approximately \$207,000 for the six months ended June 30, 2022. The increase of approximately \$372,000 in general and administrative expenses relates to accounting, auditing, and legal professional fees, decrease in salaries and personnel-related costs and increased travel expenses and approximately \$194,000 of bad debt expense. The customer that owes APH approximately \$194,000 advised the Company in June, 2023 that their Managing Director resigned and that the customer ceased operations. Consequently, in the second quarter of 2023 management established an allowance for this receivable and subsequently determined that the monies due were uncollectable and therefore was written off. As we transition to a public company, we expect general and administrative costs to increase in future periods.

#### **Other Income (Expense)**

*Interest Income.* Interest income for the six months ended June 30, 2023 and 2022 was approximately \$2,000 and \$0, respectively, and consisted of interest earned on invested cash balances.

*Interest Expense.* Interest expense for the six months ended June 30, 2023 and 2022 was approximately \$4,000 and \$4,000, respectively, and was primarily related to our *Economic Injury Disaster Loan ("EIDL")* and working capital loan.

#### **Liquidity and Capital Resources**

During the first half of 2023, the Company sold 3,333,328 shares of Common Stock at \$0.15 per share to new investors resulting in total proceeds of \$500,000. \$40,166 of the \$500,000 is reported as a subscription receivable as of June 30, 2023 and was subsequently collected in July 2023.

We had an accumulated deficit of approximately \$4.1 million, incurred a net loss of approximately \$448,000, and had cash outflows from operations of approximately \$318,000 as of and for the six months ended June 30, 2023. Further, we expect to continue to incur significant costs in the pursuit of our business plans. We cannot assure you that our plans to raise capital or to complete our film development and production activities will be successful. These factors, among others, raise substantial doubt about our ability to continue as a going concern.

Since our inception, we have incurred significant operating losses. We expect to incur significant expenses and operating losses for the foreseeable future as we develop and produce feature films. To date, we have funded our operations with proceeds from sales of Common Stock and borrowings from related parties under promissory notes. As of June 30, 2023, we had cash and cash equivalents of approximately \$266,000.

#### **Operating Activities**



During the six months ended June 30, 2023, operating activities used approximately \$318,000 of cash, primarily resulting from our net loss of approximately \$448,000, partially offset by non-cash charges and changes in our operating assets and liabilities of \$318,000.

During the six months ended June 30, 2022, operating activities used approximately \$62,000 of cash, primarily resulting from our net loss of approximately \$210,000, partially offset by non-cash charges and changes in our operating assets and liabilities of approximately \$149,000.

#### **Investing Activities**

During the six months ended June 30, 2023 and 2022, investing activities were not significant.

#### **Financing Activities**

During the six months ended June 30, 2023, net cash provided by financing activities was approximately \$562,000 including approximately \$460,000 of proceeds from the sale of Common Stock and net related party borrowings of \$103,000.

During the six months ended June 30, 2022, net cash provided by financing activities was approximately \$47,000 resulting from net related party borrowings.

## **Results of Operations**

### **Year Ended December 31, 2022 Compared to Year Ended December 31, 2021**

The following table summarizes our results of operations for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021 (As Restated)</u>	<u>Change \$</u>
Consulting revenues	\$ 461,174	\$ -	\$ 461,174
Cost of revenues	<u>131,722</u>	<u>-</u>	<u>131,722</u>
	329,452	-	329,452
Operating Expenses:			
General and administrative:	409,290	491,747	(82,457)
Total Operating Expenses	<u>409,290</u>	<u>491,747</u>	<u>(82,457)</u>
Net Operating Loss	(79,838)	(491,747)	411,909
Other Income (Expenses):			
Interest income	2,077	-	2,077
Interest expense	<u>(7,995)</u>	<u>(14,056)</u>	<u>6,061</u>
Net Other Income (Expenses)	<u>(5,918)</u>	<u>(14,056)</u>	<u>8,138</u>
Loss before income taxes	(85,756)	(505,803)	420,047
Income taxes	-	-	-
Net loss	<u>\$ (85,756)</u>	<u>\$ (505,803)</u>	<u>\$ 420,047</u>

#### **Revenues**

During the years ended December 31, 2022 and 2021, the Company reported consulting revenues of approximately \$461,000 and \$0, respectively. The Company's revenue comes from contracts with customers for consulting services and from the licensing and distribution of film and other entertainment rights.

#### **Cost of Revenues**

Cost of revenues for the years ended December 31, 2022 and 2021, were approximately \$132,000 and \$0, respectively, and consist of those costs directly related to the services being rendered. A majority of the consulting services were performed by management and members of the Board of Directors.

#### **General and Administrative Expenses**

General and administrative expenses for the year ended December 31, 2022, were approximately \$409,000, compared to approximately \$492,000 for the year ended December 31, 2021. The net decrease of approximately \$82,000 in general and administrative expenses primarily relates to the 2021 period including approximately \$366,000 of bad debt expense while the 2022 period included approximately \$284,000 of increased accounting, auditing, and legal professional fees and increased travel expenses. We expect to see further increases as we grow our operations in future periods.

#### **Other Income (Expense)**

**Interest Income.** Interest income for the years ended December 31, 2022 and 2021 was approximately \$2,000 and \$0, respectively, and consisted of interest earned on invested cash balances.

**Interest Expense.** Interest expense for the years ended December 31, 2022 and 2021 was approximately \$8,000 and \$14,000, respectively, and was primarily related to our *Economic Injury Disaster Loan ("EIDL")* and working capital loan.

## **Liquidity and Capital Resources**

As indicated in the accompanying financial statements, we had an accumulated deficit of approximately \$3.7 million, incurred a net loss of approximately \$86,000 and cash inflows from operations of approximately \$5,000 as of and for the year ended December 31, 2022. Further, we expect to continue to incur significant costs in the pursuit of our business plans. We cannot assure you that our plans to raise capital or to complete our film development and production activities and commercially release our products will be successful. These factors, among others, raise substantial doubt about our ability to continue as a going concern.

Since our inception, we have incurred significant operating losses. We expect to incur significant expenses and operating losses for the foreseeable future as we advance the preclinical and, if successful, the clinical development of our programs. To date, we have funded our operations with proceeds from sales of Common Stock and borrowings under convertible promissory notes. As of December 31, 2022, we had cash and cash equivalents of \$32,000.

#### **Operating Activities**

During the year ended December 31, 2022, operating activities provided approximately \$5,000 of cash, primarily resulting from our net loss of approximately \$86,000, partially offset by non-cash charges of approximately \$25,000 and net cash provided by changes in our operating assets and liabilities of \$66,000.

During the year ended December 31, 2021, operating activities used approximately \$179,000 of cash, primarily resulting from our net loss of approximately \$506,000, partially offset by non-cash charges of approximately \$370,000 and net cash provided by changes in our operating assets and liabilities of \$43,000.

#### **Investing Activities**

During the year ended December 31, 2022, net cash used by financing activities was approximately \$121,000, related to film production.

During the year ended December 31, 2021, net cash used by financing activities was \$0.

#### **Financing Activities**

During the year ended December 31, 2022, net cash provided by financing activities was approximately \$46,500, consisting primarily of related party working capital borrowings under a promissory note.

During the year ended December 31, 2021, net cash provided by financing activities was approximately \$278,000, consisting primarily of \$128,000 related party working capital borrowings under a promissory note and proceeds of \$149,900 from an *Economic Injury Disaster Loan ("EIDL")* secured loan with the U.S. Small Business Administration.

#### **Funding Requirements**

We expect our expenses to increase substantially in connection with our ongoing film development and production activities. In addition, transition from the OTC markets to an SEC registrant will increase our reporting and compliance cost.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through a combination of equity offerings and debt financings. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of such stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures, or declaring dividends.

#### **Critical Accounting Policies and Significant Judgments and Estimates**

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events, and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our financial statements, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

#### **Use of Estimates**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates. As applicable to these financial statements, the most significant estimates and assumptions include (i.) determining the need for an allowance for doubtful accounts (ii.) impairment of long-lived assets; (iii.) deferred income taxes and (iv.) measurement of the fair value of equity awards.

#### **Off-Balance Sheet Arrangements**

During the periods presented, we did not have and we do not currently have any significant off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

#### **Working Capital Loan**

During the three months ended June 30, 2023 and the years ended December 31, 2022 and 2021, the Company borrowed approximately \$125,000, \$115,000, and \$259,000, respectively, from Michael MacGregor, the Company's CEO & President and Board member to meet working capital requirements. During 2022, the Company agreed to exchange \$299,401 in debt obligations to Mr. MacGregor and relief from two of the Company's legal services providers in exchange for equity in the form of 3,000,000 common shares valued at \$0.10 per share for an equivalent aggregate value of \$300,000. The transaction enabled the Company to retire \$231,901 of debt due and owing to Mr. MacGregor and \$67,500 of accrued legal fees.

The Company also repaid approximately \$69,000 of this related party debt in 2022. During 2021, the Company issued 3,829 shares of Series A Preferred Stock to Mr. MacGregor as payment in full for: (a) repayment of loans from an affiliate comprised of principal of \$539,084 and accrued interest of \$30,197 (combined \$569,281) and (b) a shareholder assuming the loan payable to a note payable to an affiliate comprised of principal of \$186,637 and accrued interest of \$9,871 (combined \$196,508). In aggregate, \$765,789 of loans and accrued interest were converted to 3,829 shares of Series A Preferred Stock.

[The above summary of our Working Capital Loan is qualified in its entirety by reference to the full text of the Business Loan Agreements and the related Promissory Notes with respect to the Working Capital Loan which are filed as exhibits to the registration statement of which this filing].

**Accounts Receivable** – Accounts receivable primarily consist of trade receivables due from customers for consulting services and from fees derived from licensing of IP to content providers worldwide.

### Going Concern

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Management evaluated all relevant conditions and events that are reasonably known or reasonably knowable, in the aggregate, as of the date the consolidated financial statements are issued and determined. The Company's ability to continue as a going concern is dependent on the Company's ability to generate increased revenues and raise capital within one year from the date of filing.

Over the next twelve months management plans to use borrowings and security sales to mitigate the effects of cash flow deficits; however, no assurance can be given that debt or equity financing, if and when required, will be available.

### Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to shareholders.

### Item 3. Properties

The Company maintains three virtual offices in New York, NY, Raleigh, NC, and Los Angeles, CA.

### Item 4. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information known to us regarding beneficial ownership of our capital shares as of October 11, 2023, for (i) all executive officers and directors as a group and (ii) each person, or group of affiliated persons, known by us to be the beneficial owner of more than five percent (5%) of our capital shares.

#### Common Shares

Name of All Officers, Directors, and Control Persons	Affiliation with Company (e.g., Officer Title /Director/ Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Bannor Michael MacGregor (1)	Chairman, CEO	Durham, NC	31,532,737	Common	29.27%	
A. John Luessenhop, Jr.	President, Director	Amagansett, NY	2,020,000	Common	1.87%	
Donald J. Harris	Secretary, Director	Raleigh, NC	3,117,240	Common	2.89%	
Daniel Hirsch	Treasurer	Teaneck, NJ	0	Common	0%	
James H. Hayne	Asst. Secretary & Asst. Treasurer	Cary, NC	0	Common	0%	
Tom Rauker	Director	Littleton, MA	0	Common	0%	
William J. MacDonald	Director	Venice Beach, CA	0	Common	0%	
Michael Blanchard	Director	Littleton, MA	3,540,000	Common	3.29%	
Michael Wilson	Director	Denville, NJ	100,000	Common	0.09%	
Peter Conway (2)	Director	Acton, MA	0	Common	0.000%	
Philip Quartararo	Director	Bell Canyon, CA	20,000	Common	0.019%	
Timothy Battles	Director	Groton, MA	4,430,000	Common	4.11%	
PC2 Consulting	Shareholder	Acton, MA	48,000	Common	0.04%	Peter Conway (2)
North Star Capital PTY	Shareholder	Hampton, AUS	3,500,000	Common	3.25%	Damian Gill (3)
Black Rock Capital PTY	Shareholder	Victoria, AUS	3,000,000	Common	2.78%	Damian Gill (3)
Donald & Janet Gundermann	Shareholder	Palm Beach, FL	7,500,000	Common	6.96%	
All Officers, Directors and Control Persons			58,807,977		54.58%	

(1) Mr. MacGregor is a Managing Manager of Hyperion Sprung Private Family Trust Management Company, LLC, trustee of The Noah Morgan Private Family Trust which owns 31,032,737 common shares of the Company which represents 28.80% of the Common Shares of the Company.

(2) Mr. Conway is a principal of PC2 Consulting.

#### Preferred Shares

Name of Beneficial Owner	Series A Preferred Shares Beneficially Owned (1)	Percentage of Series A Preferred Shares (2)
Bannor Michael MacGregor (3)	3,829	100.00%
Total	3,829	100.00%

- (1) The holders of the Series A preferred shares, shall not be entitled to receive dividends. The holders of Series A preferred shares shall be entitled to vote on all matters submitted to a vote of the shareholders of the Company. The holders of the Series A preferred shares shall be entitled to one million (1,000,000) votes per one share of Series A preferred held. The holders of any Series A preferred shares shall be entitled to convert such shares into fully paid and non-assessable shares of Common Stock at the following conversion ratio: each Series A preferred share is convertible at a ratio of 1 to 100,000 so that each one share of Series A preferred shares may be exchanged for 100,000 common shares.
- (2) The number of Series A Preferred shares outstanding used in computing the percentage is 3,829.
- (3) The address for Bannor Michael MacGregor is Durham, NC.

#### **Item 5. Directors and Executive Officers.**

##### **Bannor Michael MacGregor, CEO/Chairperson – Age 58**

Mr. MacGregor has served as the Company's Chief Executive Officer since September of 2017. Mr. MacGregor has been the Managing Member of Duncan Morgan, LLC since June of 2008. Prior to that, Mr. MacGregor served as the CEO and President of Bold Crayon Corporation from 2018 to 2022. Mr. MacGregor was a producer on the feature film, *BUFFALOED* (2020). Mr. MacGregor also served as an Executive Director at the Organization for the Advocacy of Multi Cultural Unity, Inc., a non-profit, that promotes cultural awareness, from 2016 to 2022.

##### **A. John Luessenhop, Jr., esq., President/Director – Age 64**

Mr. Luessenhop has served as the Company's President since July of 2023. Prior to that Mr. Luessenhop has served as the CFO at Catalyst Cannabis Co. from 2020 to 2023. Mr. Luessenhop is a writer/director/producer and former Wall Street attorney. Mr. Luessenhop co-wrote and directed *SPEED KILLS*, starring *John Travolta* and *Kathryn Winnick*. The film premiered as an original on the leading streaming services with high success. Mr. Luessenhop directed two movies, *TAKERS* and *TEXAS CHAINSAW 3D* (the reboot of the iconic horror franchise), that both opened #1 at the U.S. Box Office. *TAKERS* also followed its box office success by topping U.S. charts for sales, rentals, and video-on-demand purchases. Mr. Luessenhop earned degrees at the University of Virginia and Georgetown Law School.

##### **Donald J. Harris, esq., Secretary/Director – Age 61**

Mr. Harris has served as the Company's Secretary since July of 2023. Mr. Harris serves as a partner at Harris Sarratt & Hodges, LLP since 1999. Mr. Harris is a corporate attorney and trial attorney specializing in complex business disputes involving issues related to corporate governance, and ownership, contracting, technology, intellectual property, and licensing.

##### **Daniel Hirsch, Treasurer – Age 55**

Mr. Hirsch has served as the Company's Treasurer since July of 2023. Prior to that Mr. Hirsch served as Chief Financial Officer and director of Todos Medical Ltd since January 5, 2020. Mr. Hirsch has been Managing Partner of First Line Capital, LLC since 2002. Mr. Hirsch holds a Bachelor's Degree in Economics from Yeshiva University and a Master's Degree in Public Health from the New School of Social Research.

##### **James H. Hayne, CPA, Assistant Secretary and Assistant Treasurer – Age 57**

Mr. Hayne has served as the Company's Assistant Secretary and Assistant Treasurer since July of 2023. Mr. Hayne is a finance executive with over 30 years' corporate and public accounting experience. Mr. Hayne has been a shareholder at Hayne Financial Consulting, LLC, a consulting firm that principally provides contract accounting and chief financial officer services, since January 1, 2023. Mr. Hayne was a shareholder at Hayne, CPA, PLLC from November 1, 2017 through December 31, 2019 and from January 1, 2020 through December 31, 2022, Mr. Hayne was a shareholder with Dodson, Shelton & Nelson, P.A. Mr. Hayne holds a Bachelor's Degree in Accounting from North Carolina State University and is a licensed Certified Public Accountant.

##### **Philip Quartararo, Independent Director – Age 67**

Mr. Quartararo has served the Chairman and President of the Hello Group, a prominent Music Publishing company that is administered through SONY, since June 2019. Mr. Quartararo serves as the President of VirtualSonic, a tech company specializing in building virtual instruments and is SONY's global brand partner on 360RA, the newest spatial audio delivery system since 2018. Prior to that Mr. Quartararo served as the President of Rhythm Nation Records, from September 2016 to November of 2019. Mr. Quartararo is considered an artist branding expert and is widely regarded as one of the industry's staunchest advocates to defend and protect artists rights. Prior to that Mr. Quartararo served as the CEO at Virgin Records, Warner Bros. Records and EMI, and has been involved in the careers of recording artists ranging from *U2* to *Linkin Park* to *Josh Groban* to the *Spice Girls*.

##### **Michael Wilson, Independent Director – Age 57**

Mr. Wilson serves as the EVP of Operations and Finance at Astro Digital since January of 2017. Mr. Wilson serves as the Co-Founder of The Panama Media Center since January of 2013. Mr. Wilson serves as an Executive Director of The Delahunt Group since March of 2011. Mr. Wilson is an executive and corporate advisor specializing in business strategy, investment banking, portfolio management, and valuation. Mr. Wilson earned an MBA from NYU Stern School of Business and is a graduate of Northeastern University.

##### **Michael Blanchard, Director – Age 63**

Mr. Blanchard had served the Company's as its Secretary/Treasurer from September 2020 to July 2023. Mr. Blanchard serves as the CEO of Ribo Music, LLC since April pf 2020. Prior to that Mr. Blanchard served as an Investor Liaison to Bold Crayon Corporation from 2018 to December of 2020. Mr. Blanchard is a graduate of Boston College.

##### **Tim Battles, Director – Age 59**

Mr. Battles serves as the CFO of Ribo Music, LLC since April pf 2020. Prior to that served as the SVP/Chief Integration Officer of TPx Communications from 2016 to 2018. Mr. Battles earned a Bachelor's Degree from Bowdin College.

##### **Peter Conway, Independent Director – Age 65**

Mr. Conway serves as the CEO of PC2 Consulting since January 2015. Prior to that, Mr. Conway served as COO, CTO and various executive roles in product line development, marketing and sales spanning servers, storage and networking technologies for companies like EMC, Dell, and Microsoft. Earned an Masters at Computer Science from Rensselaer Polytechnic Institute (RPI) and a B.S. at Computer Science from Union College.

**William J. MacDonald, Independent Director** – Age 67

Mr. MacDonald serves as the Chief Creative Officer of Asteri Networks since December of 2017. Mr. MacDonald is an American film and television producer and writer. Mr. MacDonald was a co-creator of the HBO original series *ROME (in association of the BBC)* along with John Milius and Bruno Heller and served as an executive producer and writer on the series. Mr. MacDonald has a producer, co-producer or executive producer credit on *SLIVER, JADE, AN OCCASIONAL HELL, ROUGH RIDERS, MOLLY AND ONE MAN'S HERO*. Mr. MacDonald earned an undergraduate degree from Georgetown University and a Juris Doctor degree from the Fordham University School of Law in New York.

**Thomas Rauker, Independent Director** – Age 59

Mr Rauker currently serves as the President and COO of Aidentified, LLC, an AI driven data and intelligence business, since June of 2022, and was also recently added to the Board of Directors. Prior to this Mr. Rauker served as the Global COO of Dun & Bradstreet (D&B) since May of 2019 and served in various executive leadership roles at the company since January of 2015 following the acquisition of NetProspex, Inc. During his tenure at D&B he played key roles in both the privatization of the company, completed in February of 2019, and the following IPO in July 2020 to bring the company back to the NYSE. Prior D&B, Mr. Rauker served as the COO and CFO of NetProspex starting in 2010, leading the company through a Series C of Venture Capital Funding leading to a successful sale of the company in January 2015 to D&B. Mr. Rauker also has continued to serve as an advisor to multiple Private Equity and Venture Capital firms since June of 2021.

**Term of Office**

Our directors are appointed to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our Bylaws. Our officers are appointed by our Board of Directors and hold office until removed by the board, subject to their respective employment agreements.

**Family Relationships**

There are no family relationships between or among the directors, executive officers or persons nominated or chosen by us to become directors or executive officers.

**Involvement in Certain Legal Proceedings**

No persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (*excluding traffic violations and other minor offenses*);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended, or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended, or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (*in a civil action*), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding, or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

**Board of Directors**

**General Practices**

According to our Amended and Restated Articles of Incorporation, our Board of Directors must consist of at least seven and not more than sixteen directors. Currently, our Board of Directors consists of ten directors. Pursuant to our Amended Articles, our directors are elected at an annual or special general meeting of our shareholders and serve on our Board of Directors until the next annual general meeting at which one or more directors are elected or until they are removed by the majority of our shareholders at an annual or special general meeting of our shareholders or upon the occurrence of certain events, in accordance with our Amended Articles. In addition, our Amended Articles allow our Board of Directors to appoint directors to fill vacancies on our Board of Directors to serve until the next annual meeting or special general meeting, or earlier if required by our Amended Articles or applicable law.

Our Board of Directors consists of 10 members with 5 members being independent under Nasdaq rules. The independent directors are: Michael Wilson, Peter Conway, Philip Quartararo, William MacDonald and Thomas Rauker.

**Audit Committee**

Our Board of Directors has adopted an audit committee charter that sets forth the responsibilities of the audit committee consistent with the regulations of the SEC including the following:

- Oversight of our independent registered public accounting firm and recommending the engagement, compensation or termination of engagement of our independent registered public accounting firm to the Board of Directors or shareholders for their approval, as applicable;
- Recommending the terms of audit and non-audit services provided by the independent registered public accounting firm for pre-approval by the board or shareholders for their approval, as applicable, in accordance with the requirements of applicable law.

Our audit committee, which consists of two directors and one officer, provides assistance to our Board of Directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by pre-approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal control over financial reporting. Our audit committee also oversees the audit efforts of our independent accountants and takes those actions that it deems necessary to satisfy itself that the accountants are independent of management.

Our audit committee consists of Michael Wilson, a director, who serves as the chairperson and Thomas Rauker, a director, and James Hayne, an officer, serve as the other committee members. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq corporate governance rules. Our Board of Directors has determined that Mr. Wilson, Mr. Rauker, and Mr. Hayne are "audit committee financial experts" as defined by the SEC rules and has the requisite financial experience as defined by the Nasdaq Rules. Our Board of Directors has determined that two members, Mr. Wilson and Mr. Rauker, of our compensation committee are independent under the Nasdaq Rules, including the additional independence requirements applicable to the members of a compensation committee.

**Compensation Committee**

Under Wyoming law, the Board of Directors of any corporation may appoint a compensation committee. Our compensation committee is comprised of at least three directors, including two outside directors, who must constitute a majority of the members of the compensation committee.

The roles of the compensation committee are, among others, as follows:

- Recommending to the Board of Directors with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- Reviewing the implementation of the compensation policy and periodically recommending to the Board of Directors with respect to any amendments or updates of the compensation plan;
- Resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- Exempting, under certain circumstances, a transaction with our chief executive officer from the approval of the general meeting of our shareholders.

Our compensation committee consists of three directors, Philip Quartararo who serves as the chairperson, and A. John Luessenhop, Jr., and William J. MacDonald who serve as the other members. Our Board of Directors has determined that two members, Mr. Quartararo and Mr. MacDonald, of our compensation committee are independent under the Nasdaq Rules, including the additional independence requirements applicable to the members of a compensation committee.

#### Nominating and Corporate Governance Committee

The nominating and corporate governance committee, which is comprised of three directors, is responsible for reviewing proposed new members of the Board and establishing full criteria for board membership. The nominating and corporate governance committee is also responsible for evaluating the performance of the Board as a whole, as well as that of the individual members of the Board.

Our nominating and corporate governance committee consists of A. John Luessenhop, Jr., who serves as the chairperson, Timothy Battles and Donald Harris who serve as the other members. Our Board of Directors has determined that one member, Mr. Battles, of our nominating and corporate governance committee is independent under the Nasdaq Rules, including the additional independence requirements applicable to the members of a nominating and corporate governance committee.

#### For the fiscal years ending December 31, 2021, and 2022, the Board of Directors:

Reviewed and discussed the audited financial statements with management and reviewed and discussed the written disclosures and the letter from our independent auditors on the matters relating to the auditor’s independence.

Based upon the Board of Directors’ review and discussion of the matters above, the Board of Directors authorized inclusion of the audited financial statements for the year ended December 31, 2022, and 2021, to be included in this Registration Statement on Form 10 filed with the Securities and Exchange Commission.

#### Code of Ethics & Insider Trading Policy

We have adopted a Code of Ethics and Insider Trading Policy which applies to our executive officers, directors and employees. A copy of our code of ethics is filed as Exhibit 14 to this Form 10.

#### Item 6. Executive Compensation

On January 1, 2023, the Board of Directors of the Company authorized the grant of options to purchase 3,810,221 common shares of the Company at an exercise price of \$0.0125 per share. This grant included 250,000 options to each of its nine Board members, 100,000 options to each of its four advisors, and 1,160,221 options granted to two officers/Board members for the conversion of \$105,000 of accrued consulting fees into options to purchase shares of Common Stock. The consulting agreements are at-will consulting agreements which may be terminated at any time with no penalty.

We have entered into a consulting agreement with our CEO, Michael MacGregor, for a fee of Five Thousand dollars (\$5,000) per month. The agreement calls for the promotion of the quality of the Company’s products and services with attention to the maintenance of the standards and procedures of the Company. Additionally, the CEO is seeking to enhance and develop the Company’s relationships with the entertainment industry and technology developers. As of June 30, 2023, the Company had not executed the stock option grant and related agreements. No stock option expense will be reported until such time as the stock option grant and related agreements are fully executed.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Bannor Michael MacGregor	2022	\$ 60,000(1)	-	-	-	-	-	-	\$ 60,000
Bannor Michael MacGregor	2023	\$ 60,000	-	-	-	-	-	-	\$ 60,000

1. Mr. MacGregor earned consulting compensation of \$5,000 per month in 2022 of which \$60,000 was accrued and unpaid as of December 31, 2022. On January 1, 2023, the \$60,000 of accrued 2022 consulting fees payable to Mr. MacGregor were exchanged for options to purchase 480,000 shares of Common Stock at \$0.125 per share.

Except as disclosed above, no Directors were paid in excess of \$100,000 in the year 2022.

#### Item 7. Certain Relationships and Related Transactions, and Director Independence

Other than described below or the transactions described under the heading “Executive Compensation,” there have not been, and there is not currently proposed, any transaction or series of similar transactions to which we were a participant and in which any director, executive officer, holder of 5% or more of any class of our capital shares or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

#### Related Party Transactions in 2022 and 2021

The Company has agreed to indemnify Mr. MacGregor for all legal and professional costs originating from the lawsuit *Randall S. Sprung v. Bannor Michael MacGregor, Jeffery Katz, and Life Design Station International, Inc.* – Supreme Court of New York, County of Kings, Index No.: 504677/2019.

During 2022 and 2021, the Company incurred approximately \$120,000 and \$30,000, respectively, of professional fees to a legal firm affiliated with a member of the Board of Directors, Mr. Harris. At December 31, 2022 and 2021, the Company had \$55,000 and \$30,000, respectively, in accounts payable and accrued expenses owed to the legal firm.

During 2022, the Company entered into consulting services relationships with four other members of the Board whereby they were compensated a total of \$149,000. As of December 31, 2022, \$105,000 of the total amount of \$149,000 was accrued and unpaid. The consulting services are provided as requested by management and may be terminated at any time with no penalty. There is currently one consulting agreement with Bannor Michael MacGregor for a fee of Five Thousand dollars (\$5,000) per month. This agreement has no convertible features.

During 2022, the Company entered into a services agreement with Ribo Music LLC aka Ribo Media (“Ribo Media”) whereby the Company will assist Ribo Media in developing an online media platform which will deliver music and eventually movies directly to consumers via their smart devices for a fee of \$151,250. In October 2022, this agreement was amended to increase the scope of the services to be rendered by the Company by \$35,000 for a total of \$186,250. As of December 31, 2022, the Company had received \$186,250. Michael Blanchard, a director, Secretary/Treasurer and shareholder of the Company, and Timothy Battles, a director and shareholder of the Company, are both Managing Members and controlling shareholders in Ribo Media.

In August 2022, the Company began production of the feature film, *THE DEVIL’S HALF-ACRE*, written and directed by Dashiell Luessenhop, a son of A. John Luessenhop, a director of the Company. During the year ended December 31, 2022, the Company capitalized \$106,355 of production costs associated with this film.

On November 10, 2022 the Company acquired an option/purchase agreement on the screenplay *MIDNIGHT’S DOOR* from Mr. Luessenhop, the owner/controller of the associated IP (“*intellectual property*”), wherein Mr. Luessenhop and Mr. MacGregor were entitled to reimbursement of an aggregate of \$12,700 provided the Company produced a feature film. The option was due to expire on February 14, 2023, but was subsequently re-issued for another year directly to the Company (See Note 9).

During 2022, the Company entered into definitive agreements to secure Bold Crayon Corporation (“Bold Crayon”) as a development partner and purchased certain assets from Bold Crayon, including a portion of the rights to a feature film, and copyrights on six film titles. Mr. MacGregor, CEO/President and a director of the Company, Mr. MacGregor is also the CEO/President and a director of Bold Crayon and effectively controls Bold Crayon as a managing manager of the trustee of the trust that owns the majority ownership interest in Bold Crayon. Mr. Michael Blanchard was a past Director and Secretary/Treasurer of Bold Crayon and is the Secretary/Treasurer and a director of APHP and Mr. Blanchard owns 3.643% of the common shares of APHP.

On November 10, 2022, the Company approved the optioning of *MIDNIGHT’S DOOR* written by Kirsten Elms from Mr. Luessenhop for \$12,700 (*provided the Company produces MIDNIGHT’S DOOR as a feature film and further subject to producer agreements with Luessenhop and MacGregor*). Mr. Luessenhop is a director of the Company and owns 2.005% of the Company.

On November 10, 2022 the Company entered into an additional agreement regarding *THE DEVIL’S HALF-ACRE* to extend additional financing in an undetermined amount to the film in exchange among other things for increased equity in the film. *DEVIL’S HALF-ACRE* is currently controlled by Mr. Luessenhop. On August 18, 2023, the Company completed an addendum to the Devil’s Half-Acre agreement that was originally signed between the Company and A. John Luessenhop assigning the rights to Devil’s Half-Acre to APHP in exchange for the Company agreeing to fund up to Three Million dollars (\$3,000,000) for the production of the film.

On November 10, 2022 and as a result of previous agreement between two of Company’s Shareholders the Company ratified Bold Crayon as a “Designated APHP Content Developer” and approved the purchase of certain assets from Bold Crayon. The Board has authorized management to enter into definitive agreements to consummate the transaction as soon as is practical. As noted above, Mr. MacGregor controls Bold Crayon.

On November 10, 2022 the Company granted Mr. Luessenhop, a director of the Company, the right to purchase 2,000,000 common shares in the Company for \$0.0125 per share for an aggregate purchase price \$25,000 to be paid to the Company in the form of two components: (i.) relief of an outstanding account payable of \$12,417 due to Mr. Luessenhop from the Company and (ii.) cash of \$12,583.

Regarding the IMM Technology License more fully described in Note 2, Mr. MacGregor was a member of the Board of Directors of VASTECH from March 8, 2017 until July 7, 2021. Mr. MacGregor also owns approximately 2.5% of VASTECH. Mr. MacGregor owns approximately 4.9% of Intellitech Pty Ltd, the now current owner of the VASTECH IMM Technology.

In November 2020, the Company agreed to pay Bold Crayon Corporation (“Bold Crayon”) \$80,000 in exchange for an option to finance and co-produce two feature films subject to Bold Crayon procuring a portion of the equity required to fund the production of the films. Bold Crayon failed to secure the funding and the option expired on December 31, 2020. In March 2021, the Company paid the \$80,000 owed to Bold Crayon pursuant to the option agreement. The Company’s President is also the President and Director of Bold Crayon but does not hold any equity in Bold Crayon.

On September 13, 2021, the Company issued 3,829 shares of Preferred Stock to Mr. MacGregor as payment in full for: (a) repayment of loans from Mr. MacGregor comprised of principal of \$539,084 and accrued interest of \$30,197 (combined \$569,281) and (b) Mr. MacGregor assuming the loan payable to a note payable to an affiliate comprised of principal of \$186,637 and accrued interest of \$9,871 (combined \$196,508). In aggregate, \$765,789 of loans and accrued interest were converted to 3,829 shares of Preferred Stock.

During November 2021, the Company issued 1,735,000 shares of Common Stock to persons or entities as payment in full for services rendered or to be rendered to the Company, including 100,000 issued to a member of the Board of Directors. The Company recorded \$3,470 of consulting expense related to the issuance of these 1,735,000 shares.

Mr. MacGregor, the Company’s President, is also the Managing Manager of the of the trustee of The Noah Morgan Private Family Trust and the Managing Member of the trustee of the Bold Crayon Private Family Trust. In November 2021, the two trusts entered into a private stock exchange agreement whereby The Noah Morgan Private Family Trust transferred 44,000,000 shares of Common Stock in the Company to the Bold Crayon Private Family Trust. The Bold Crayon Private Family Trust currently maintains ownership of 2,933,215 of the aforementioned shares. As part of this private stock exchange agreement, the Bold Crayon Private Family Trust, as the controlling shareholder of Bold Crayon Corporation, agreed in principal to: (i) act as a designated American Picture House developer of IP and pledged to become a WGA signatory, (ii) grant the Company the right of first refusal to produce six titles owned by Bold Crayon, and (iii) Bold Crayon may further at its sole discretion grant certain beneficial ownership to a Bold Crayon produced feature film at Bold Crayon’s sole discretion at such time as the Company and Bold Crayon mutually agree to the Company. The Company was not a party to the aforementioned private stock exchange agreement and no incremental shares of Common Stock were issued as a result of this transaction.

#### **Related Party Transactions during the six months ended June 30, 2023**

During the six months ended June 20, 2023, the Company incurred approximately \$60,000 of professional fees to a legal firm affiliated with a member of the Board of Directors, Mr. Harris. At December 31, 2022 and June 30, 2023, \$55,000 and \$10,000, respectively, in accounts payable and accrued expenses were owed to the legal firm.

January 1, 2023, \$105,000 of accrued consulting fees, including \$60,000 for Mr. MacGregor and \$45,000 for Mr. Blanchard, were exchanged for options to purchase 1,160,221 shares of Common Stock at \$0.125 per share.

During the six months ended June 30, 2023, the Company incurred approximately \$47,000 of consulting fees to three members of the Board of Directors or their affiliates.

During the six months ended June 30, 2023, the Company borrowed \$178,500 from Mr. MacGregor pursuant to a master loan agreement that is due and payable in 2024. The master note agreement accrues interest at a rate of 4.4% due and payable in a lump sum upon maturity of the obligation. During the six months ended June 30, 2023, the Company also repaid \$75,981 of these related party borrowings. This note is not convertible.

On September 14, 2023, the Board of Directors of the Company approved to enter into Officer's agreements with Mr. Daniel Hirsch, Mr. James Hayne and Mr. Don Harris. These agreements will be for a duration of twelve months with compensation to be determined by the Compensation Committee.

## Item 8. Legal Proceeding

We may from time to time be involved in various claims and legal proceedings of a nature we believe are normal and incidental to our business. These matters may include product liability, intellectual property, employment, personal injury cause by our employees, and other general claims. Aside from the following, we are not presently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Pending Legal Proceeding(s).

Randall S. Sprung v. Bannor Michael MacGregor, Jeffery Katz, and Life Design Station International, Inc. – Supreme Court of New York, County of Kings, Index No.: 504677/2019

This action instituted by Randall Sprung against the Defendants on March 4, 2019, to recover monies he alleges are owed by Defendants (Counter-Plaintiffs) pursuant to written agreements to purchase shares and to provide consulting services between the parties. Defendants Bannor Michael MacGregor and Life Design Station International, Inc. ("LDSI") (Counter-Plaintiffs) have filed counterclaims to recover damages they have incurred as a direct result of Sprung's failure to properly perform his obligations and duties under the written agreement between the parties.

In February 2022, Plaintiff Sprung passed away. On May 25, 2023, the Court entered an Order substituting David Sprung, as Administrator of the Estate of Randall S. Sprung, for Randall S. Sprung as Defendant in the action.

While the case was filed in March 2019, due to the COVID-19 pandemic and the death of the Plaintiff, it is still in the preliminary stages. The Defendants will continue to pursue their counterclaims and to defend against Plaintiff's claims vigorously.

## Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Shareholder Matters

### Market Information.

Our common shares are qualified for quotation on the OTC Markets - OTC Pink under the symbol "APHP". On October 11, 2023, the highest trade was for \$0.26 and the low was \$0.26. Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

<b>Quarterly period</b>	<b>High</b>		<b>Low</b>	
Fiscal year ended December 31, 2023:	\$	0.485	\$	0.200
First Quarter	\$	0.485	\$	0.072
Second Quarter	\$	0.490	\$	0.200
Fiscal year ended December 31, 2022:	\$	0.200	\$	0.023
First Quarter	\$	0.170	\$	0.045
Second Quarter	\$	0.090	\$	0.030
Third Quarter	\$	0.100	\$	0.023
Fourth Quarter	\$	0.200	\$	0.023
Fiscal year ended December 31, 2021:	\$	1.230	\$	0.002
First Quarter	\$	0.175	\$	0.030
Second Quarter	\$	0.270	\$	0.075
Third Quarter	\$	1.230	\$	0.002
Fourth Quarter	\$	0.190	\$	0.021

## Holders

As of October 11, 2023 we had 313 shareholders of record of common shares per our transfer agent's shareholder list with others in street name.

## Dividends

The Company has not declared any cash dividends since inception and does not anticipate paying any cash dividends in the foreseeable future. The payment of cash dividends is within the discretion of the Board of Directors and will depend on the Company's earnings, capital requirements, financial condition, and other relevant factors. There are no restrictions that currently limit the Company's ability to pay cash, or other, dividends on its Common Shares other than those generally imposed by applicable state law. It is the present intention of management to utilize all available funds for the growth of the Company's business.

## Equity Compensation Plan Information

In January 2023, the Company adopted the American Picture House Corporation 2023 Directors, Employees and Advisors Stock Incentive and Compensation Plan ("the Plan"). The Plan shall be administered by the Board of Directors and may grant options to purchase shares of the authorized but unissued Common Stock of the Company, which options may be either incentive stock options or nonqualified stock options. The maximum number of shares of stock which may be issued for stock awards or stock options granted under the Plan is 10,000,000 shares of Common Stock. If any outstanding options expire for any reason, terminate, or forfeit, the shares or share not exercised



may again be granted. During the first quarter of 2023, the Board of Directors approved the grant of 3,810,221 options to advisors and members of the Board of Directors, but as of June 30, 2023 the Company had not executed the stock option award and related agreements.

### Common and Preferred Shares

Our authorized capital shares consist of 1,000,000,000 common shares and 1,000,000 preferred shares, par value \$0.0001 per share, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock (“Series A preferred shares” herein). As of October 11, 2023, there were 107,740,991 common shares issued and outstanding and 3,829 Series A preferred shares issued and outstanding, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock (“Series A preferred shares” herein). At present, 3,829 Series A preferred shares are issued and outstanding.

### Transfer Agent and Registrar

The transfer agent and registrar for our Common Shares is Madison Stock Transfer, 2500 Coney Island Avenue, Brooklyn, New York 11223, Phone: 718-627-4453.

### Listing

Our Common Shares are quoted on the OTC Pink under the symbol APHP. On October 11, 2023, the last reported sale price per share for our Common Shares on the OTC Pink market as reported was \$0.26.

### Item 10. Recent Sales of Unregistered Securities

Each of the below transactions were exempt from the registration requirements of the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated under the Securities Act.

Date	Number of Shares Issued or Cancelled	Class	Value of shares issued	Issued to.	Reason	Restricted or Unrestricted	Exemption or Registration Type.
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	Claire Singleton	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	2,000	Common	\$2/\$0.0001 per common share	Robert Martin	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	100,000	Common	\$100/\$0.0001 per common share	Michael Wilson	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	Philip Quartararo	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	J. David Dubin	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	Edward Agabs	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	Donna Croce	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	A. John Luessenhop, Jr.	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	20,000	Common	\$20/\$0.0001 per common share	Ellen Patterson	Advisory Services	Restricted	Section 4(a)(2)
11/19/2021	1,493,000	Common	\$1,493/\$0.0001 per common share	Coggs Hall Insurance Services Inc (1)	Advisory Services	Restricted	Section 4(a)(2)
05/06/2022	3,000,000	Common	\$300,000/\$0.10 per common share	Bannor Michael MacGregor	Repayment of loan	Restricted	Section 4(a)(2)
12/28/2022	2,000,000	Common	\$25,000/\$0.0125 per common share	A. John Luessenhop, Jr.	Stock Purchase & Assumption of Debt	Restricted	Section 4(a)(2)
06/30/2023	166,667	Common	N/A or \$25,000/\$0.15 per common share	Cole Walton Equity Trust Company	Advisory Services	Restricted	Section 4(a)(2)
06/30/2023	1,000,000	Common	\$150,000/\$0.15 per common share	Custodian FBO (Dustin Yates 200611203) IRA	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	666,667	Common	\$100,000/\$0.15 per common share	Equity Trust Company Custodian FBO (William Havens 200611481) IRA	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	500,000	Common	\$75,000/\$0.15 per common share	Jimmy Miller	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	400,000	Common	\$60,000/\$0.15 per common share	Landry Urquhart	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	267,773	Common	\$40,166/\$0.15 per common share	Chad Ryan	Stock Purchase	Restricted	Section 4(a)(2)

06/30/2023	266,667	Common	\$40,000/\$0.15 per common share	Michael Hess	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	77,777	Common	\$11,667/\$0.15 per common share	Michael Austin	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	66,667	Common	\$10,000/\$0.15 per common share	Dawson Yates	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	50,000	Common	\$7,500/\$0.15 per common share	Quin Thames	Stock Purchase	Restricted	Section 4(a)(2)
06/30/2023	37,777	Common	\$5,667/\$0.15 per common share	Wilbert Toda	Stock Purchase	Restricted	Section 4(a)(2)

The Board of Directors approved a 50:1 reverse common share split that became effective in the marketplace on October 11, 2021.

Following the reverse share split, on September 13, 2021, the Company adopted an amendment to the Company's Articles of Incorporation to reduce the number of authorized shares from 4,700,000,000 common shares at \$0.0001 par value to 1,000,000,000 common shares at \$0.0001 par value.

Also, on September 13, 2021, the Company issued 3,829 shares of Series A preferred shares to an affiliate as payment in full for: (a.) repayment of loans from an affiliate comprised of principal of \$539,084 and accrued interest of \$30,197 (combined \$569,281) and (b.) a shareholder assuming the loan payable to a note payable to an affiliate comprised of principal of \$186,637 and accrued interest of \$9,871 (combined \$196,508). In aggregate, \$765,789 of loans and accrued interest were converted to 3,829 Series A preferred shares.

During November 2021, the Company issued 1,735,000 common shares to persons or entities as payment in full for services rendered or to be rendered to the Company.

On March 31, 2022, the Company agreed to exchange \$299,401 in debt obligations to one of the Company's officers and relief from two of the Company's legal services providers in exchange for equity in the form of 3,000,000 common shares valued at \$0.10 per share for an equivalent aggregate value of \$300,000 to be delivered in the second quarter of this year subject only to administrative approval of the price per share by the Company's Valuation Committee (*with \$0.10 per share being the value*). The transaction enabled the Company to retire \$231,901 of debt due and owing to Bannor Michael MacGregor (*producer of BUFFALOED*) and \$67,500 of accrued legal fees. The 3,000,000 common shares were granted to Mr. MacGregor on May 6, 2022.

On November 10, 2022, the Company granted one of the Company's directors the right to purchase 2,000,000 shares of common shares in the Company for an aggregate purchase price \$25,000 (\$0.0125 per share) paid to the Company in the form of two components: (i.) a relief of an outstanding account payable of \$12,417 for reimbursement of expenses related to the production of a feature film under development by the Company and (ii.) \$12,583 in cash. Subsequently, on December 28, 2022, Mr. Luessenhop executed his option.

During the fourth quarter of 2022, the Board of Directors granted options to purchase up to 3,810,221 common shares, at an exercise price of \$0.0125 per share, to members of the Board of Directors and advisors, subject to the formal creation and implementation of the Company's shares option plan. In January 2023, the Board of Directors and Shareholders approved the American Picture House Corporation 2023 Directors, Employees and Advisors Shares Incentive and Compensation Plan and delivered the option agreements to the recipients.

**Promissory and Convertible Notes (as of June 30, 2023)**

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
03/09/2023	\$ 103,281.40	\$ 102,518.77	\$ 762.63	03/09/2024	N/A	Bannor Michael MacGregor (1)	Loan

**Item 11. Description of Registrant's Securities to be Registered**

**General**

We are authorized by our articles of incorporation to issue an aggregate of 1,000,000,000 common shares, par value \$0.0001 per share, of which 107,740,991 were outstanding as of October 11, 2023; and 1,000,000 preferred shares, par value \$0.0001 per share, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock ("Series A preferred shares" herein), and of which 3,829 were outstanding as of that date.

The following summary of the terms of our Common Shares and preferred shares, respectively, may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our Amended and Restated Articles of Incorporation (the "Articles of Incorporation") and our Bylaws, as amended (the "Bylaws"). You should refer to, and read this summary together with, our Amended and Restated Articles of Incorporation and amended and restated Bylaws to review all of the terms of our Common Shares and preferred shares, respectively, that may be important to you.

**Common Shares**

Holders of our Common Shares are entitled to one vote for each share held of record on each matter submitted to a vote of shareholders. Except as otherwise expressly provided by the laws of the State of Wyoming, or by the Articles of Incorporation, at any and all meetings of the shareholders of the Corporation there must be present (a quorum), either in person or by proxy, shareholders owning a one third of the issued and outstanding shares of the capital shares of the Corporation entitled to vote at said meeting. At any meeting of shareholders at which a quorum is not present, the holders of, or proxies for, a majority of the shares represented at such meeting, may adjourn the meeting from

time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

To the extent permitted by law, the Board shall have full power and discretion, subject to the provisions of the Articles of Incorporation, to determine what, if any, dividends or distributions shall be declared and paid or made. Dividends may be paid in cash, in property, or in shares of capital shares, subject to the provisions of the Articles of Incorporation. Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sums as the Directors think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Company, or for such other purpose as the Directors think conducive to the interests of the Company. The Directors may modify or abolish any such reserve in the manner in which it was created.

#### **Series A Preferred Shares**

**Dividends** – the Series A preferred shares do not have any rights to dividends.

**Voting** – each Series A preferred share carries a superior voting right to the Company’s common shares, each Series A preferred share shall be counted as 1,000,000 votes in any Company vote.

**Conversion** – each Series A preferred share is convertible at a ratio of 1 to 100,000 so that each one Series A preferred share may be exchanged for 100,000 common shares.

**Liquidation** – The “Liquidation Preference” with respect to a share of Series A Preferred Stock means an amount equal to the ratio of (a) the total amount of the Corporation’s assets and funds available for distribution to the Series A Preferred Stock to (b) the number of shares of Series A Preferred Stock outstanding.

**Redemption** – the Series A preferred shares do not have any specific redemption rights.

**Sinking Fund Provisions** – the Series A preferred shares do not have any sinking fund provisions.

#### *Articles of Incorporation and Bylaws*

Our articles of incorporation do not allow cumulative voting rights in the election of our directors. Wyoming law requires the existence of cumulative voting rights to be provided for by a corporation’s articles of incorporation. In the event that a few shareholders end up owning a significant portion of our issued and outstanding common shares, the lack of cumulative voting would make it more difficult for other shareholders to replace our Board of Directors or for a third party to obtain control of us by replacing our Board of Directors. Our articles of incorporation and Bylaws do not contain any explicit provisions that would have an effect of delaying, deferring or preventing a change in control of us.

#### **Certain Anti-Takeover Provisions**

Wyoming Statutes sections 17-18-105 through 17-18-111 provide state regulation over the acquisition of a controlling interest in certain Wyoming corporations unless the articles of incorporation or bylaws of the corporation provide that the provisions of these sections do not apply, or the corporation files an election with the Wyoming secretary of state that these sections do not apply. Our Amended and Restated Articles of Incorporation and Bylaws do not state that these provisions do not apply, nor have we made an election with the secretary of state. The statute creates a number of restrictions on the ability of a person or entity to acquire control of a Wyoming company by setting down certain rules of conduct and other disclosures and restrictions in any acquisition attempt, among other things.

#### **Item 12. Indemnification of Directors and Officers**

Under our Amended and Restated Articles of Incorporation and Bylaws, the Company shall indemnify, to the fullest extent permitted by applicable law, any person, and the estate and personal representative of any such person, against all liability and expense (including attorneys’ fees) incurred by reason of the fact that he is or was a director or officer of the Corporation or, while serving at the request of the Company as a director, officer, partner, trustee, employee, fiduciary, or agent of, or in any similar managerial or fiduciary position of, another domestic or foreign corporation or other individual or entity or of an employee benefit plan. The Company also shall indemnify any person who is serving or has served the Company as director, officer, employee, fiduciary, or agent, and that person’s estate and personal representative, to the extent and in the manner provided in any bylaw, resolution of the shareholders or directors, contract, or otherwise, so long as such provision is legally permissible.

The Company may, at its discretion, advance expenses in advance of the final disposition of the case to or for the benefit of a director, officer, employee, fiduciary, or agent, who is party to a proceeding such as described in the preceding paragraph A to the maximum extent permitted by applicable law. Such right of indemnification shall not be exclusive of any other right which such directors, officers, or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of shareholders, provision of law, or otherwise.

Without limiting the application of the foregoing, our Board of Directors may adopt Bylaws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Wyoming and may cause us to purchase and maintain insurance on behalf of any person who is or was our director or officer, or is or was serving at our request as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not we would have the power to indemnify such person. The indemnification provided shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such person.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

#### **Item 13. Financial Statements and Supplementary Data**

The Company’s audited financial statements for the fiscal years ended December 31, 2022, and December 31, 2021, and Q1 and Q2 of 2023 are included here on pages F-1 through F6 and were audited by BF Borges CPA PC.

#### **Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

#### **Item 15. Financial Statements and Exhibits**

##### **(a) Financial Statements:**

**Index To Financial Statements.**

<a href="#">Condensed Balance Sheets as of June 30, 2023 and December 31, 2022</a>	42
<a href="#">Condensed Statements of Operations for the Three and Six Months Ended June 30, 2023 and 2022</a>	43
<a href="#">Condensed Statements of Changes in Stockholders' Equity/ (Deficit) for the Six Months Ended June 30, 2023 and 2022</a>	44
<a href="#">Condensed Statements of Cash Flows for the Six Months Ended June 30, 2023 and 2022</a>	45
<a href="#">Notes to Financial Statements for the Three and Six Months Ended June 30, 2023 and 2022</a>	46
<a href="#">Report of Independent Registered Public Accounting Firm</a>	54
<a href="#">Balance Sheets as of December 31, 2022 and 2021</a>	55
<a href="#">Statements of Operations for the Years Ended December 31, 2022 and 2021</a>	56
<a href="#">Statements of Changes in Stockholders' Equity/ (Deficit) for the Periods January 1, 2021 through December 31, 2022</a>	57
<a href="#">Statements of Cash Flows for the Years Ended December 31, 2022 and 2021</a>	58
<a href="#">Notes to Financial Statements for the Years Ended December 31, 2022 and 2021</a>	59

**AMERICAN PICTURE HOUSE CORPORATION  
BALANCE SHEETS**

	<u>June 30, 2023</u> <u>(Unaudited)</u>	<u>December 31, 2022</u> <u>*</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 265,699	\$ 31,573
Accounts receivable	-	344,924
Prepaid expenses	36,213	32,862
Receivable – related party	25,625	70
Other receivables	1,232	347
Total Current Assets	<u>328,769</u>	<u>409,776</u>
Produced and licensed content costs	131,550	121,355
IMM loans receivable, net of allowance of \$366,387	-	-
<b>TOTAL ASSETS</b>	<u><u>460,319</u></u>	<u><u>531,131</u></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities		
Accounts payable and accrued expenses	119,785	273,699
Payable to Related Parties	-	130,000
Deferred revenue, current portion	-	35,000
Interest payable – related party	763	-
Interest payable – EIDL loan	13,075	10,288
Note payable – related party	102,519	-
Total Current Liabilities	<u>236,142</u>	<u>448,987</u>
Economic injury disaster loan, non-current	<u>149,900</u>	<u>149,900</u>
<b>Total Liabilities</b>	<u><u>386,042</u></u>	<u><u>598,887</u></u>
Stockholders' Equity (Deficit):		
Common Stock \$0.0001 par value. 1,000,000,000 authorized. 104,235,154 and 100,735,159 issued and outstanding as of June 30, 2023 and December 31, 2022, respectively.	471,024	470,673
Preferred Stock \$0.0001 par value. 1,000,000 authorized. 3,829 Series A issued and outstanding as of June 30, 2023 and December 31, 2022, respectively.	-	-
Subscription receivable	(40,166)	-
Additional paid in capital	3,746,598	3,116,949
Accumulated deficit	(4,103,179)	(3,655,378)
Total Stockholders' Equity (Deficit)	<u>74,277</u>	<u>(67,756)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u><u>\$ 460,319</u></u>	<u><u>\$ 531,131</u></u>

\* Derived from audited information

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

**AMERICAN PICTURE HOUSE CORPORATION  
STATEMENTS OF OPERATIONS  
(Unaudited)**

	<u>Three Months ended June 30,</u>		<u>Six Months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>(As Restated)</u>		<u>(As Restated)</u>	
Consulting revenues	\$ -	\$ -	\$ 169,111	\$ -
Cost of revenues	-	-	36,701	-
	-	-	132,410	-

Operating Expenses:				
General and administrative:	395,120	139,594	578,723	206,790
Total Operating Expenses	395,120	139,594	578,723	206,790
Net Operating Loss	(395,120)	(139,594)	(446,313)	(206,790)
Other Income (Expenses):				
Interest income	1,712	-	2,453	-
Interest expense	(2,054)	(1,589)	(3,941)	(3,628)
Net Other Income (Expenses)	(342)	(1,589)	(1,488)	(3,628)
Loss before income taxes	(395,462)	(141,183)	(447,801)	(210,418)
Income taxes	-	-	-	-
Net loss	<u>\$ (395,462)</u>	<u>\$ (141,183)</u>	<u>\$ (447,801)</u>	<u>\$ (210,418)</u>
Net loss per common share - Basic and Diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares used in per share computation - Basic and Diluted	100,773,620	98,735,159	100,754,390	97,235,159

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

**AMERICAN PICTURE HOUSE CORPORATION**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
For the six months ended June 30, 2023 and 2022  
(Unaudited)

	Common Stock		Preferred Stock		Additional Paid In Capital	Accumulated Deficit	Stock Subscription Receivable	Total Stockholders' Equity (Deficit)
	Shares	Par Value	Shares	Amount				
<b>Balance, December 31, 2022</b>	100,735,159	\$ 470,673	3,829	\$ -	\$ 3,116,949	\$ (3,655,378)	\$ -	\$ (67,756)
Conversion of accrued liabilities totaling \$105,000 into options to purchase 1,160,221 shares of Common Stock	-	-	-	-	105,000	-	-	105,000
Common Stock issued for services at \$0.15/share	166,667	17	-	-	24,983	-	-	25,000
Issuance of Common Stock	3,333,328	334	-	-	499,666	-	(40,166)	459,834
Net Loss	-	-	-	-	-	(447,801)	-	(447,801)
<b>Balance, June 30, 2023</b>	<u>104,235,154</u>	<u>\$ 471,024</u>	<u>3,829</u>	<u>\$ -</u>	<u>\$ 3,746,598</u>	<u>\$ (4,103,179)</u>	<u>\$ (40,166)</u>	<u>\$ 74,277</u>
	Common Stock		Preferred Stock		Additional Paid In Capital	Accumulated Deficit	Stock Subscription Receivable	Total Stockholders' Equity (Deficit)
	Shares	Par Value	Shares	Amount				
<b>Balance, December 31, 2021</b>	95,735,159	\$ 470,173	3,829	\$ -	\$ 2,792,449	\$ (3,569,622)	\$ -	\$ (307,000)
Conversion of notes payable and interest payable to related party to Common Stock and assumption of Liabilities by related party for Common Stock	3,000,000	300	-	-	299,700	-	-	300,000
Net Loss	-	-	-	-	-	(210,418)	-	(210,418)
<b>Balance, June 30, 2022</b>	<u>98,735,159</u>	<u>\$ 470,473</u>	<u>3,829</u>	<u>\$ -</u>	<u>\$ 3,092,149</u>	<u>\$ (3,780,040)</u>	<u>\$ -</u>	<u>\$ (217,418)</u>

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

**AMERICAN PICTURE HOUSE CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Six Months ended June 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ (447,801)	\$ (210,418)
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from Operating Activities:		
Reserve for uncollectible receivable	193,932	-
Common Stock issued for services	25,000	-

Change in operating assets and liabilities:			
Accounts receivable	150,992		(126,250)
Prepaid expenses	(3,351)		1,230
Other receivables	(26,440)		-
Accounts payable and accrued expenses	(48,914)		119,450
Payable to related party	(130,000)		-
Interest payable - related parties	763		292
Interest payable - EIDL loan	2,787		2,788
Deferred revenue	(35,000)		151,250
Net Cash Flows from Operating Activities	(318,032)		(61,658)
Cash Flows from Investing Activities:			
Produced and licensed costs	(10,195)		-
Net Cash Flows from Investing Activities	(10,195)		-
Cash Flows from Financing Activities:			
Proceeds from debt borrowings - related parties	178,500		62,760
Repayment of debt borrowings - related parties	(75,981)		(16,260)
Proceeds from sale of Common Stock	459,834		-
Net Cash Flows from Financing Activities	562,353		46,500
Net Increase in Cash and Cash Equivalents	234,126		(15,158)
Cash and Cash Equivalents, Beginning of Period	31,573		101,289
Cash and Cash Equivalents, End of Period	\$ 265,699	\$	86,131
Non-cash Financing and Investing Activities:			
Conversion of accrued expenses into options to purchase Common Stock	\$ 105,000	\$	-
Common Stock issued for services	\$ 25,000	\$	-

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

## American Picture House Corporation

### Notes to Financial Statements

#### For the Three and Six Months Ending June 30, 2023 and 2022

#### Note 1 – Organization and Nature of Business

American Picture House Corporation (“the Company” or “APHP”) was incorporated in Nevada on September 21, 2005 under the name Servinational, Inc. The Company subsequently changed its name to Shikisai International, Inc. in November 2005 and then to Life Design Station, Intl. Inc. in August 2007. The Company changed its state of domicile from Nevada to Wyoming on October 13, 2020. On December 4, 2020, the Company changed its name to American Picture House Corporation.

The Company develops, options, and/or licenses intellectual properties (“IP”) primarily related to the entertainment industry with the intention of producing commercially viable content (e.g., feature films, shows, etc.) for distribution to the worldwide market. The Company also provides consulting services (e.g., management, administrative, etc.) to customers that develop, option, and/or license IP in the entertainment industry and in other industries.

#### NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company previously reported Bad Debt Expense as a separate component of Other Income (Expenses), but subsequently determined that Bad Debt Expense should have been reported as a component of General and Administrative Expenses as an operating expense.

As a result of the above, the Company has restated the Statements of Operations for the three and six months ended June 30, 2023 to reclassify the Bad Debt Expense. There was no change in the reported Net Loss for the three and six months ended June 30, 2023 as a result of this restatement.

The following table summarizes the effect of the restatement on each financial statement line item as of the dates, and for the period, indicated:

	As Previously Reported	Adjustments	As Restated
<b>Statement of Operations for the Three Months Ended June 30, 2023 (unaudited)</b>			
Operating Expenses:			
General and administrative	\$ 201,188	193,932	395,120
Total Operating Expenses	201,188	193,932	395,120
Net Operating Loss	(201,188)	(193,932)	(395,120)
Other Income (Expenses):			
Bad debt expense	(193,932)	193,932	-
Net Other Income (Expense)	(194,274)	193,932	(342)

	As Previously Reported	Adjustments	As Restated
<b>Statement of Operations for the Six Months Ended June 30, 2023 (unaudited)</b>			
Operating Expenses:			
General and administrative	\$ 384,791	193,932	578,723
Total Operating Expenses	384,791	193,932	578,723

Net Operating Loss	(252,381)	(193,932)	(446,313)
Other Income (Expenses):			
Bad debt expense	(193,932)	193,932	-
Net Other Income (Expense)	(195,420)	193,932	(1,488)

### Note 3 – Summary of Significant Accounting Policies

**Basis of Accounting** – The accompanying unaudited financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include all adjustments necessary for the fair presentation of the Company’s financial position for the periods presented.

The results for the six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 or for any other interim period or for any future period.

**Significant Risks and Uncertainties**– The Company is currently raising capital to finish production and to release its first feature film. Developing and commercializing a product requires significant time and capital and is subject to various production related delays and challenges. The Company operates in an environment of rapid change, including the use of artificial intelligence (AI), and is dependent upon the continued services of its employees and/or consultants, obtaining and protecting intellectual property, and the Company’s ability to raise capital.

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(Loss)/Income per Share** – Basic (loss) income per share is computed by dividing net (loss) income available to Common Stockholders by the weighted average number of common shares outstanding during the period. Diluted (loss) income per share reflects the potential dilution, using the treasury stock method that could occur if securities or other contracts to issue Common Stock were exercised or converted into Common Stock or resulted in the issuance of Common Stock that then shared in the (loss) income of the Company. In computing diluted (loss) income per share, the treasury stock method assumes that outstanding instruments are exercised/converted, and the proceeds are used to purchase Common Stock at the average market price during the period. Instruments may have a dilutive effect under the treasury stock method only when the average market price of the Common Stock during the period exceeds the exercise price/conversion rate of the instruments.

The following common share equivalents are excluded from the calculation of weighted average common shares outstanding because their inclusion would have been anti-dilutive:

	June 30, 2023	December 31, 2022
Convertible preferred stock	382,900,000	382,900,000
	<u>382,900,000</u>	<u>382,900,000</u>

**Accounts Receivable** – Accounts receivable primarily consist of trade receivables due from customers for consulting services and from fees derived from licensing of IP to content providers worldwide.

As of June 30, 2023, the Company had \$0 in outstanding accounts receivable. During the quarter ended June 30, 2023, the Company wrote off \$193,932 of receivables as bad debt based on a review of the customer’s ability to pay. In June 2023 their Managing Director resigned and the customer ceased operations. Consequently, in the second quarter of 2023 management established an allowance for this receivable and subsequently determined that the monies due were uncollectable and therefore was written off.

As of December 31, 2022, approximately 10%, 17%, and 72% of accounts receivable were due from three customers, including \$35,000 from one related party (see Ribo Media in Note 9 – Related Party Transactions) and \$249,000 from the *BUFFALOED* CAMA (see *Assigned Rights to feature film, BUFFALOED* below). There was no bad debt expense in 2022 and no allowance for doubtful accounts at December 31, 2022.

	June 30, 2023	December 31, 2022
Accounts Receivable, trade	\$ -	\$ 60,000
Accounts Receivable, related party	-	35,000
Accounts Receivable, CAMA		249,924
	<u>\$ 131,550</u>	<u>\$ 344,924</u>

**Produced and Licensed Content Costs** – Capitalized production costs, whether produced or acquired/licensed rights, include development costs, direct costs and production overhead. These amounts and licensed content are included in “Produced and Licensed Content Costs” on the balance sheet as follows:

	June 30, 2023	December 31, 2022
In development and pre-production	\$ 131,550	\$ 121,355
	<u>\$ 131,550</u>	<u>\$ 121,355</u>

Production costs for content that is predominantly expected to be monetized individually will be amortized based upon the ratio of the current period’s revenues to the estimated remaining total revenues (Ultimate Revenues). For film productions, Ultimate Revenues include revenues from all sources that will be earned within ten years from the date of the initial release for theatrical films. The costs of produced and licensed film and TV content are subject to regular recoverability assessments. For content that is predominantly monetized individually, the unamortized costs are compared to the estimated fair value. The fair value is determined based on a discounted cash flow analysis of the cash flows directly attributable to the title. To the extent the unamortized costs exceed the fair value, an impairment charge is recorded for the excess. As of June 30, 2023, the Company has not completed development of any film projects and, therefore, has not begun amortizing these costs. When amortization commences, it will be included in cost of revenues.

**Revenues and Costs from Services and Products**– The Company’s revenue comes from contracts with customers for consulting services and from the licensing and distribution of film and other entertainment rights. The consulting services typically relate to development of business strategy and monetization of intellectual property rights. The Company accounts for a contract with a customer when there is an enforceable contract between the Company and the customer, the rights of the party are identified, the contract has economic substance, and collectability of the contract is considered probable. Historically, the term of these consulting agreements has been approximately three to six months in duration. The Company’s revenue is measured based on considerations specified in the contract with each customer. Accounting Standards Codification (“ASC”)



606 allows for adoption of an “as invoiced” practical expedient that allows companies to recognize revenue in the amount to which the entity has a right to invoice when they have a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity’s performance completed to date. The Company has elected to adopt this practical expedient with regards to its consulting services revenue. Approximately 21% and 79% of the revenues for the six-months ended June 30, 2023 were derived from two customers. The Company reported \$0 revenue for the six-months-ended June 30, 2022 and for the quarters ended June 30, 2023 and 2022.

The cost of services includes only those costs directly related to the services being rendered. For the 2022 period, a majority of the consulting services were performed by management and members of the Board of Directors with no separate compensation due or payable to these individuals.

**Deferred Revenue** – Deferred revenue represents the amount billed to clients that has not yet been earned, pursuant to agreements entered into in current and prior periods. As of December 31, 2022, total net deferred revenue was \$35,000. There were no deferred revenues as of June 30, 2023.

**IMM Technology License and Related Advances and Loans** –The Company is the holder of a perpetual Master License to technologies being developed by VASTECH Holdings LTD (U.K. Company Number: 08312665) (“VASTECH”) specifically referred to as “Inverse Magnetic Motor”, an electric motor technology intended for the automotive industry (the “IMM Technology”). The license covers the North American territories (individually and collectively, the “IMM Target Markets”) and is for select target markets including electric vehicles, electric 2/3-wheelers, and medium duty/heavy duty electric vehicles. The license entitles the Company to issue sub-licenses to its licensees and/or key partners. The Master License grants certain rights to the Company including but not limited to the Company having the right to develop its own patents and/or products based on the IMM technology independently and/or with others and to integrate such technologies into motors for sale in the IMM Target Markets. The Company may also pass-along these rights which may be wholly and/or partially assigned to licensees and/or key partners if such is deemed appropriate by the Company. In conjunction with the grant of this license to the Company by VASTECH, the Company in its sole discretion, which may be withheld at any time, shall initially pay up to one million six hundred thousand pounds (£1,600,000.00) to VASTECH in advances against future licensing royalties (“the IMM Advances”). The IMM Advances will be treated as loans with a maximum term not to exceed one year and will carry an annual interest rate of six percent (6%) (the “Loans”) which shall be made by the Company to VASTECH until such time as VASTECH validates its technology sufficiently to the Company, its licensees, and key partners. Acceptance of validation of the technology will be at the sole discretion of the Company which may be withheld for any reason and/or for no reason. If in the event VASTECH does not validate its technology, or the Company does not accept such Validation within one year of making such IMM Advances, such will be considered IMM Loans and will become fully due and payable immediately. VASTECH agrees to immediately repay the Company for all such IMM Advances and/or IMM Loans upon demand from the Company to VASTECH that such repayments must be made. Once the Company accepts validation, the IMM Loans shall convert to IMM Advances; but, not before such acceptance of Validation has been delivered by the Company to VASTECH in writing.

In December 2021, management of the Company re-evaluated the \$266,387 IMM Loans Receivable and, in managements’ opinion, determined that this receivable should be fully reserved by an allowance for uncollectible accounts. Further, the Company has substantial doubt that VASTECH and/or its successors and affiliates will successfully commercialize the licensed technology. As of June 30, 2023, management and the Board of Directors further determined that the IMM Technology License and Related Advances and Loans should be fully written-off. Also see Note 9.

**Assigned rights to the feature film, BUFFALOED** – On November 10, 2022, the Company obtained certain limited rights to the feature film *BUFFALOED*. On December 1, 2022, the Cash Asset Management Agreement (“CAMA”) was signed by all parties. The assigned rights granted the Company a secured position of a one million three hundred eighty-thousand-dollar (\$1,380,000.00 USD) receivable against the film’s revenues as per the film’s Cash Asset Management Agreement (“CAMA”) and a 35% share of the profits generated thereafter. In December 2022, subsequent to and contingent on the CAMA being signed, the Company received notice that it would receive \$249,924 under the CAMA. As of December 31, 2022, the Company had recognized \$249,924 of revenue under this arrangement representing the amount whose collection was deemed probable. The assets acquired include:

Bold Crayon’s (“BC’s”) ownership in the feature film “*BUFFALOED*” inclusive of:

- BC’s ownership rights in *BUFFALOED* as per the agreements between BC and Lost City Inc (“Lost City”), the Co-Finance/ Co-Production Agreement dated July 10th, 2018.
- A secured position of a one million three hundred eighty-thousand-dollar (\$1,380,000.00 USD) receivable against the film’s revenues as per the film’s Cash Asset Management Agreement (“CAMA”).
- A thirty-five percent (35%) beneficial ownership interest as per the film’s CAMA.

The terms of the above agreement to purchase the BC assets include:

**Consideration.** As consideration for the BC Assets being acquired by APH hereunder, APH shall pay to Bold Crayon the below purchase price (the “Purchase Price”):

- APHP provided a promise in the form of a contingent promissory note to pay BC the first one hundred thirty thousand dollars (\$130,000.00 USD) that APHP collects from the *BUFFALOED* receivable;
- APHP will deliver one Preferred Share to BC for each ten thousand dollars (\$10,000.00 USD), in value paid to the APHP from the *BUFFALOED* receivable above the one hundred thirty thousand dollars (\$130,000.00 USD), not to exceed one hundred twenty-five (125) Preferred Shares.
- APHP designated Bold Crayon as an APHP content development partner (“Content Partner”).
- APHP will provide Co-producer agreements to Bold Crayon when applicable.

During 2019, Magnolia Pictures acquired the distribution rights to *BUFFALOED* and released the movie on February 14, 2020. In evaluating the fair value of the rights acquired and consideration incurred, management evaluated the likelihood of future receivables to be derived from the November 10, 2022 acquisition of rights under *BUFFALOED*, the Company recorded the assumed liability of \$130,000. At the time the agreement was signed, no value was assigned to the receivable as the amount was not known or able to be estimated and the timing of any future payments, if any, were not know. Subsequently, in late December the Company was notified by Fintage House (the collection account manager of the CAMA), that the Company would receive an initial payment of \$249,924. Due to uncertainties of any future revenue, if any, no value was assigned to any potential future revenues. Subsequent to December 31, 2022, the CAMA has not reported any significant revenues earned under the arrangement and no funds have been received beyond the initial \$249,924.

**Fair Value Measurements** – The Company measures and discloses fair value in accordance with the ASC Topic 820, Fair Value Measurements and Disclosures which defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions there exists a three-tier fair-value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 - unadjusted quoted prices are available in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 - pricing inputs are other than quoted prices in active markets that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.



Level 3 - pricing inputs are unobservable for the non-financial asset or liability and only used when there is little, if any, market activity for the non-financial asset or liability at the measurement date. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 inputs are considered as the lowest priority within the fair value hierarchy. The valuation of the right to obtain control over affiliated company, right to acquire shares of other companies, contingent consideration to be paid upon achieving of performance milestone, certain convertible bridge loans (following the maturity date and thereafter) and certain freestanding stock warrants and bifurcated convertible feature of convertible bridge loans issued to the units' owners, fall under this category.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The fair value of cash and cash equivalents is based on its demand value, which is equal to its carrying value. Additionally, the carrying value of all other short-term monetary assets and liabilities are estimated to be equal to their fair value due to the short-term nature of these instruments.

**Valuation of Long Lived Assets** – The Company evaluates whether events or circumstances have occurred which indicate that the carrying amounts of long-lived assets (principally produced and licensed content costs) may be impaired or not recoverable. The significant factors that are considered that could trigger an impairment review include: changes in business strategy, market conditions, or the manner of use of an asset; underperformance relative to historical or expected future operating results; and negative industry or economic trends. In evaluating an asset for possible impairment, management estimates that asset's future undiscounted cash flows and appraised values to measure whether the asset is recoverable. The Company measures the impairment based on the projected discounted cash flows of the asset over its remaining life.

**Stock-Based Compensation** – The Company follows U.S. GAAP, which requires all stock-based compensation to employees, including the grant of employee stock options, to be recognized in the statement of operations based on its fair value. Awards outstanding are accounted for using the accounting principles originally applied to the award. The expense associated with share-based compensation is recognized on a straight-line basis over the service period of each award. Refer to Note 7 for additional information related to this stock-based compensation plan.

**Income Taxes** – Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered in income. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that the tax benefits will not be realized. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Company had no significant uncertain income tax positions as of December 31, 2022 and June 30, 2023.

**Subsequent Events** – In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through October 11, 2023 (Note 10).

#### Note 4 – Liquidity and Going Concern

The Company's financial statements are prepared using account principles generally accepted in the United States ("U.S. GAAP") applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of June 30, 2023, the Company has an accumulated deficit of approximately \$3.7 million and incurred a net loss of approximately \$450,000 for the six months ended June 30, 2023. These factors, among others, raise doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from an inability of the Company to continue as a going concern.

The Company has a limited operating history, which makes it difficult to evaluate current business and future prospects. Management expects the Company to incur further losses in the foreseeable future due to costs associated with content acquisition and production timelines. There can be no assurance that our operations will ever generate sufficient revenues to fund continuing operations, or that we will ever generate positive cash flow from our operations, or that we will attain or thereafter sustain profitability in any future period. To mitigate this situation, the Company has a loan agreement with the Company's CEO/President fund its month-to-month cash flow needs (see Note 5 – Notes Payable).

#### Note 5 – Notes Payable

##### Note Payable – Related Party

On March 31, 2022, the Company agreed to exchange \$299,401 in debt obligations to Michael MacGregor, the Company's CEO & President and Board member, and relief from two of the Company's legal services providers in exchange for equity in the form of 3,000,000 common shares valued at \$0.10 per share for an equivalent aggregate value of \$300,000. The transaction enabled the Company to retire \$231,901 of debt due and owing to Mr. MacGregor and \$67,500 of accrued legal fees.

During the three and six months ended June 30, 2023, the Company borrowed \$53,500 and \$178,500 respectively, from Mr. MacGregor pursuant to a Master Loan Agreement dated March 1, 2023 that is due and payable in 2024. The Master Loan Agreement accrues interest at a rate of 4.4% due and payable in a lump sum upon maturity of the obligation. During the three and six months ended June 30, 2023, the Company also repaid \$75,981 of these related party borrowings. Also see Note 10 – Subsequent Events.

##### Economic Injury Disaster Loan

In March 2021, the Company executed an *Economic Injury Disaster Loan ("EIDL")* secured loan with the U.S. Small Business Administration under the EIDL program in the amount of \$149,900. The loan is secured by all tangible and intangible assets of the Company and payable over 30 years at an interest rate of 3.75% per annum. Installment payments of interest only will begin in September 2023.

#### Note 6 – Equity

On August 6, 2021, the Company approved a 50:1 reverse stock split. Following the reverse stock split, on September 13, 2021, the Company amended its Articles of Incorporation with the State of Wyoming to reduce the number of authorized shares from 4,700,000,000 share of Common Stock at \$0.0001 par value to 1,000,000,000 shares of Common Stock at \$0.0001 par value.

**Common Stock** – The Common Stock has a one share one voting right with no other rights. There are no provisions in the Company's Articles of Incorporation, Articles of Amendment, or By-laws that would delay or prevent a change of control. The Board may from time to time declare, and the Corporation may pay, dividends on its shares in cash, property, or its own shares, except when the Corporation is insolvent, when the payment thereof would render the Corporation insolvent, or when the declaration or payment thereof would be contrary to any other state law restrictions.

**Preferred Stock** – The Preferred Stock consists of 1,000,000 preferred shares authorized, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock ("Series A preferred shares" herein). At present, 3,829 Series A preferred shares are issued and outstanding. The Series A preferred shares have the following

rights: (i.) a first position lien against all of the Corporation's assets including but not limited to the Corporation's IP ("Intellectual Property"), (ii.) is convertible at a ratio of 1 to 100,000 so that each one share of Preferred Stock may be exchanged for 100,000 Common Stock, (iii.) and that each share of Preferred Stock shall carry superior voting rights to the Corporation's Common Stock and that each share of Preferred Stock shall be counted as 1,000,000 votes in any Corporate vote and (iv.) and any other benefits as deemed necessary and appropriate at the time of such issuance.

**Common Stock Activity**— In June 30, 2023, the Company sold 3,333,328 shares of Common Stock at \$0.15 per share to new investors resulting in total proceeds of \$500,000. \$40,166 of the \$500,000 is reported as a subscription receivable as of June 30, 2023 and was subsequently collected in July 2023. Also, during June 2023, the Company issued 166,667 shares of Common Stock pursuant to an advisory agreement.

#### **Note 7 – Equity Based Compensation**

The American Picture House Corporation 2023 Directors, Employees and Advisors Stock Incentive and Compensation Plan (the "Plan") was established in January 2023 to create an additional incentive to promote the financial success and progress of the Company. The Plan shall be administered by the Board of Directors and may grant options to purchase shares of the authorized but unissued Common Stock of the Company. The options may be either incentive stock options or nonqualified stock options.

The options granted under the Plan expire on the date determined by the Board of Directors and may not extend more than 10 years.

Under the Plan, unless the board specifies otherwise, stock options must be granted at an exercise price not less than the fair value of the Company's Common Stock on the grant date. The aggregate fair value of incentive stock options held by any optionee shall not exceed \$100,000.

The Board of Directors shall determine the terms and conditions of the options. The vesting requirements of all awards under the Plan may be time or event based and vary by individual grant. The incentive stock options and nonqualified stock options generally become exercisable over a two-year period. Vested and unexercised options may be available to be exercised no later than three months after termination of employment (or such longer period as determined by the Board of Directors).

On January 1, 2023, the Board of Directors of the Company authorized the grant of options to purchase 3,810,221 common shares of the Company at an exercise price of \$0.0125 per share. This grant included 250,000 options to each of its nine Board members, 100,000 options to each of its four advisors, and 1,160,221 options granted to two officers/Board members for the conversion of \$105,000 of accrued consulting fees into options to purchase shares of Common Stock. -See Note 9 of Related Party Transactions. As of June 30, 2023, the Company had not executed the stock option grant and related agreements. No stock option expense will be reported until such time as the stock option grant and related agreements are fully executed. Also see Note 10 – Subsequent Events.

#### **Note 8 – Contingencies and Uncertainties**

**Risks and Uncertainties** – The Company's operations are subject to significant risks and uncertainties including financial, operational, and regulatory risks, including the potential risk of business failure. The Company does not have employment contracts with its key employees, including the controlling shareholders who are officers of the Company.

**Legal and other matters**— In the normal course of business, the Company may become a party to litigation matters involving claims against the Company.

The Company, Bannor Michael MacGregor, and a third party have been named as defendants in a lawsuit brought in the state of New York. This legal action is still pending and the outcome of this litigation is unknown. Management is unable to reasonably estimate the amount of any loss, if any, and therefore no loss accrual has been recorded.

#### **Note 9 – Related Party Transactions**

The Company has agreed to indemnify Mr. MacGregor for all legal and professional costs originating from the lawsuit *Randall S. Sprung v. Bannor Michael MacGregor, Jeffery Katz, and Life Design Station International, Inc.* – Supreme Court of New York, County of Kings, Index No.: 504677/2019.

Regarding the IMM Technology License more fully described in Note 3, Mr. MacGregor was a member of the Board of Directors of VASTECH from March 8, 2017 until July 7, 2021. Mr. MacGregor also owns approximately 2.5% of VASTECH. Mr. MacGregor owns approximately 4.9% of Intellitech Pty Ltd, the now current owner of the VASTECH IMM Technology.

During the quarters ended June 30, 2023 and 2022, the Company incurred approximately \$30,000 and \$30,000, respectively, of professional fees to a legal firm affiliated with a member of the Board of Directors. During the six months ended June 30, 2023 and 2022, the Company incurred approximately \$60,000 and \$60,000, respectively, of professional fees to the same legal firm affiliated with a member of the Board of Directors. At December 31, 2022 and June 30, 2023, \$55,000 and \$10,000, respectively, in accounts payable and accrued expenses were owed to the legal firm.

During the quarters ended June 30, 2023 and 2022, the Company incurred approximately \$21,000 and \$72,000, respectively, of consulting fees to members of the Board of Directors or their affiliates. During the six months ended June 30, 2023 and 2022, the Company incurred approximately \$47,000 and \$72,000, respectively, of consulting fees to members of the Board of Directors or their affiliates. As of June 30, 2023 and December 31, 2022, the Company had accrued consulting fees of \$5,000 and \$105,000, respectively. On January 1, 2023, \$105,000 of accrued consulting fees were exchanged for options to purchase 1,160,221 shares of Common Stock at \$0.125 per share.

On June 27, 2022, the Company entered into a services agreement with Ribo Music LLC aka Ribo Media ("Ribo Media") whereby the Company will assist Ribo Media in developing an online media platform which will deliver music and eventually movies directly to consumers via their smart devices for a fee of \$151,250. As of December 31, 2022, \$35,000 was included in accounts receivable. Mr. Blanchard, a director of the Company and its Secretary/Treasurer and Mr. Battles, a director of the Company are both Managing Members and controlling Shareholders in Ribo Media.

On March 31, 2022, the Company agreed to exchange \$299,401 in debt obligations to Michael MacGregor, the Company's CEO & President and Board member, and relief from two of the Company's legal services providers in exchange for equity in the form of 3,000,000 common shares valued at \$0.10 per share for an equivalent aggregate value of \$300,000. The transaction enabled the Company to retire \$231,901 of debt due and owing to Mr. MacGregor and \$67,500 of accrued legal fees.

During the three and six months ended June 30, 2023, the Company borrowed \$53,500 and \$178,500 respectively, from Mr. MacGregor pursuant to a master loan agreement that is due and payable in 2024. The master note agreement accrues interest at a rate of 4.4% due and payable in a lump sum upon maturity of the obligation. During the three and six months ended June 30, 2023, the Company also repaid \$75,981 of these related party borrowings. This note is not convertible. Also see Note 10 – Subsequent Events.

#### **Note 10 – Subsequent Events**

Management has evaluated subsequent events through the date of these financial statements to which these notes are attached. Except as noted below, management believes that no significant events have occurred subsequent to the balance sheet date that would have a material effect on the consolidated financial statements thereby requiring adjustment

or disclosure.

In July 2023, the Company entered into a Business Line of Credit Loan Agreement with a commercial bank whereby the Company may borrow up to \$115,000 for a term of six months at 13.34%. Mr. MacGregor has personally guaranteed this loan and the Company has granted a security interest in any and all of the Company's assets. As of the date of this filing, \$0 has been borrowed under this line of credit.

During July 2023, the Board of Directors approved changes to the Company's equity compensation plan and approved the grant of options to purchase 3,810,221 options purchase common shares of the Company at an exercise price of \$0.0125 per share as previously authorized (see Note 7).

In August 2023, the Company amended and restated its Articles of Incorporation. Additionally, the Company amended its Bylaws.

During the period July 1, 2023 to present, the Company collected the \$40,166 stock subscription receivable that existed as of June 30, 2023. Additionally, the Company sold 2,939,170 shares of Common Stock at \$0.20 per share to new investors resulting in total proceeds of \$587,834. Approximately, \$103,000 of these proceeds were used to pay-off the outstanding balance, including accrued interest, on related party notes payable (see Notes 5 and 9). The Company also issued 666,667 shares of Common Stock to consultants.

On August 18, 2023, the Company completed an addendum to the Devil's Half-Acre agreement that was originally signed between the Company and A. John Luessenhop assigning the rights to Devil's Half-Acre to APHP in exchange for the Company agreeing to fund up to Three Million dollars (\$3,000,000) for the production of the film.

On September 14, 2023, the Board of Directors of the Company approved to enter into Officer's agreements with Mr. Daniel Hirsch, Mr. James Hayne and Mr. Don Harris. These agreements will be for a duration of twelve months with compensation to be determined by the Compensation Committee.

### Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of American Picture House Corporation

#### Opinion on the Financial Statements

We have audited the accompanying balance sheets of American Picture House Corporation as of December 31, 2022 and 2021, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

#### Restatement of Financial Statements

As discussed in Note 2 to the financial statements, the financial statements have been restated to correct certain misstatements.

#### Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/S/ BF Borgers CPA PC

#### BF Borgers CPA PC (PCAOB ID 5041)

We have served as the Company's auditor since 2022

Lakewood, CO

August 14, 2023, except for the effects on the financial statements of the restatement described in Note 2, as to which the date is October 12, 2023

### AMERICAN PICTURE HOUSE CORPORATION BALANCE SHEETS

	December 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 31,573	\$ 101,289
Accounts receivable	344,924	-

Prepaid expenses	32,862	8,300
Receivables - related party	70	-
Other receivables	347	-
Total Current Assets	409,776	109,589
Produced and licensed content costs	121,355	-
IMM loans receivable, net of allowance of \$366,387	-	-
<b>TOTAL ASSETS</b>	<b>531,131</b>	<b>109,589</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities		
Accounts payable and accrued expenses	273,699	76,315
Payable to Related Parties	130,000	-
Deferred revenue, current portion	35,000	-
Interest payable - related party	-	307
Interest payable - EIDL loan	10,288	4,666
Note payable - related party	-	185,401
Total Current Liabilities	448,987	266,689
Economic injury disaster loan, non-current	149,900	149,900
Total Liabilities	598,887	416,589
Stockholders' Equity (Deficit):		
Common Stock \$0.0001 par value. 1,000,000,000 authorized. 100,735,159 and 95,735,159 issued and outstanding as of December 31, 2022 and December 31, 2021, respectively.	470,673	470,173
Preferred Stock \$0.0001 par value. 1,000,000 authorized. 3,829 issued and outstanding as of December 31, 2022 and 2021.	-	-
Additional Paid In Capital	3,116,949	2,792,449
Accumulated Deficit	(3,655,378)	(3,569,622)
Total Stockholders' Equity (Deficit)	(67,756)	(307,000)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 531,131</b>	<b>\$ 109,589</b>

The accompanying notes are an integral part of these audited financial statements.

**AMERICAN PICTURE HOUSE CORPORATION**  
**STATEMENTS OF OPERATIONS**  
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
		(As Restated)
Consulting revenues	\$ 461,174	\$ -
Cost of revenues	131,722	-
	329,452	-
Operating Expenses:		
General and administrative:	409,290	491,747
Total Operating Expenses	409,290	491,747
Net Operating Loss	(79,838)	(491,747)
Other Income (Expenses):		
Interest income	2,077	-
Interest expense	(7,995)	(14,056)
Net Other Income (Expenses)	(5,918)	(14,056)
Loss before income taxes	(85,756)	(505,803)
Income taxes	-	-
Net loss	\$ (85,756)	\$ (505,803)
Net loss per common share - Basic and Diluted	\$ (0.00)	\$ (0.01)
Weighted average shares used in per share computation - Basic and Diluted	98,485,159	94,518,282

The accompanying notes are an integral part of these audited financial statements.

**AMERICAN PICTURE HOUSE CORPORATION**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
For the years ended December 31, 2022 and 2021

<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
<u>Shares</u>	<u>Par Value</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid In</u>	<u>Deficit</u>	<u>Stockholders'</u>
				<u>Capital</u>		<u>Equity</u>
						<u>(Deficit)</u>

<b>Balance, December 31, 2020</b>	4,700,000,000	\$ 470,000	-	\$ -	\$ 2,023,363	\$ (3,063,819)	\$ (570,456)
Reverse stock split	(4,605,999,841)	-	-	-	-	-	-
Conversion of debt and accrued interest to Preferred Stock	-	-	3,829	-	765,789	-	765,789
Common Stock issued for services	1,735,000	173	-	-	3,297	-	3,470
Net Loss	-	-	-	-	-	(505,803)	(505,803)
<b>Balance, December 31, 2021</b>	<u>95,735,159</u>	<u>\$ 470,173</u>	<u>3,829</u>	<u>\$ -</u>	<u>\$ 2,792,449</u>	<u>\$ (3,569,622)</u>	<u>\$ (307,000)</u>
Conversion of debt and accrued interest to Preferred Stock	3,000,000	300	-	-	299,700	-	300,000
Common Stock issued for services	2,000,000	200	-	-	24,800	-	25,000
Net Loss	-	-	-	-	-	(85,756)	(85,756)
<b>Balance, December 31, 2022</b>	<u>100,735,159</u>	<u>\$ 470,673</u>	<u>3,829</u>	<u>\$ -</u>	<u>\$ 3,116,949</u>	<u>\$ (3,655,378)</u>	<u>\$ (67,756)</u>

The accompanying notes are an integral part of these audited financial statements.

**AMERICAN PICTURE HOUSE CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities:</b>		
Net Income (Loss)	\$ (85,756)	\$ (505,803)
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from Operating Activities:		
Reserve for uncollectible receivable	-	366,387
Common Stock issued for services	25,000	3,470
Change in operating assets and liabilities:		
Accounts receivable	(344,924)	-
Prepaid expenses	(24,562)	(5,935)
Other receivables	(347)	-
Receivables - related party	(70)	-
Accounts payable and accrued expenses	264,884	29,300
Accounts payable to related party	130,000	-
Intellectual property license fee payable	-	(80,000)
Interest payable - related parties	292	9,389
Interest payable - EIDL loan	5,622	4,666
Deferred revenue	35,000	-
Net Cash Flows from Operating Activities	<u>5,139</u>	<u>(178,526)</u>
<b>Cash Flows from Investing Activities:</b>		
Produced and licensed costs	(121,355)	-
Net Cash Flows from Investing Activities	<u>(121,355)</u>	<u>-</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from debt borrowings - EIDL loan	-	149,900
Proceeds from debt borrowings - related parties	115,260	258,790
Repayment of debt borrowings - related parties	(68,760)	(131,070)
Net Cash Flows from Financing Activities	<u>46,500</u>	<u>277,620</u>
Net Increase in Cash and Cash Equivalents	(69,716)	99,094
Cash and Cash Equivalents, Beginning of Year	101,289	2,195
Cash and Cash Equivalents, End of Year	<u>\$ 31,573</u>	<u>\$ 101,289</u>
<b>Non-cash Financing and Investing Activities:</b>		
Conversion of note payable to related parties and accrued interest to Preferred Stock	\$ -	\$ 765,789
Conversion of note payable to related parties and accrued interest to Common Stock	\$ 300,000	\$ -
Common Stock issued for services	\$ 25,000	\$ 3,470

The accompanying notes are an integral part of these audited financial statements.

## Notes to Financial Statements

### For the Years Ending December 31, 2022 and 2021

#### Note 1 – Organization and Nature of Business

American Picture House Corporation (“the Company” or “APHP”) was incorporated in Nevada on September 21, 2005 under the name Servinational, Inc. The Company subsequently changed its name to Shikisai International, Inc. in November 2005 and then to Life Design Station, Intl. Inc. in August 2007. The Company changed its state of domicile from Nevada to Wyoming on October 13, 2020. On December 4, 2020, the Company changed its name to American Picture House Corporation.

The Company develops, options, and/or licenses intellectual properties (“IP”) primarily related to the entertainment industry with the intention of producing commercially viable content (e.g., feature films, shows, etc.) for distribution to the worldwide market. The Company also provides consulting services (e.g., management, administrative, etc.) to customers that develop, option, and/or license IP in the entertainment industry and in other industries.

#### NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company previously reported Bad Debt Expense as a separate component of Other Income (Expenses), but subsequently determined that Bad Debt Expense should have been reported as a component of General and Administrative Expenses as an operating expense.

As a result of the above, the Company has restated the Statements of Operations for the year ended December 31, 2021 to reclassify the Bad Debt Expense. There was no change in the reported Net Loss for the years ended December 31, 2021 as a result of this restatement.

The following table summarizes the effect of the restatement on each financial statement line item as of the dates, and for the period, indicated:

	As Previously Reported	Adjustments	As Restated
<b>Statement of Operations for the Year Ended December 31, 2021 (audited)</b>			
Operating Expenses:			
General and administrative	\$ 125,360	366,387	491,747
Total Operating Expenses	125,360	366,387	491,747
Net Operating Loss	125,360	366,387	491,747
Other Income (Expenses):			
Bad debt expense	(366,387)	366,387	-
Net Other Income (Expense)	(380,443)	366,387	(14,056)

#### Note 3 – Summary of Significant Accounting Policies

**Basis of Accounting** – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include all adjustments necessary for the fair presentation of the Company’s financial position for the periods presented.

The results for the years ended December 31, 2022 and 2021 are not necessarily indicative of the results to be expected for any future period.

**Significant Risks and Uncertainties** – The Company is currently raising capital to finish production and to release its first feature film. Developing and commercializing a product requires significant time and capital and is subject to various production related delays and challenges. The Company operates in an environment of rapid change, including the use of artificial intelligence (AI), and is dependent upon the continued services of its employees and/or consultants, obtaining and protecting intellectual property, and the Company’s ability to raise capital.

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(Loss)/Income per Share** – Basic (loss) income per share is computed by dividing net (loss) income available to Common Stockholders by the weighted average number of common shares outstanding during the period. Diluted (loss) income per share reflects the potential dilution, using the treasury stock method that could occur if securities or other contracts to issue Common Stock were exercised or converted into Common Stock or resulted in the issuance of Common Stock that then shared in the (loss) income of the Company. In computing diluted (loss) income per share, the treasury stock method assumes that outstanding instruments are exercised/converted, and the proceeds are used to purchase Common Stock at the average market price during the period. Instruments may have a dilutive effect under the treasury stock method only when the average market price of the Common Stock during the period exceeds the exercise price/conversion rate of the instruments.

The following common share equivalents are excluded from the calculation of weighted average common shares outstanding because their inclusion would have been anti-dilutive:

	December 31, 2022	December 31, 2021
Convertible preferred stock	382,900,000	382,900,000
	382,900,000	382,900,000

**Segment Information** - Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker (“CODM”), or decision-making group, in deciding how to allocate resources and in assessing performance. For the period of these financial statements, the CEO of the Company was the CODM. The Company views its operations and manages its business as one operating and reporting segment.

**Cash and Cash Equivalents** – Cash and cash equivalents consist of cash in bank accounts.

**Accounts Receivable** – Accounts receivable primarily consist of trade receivables due from customers for consulting services and from fees derived from licensing of IP to content providers worldwide. As of December 31, 2022, approximately 10%, 17%, and 72% of accounts receivable were due from three customers, including \$35,000 from one related party (see Ribo Media in Note 9 – Related Party Transactions) and \$249,000 from the BUFFALOED CAMA (see Assigned Rights to feature film, BUFFALOED below). There were no trade accounts receivable at December 31, 2021 as a result of the Company recording an allowance for uncollectible receivables in the amount of \$366,387 in 2021 fully reserving the receivable originating from the IMM Technology License and Related Advances and Loans (see Note 3). There was no bad debt expense and no additional allowance for doubtful accounts for the year ended December 31, 2022.

	December 31, 2022	December 31, 2021
Accounts Receivable, trade	\$ 60,000	\$ -
Accounts Receivable, related party	35,000	-
Accounts Receivable, CAMA	249,924	-
	<u>\$ 344,924</u>	<u>\$ -</u>

**Produced and Licensed Content Costs** – Capitalized production costs, whether produced or acquired/ licensed rights, include development costs, direct costs and production overhead. These amounts and licensed content are included in “Produced and Licensed Content Costs” on the balance sheet as follows:

	December 31, 2022	December 31, 2021
In development and pre-production	\$ 121,355	\$ -
	<u>\$ 121,355</u>	<u>\$ -</u>

Production costs for content that is predominantly expected to be monetized individually will be amortized based upon the ratio of the current period’s revenues to the estimated remaining total revenues (*Ultimate Revenues*). For film productions, Ultimate Revenues include revenues from all sources that will be earned within ten years from the date of the initial release for theatrical films. The costs of produced and licensed film and TV content are subject to regular recoverability assessments. For content that is predominantly monetized individually, the unamortized costs are compared to the estimated fair value. The fair value is determined based on a discounted cash flow analysis of the cash flows directly attributable to the title. To the extent the unamortized costs exceed the fair value, an impairment charge is recorded for the excess. Also see Note 9 – Related Party Transactions.

**Investment in Films and Television Programs:** Investment in films and television programs includes the unamortized costs of films and television programs, a portion of which are monetized individually (i.e., through domestic theatrical, home entertainment, television, international or other ancillary-market distribution), and a portion of which are monetized as part of a film group (i.e., primarily content internally produced by our Television Production segment for our Media Networks segment).

**Recording Cost.** Costs of acquiring and producing films and television programs and of acquired libraries are capitalized when incurred. For films and television programs produced by the Company, capitalized costs include all direct production and financing costs, capitalized interest and production overhead. For the years ended March 31, 2022, 2021, and 2020, total capitalized interest was \$12.8 million, \$2.8 million, and \$3.8 million, respectively. For acquired films and television programs, capitalized costs consist of minimum guaranteed payments to acquire the distribution rights.

**Amortization.** Costs of acquiring and producing films and television programs and of acquired libraries that are monetized individually are amortized using the individual-film-forecast method, whereby these costs are amortized and participations and residuals costs are accrued in the proportion that current year’s revenue bears to management’s estimate of ultimate revenue at the beginning of the current year expected to be recognized from the exploitation, exhibition or sale of the films or television programs.

For investment in films and television programs monetized as a group, see further discussion below under *Licensed Program Rights* for a description of amortization of costs monetized as a group.

**Ultimate Revenue.** Ultimate revenue includes estimates over a period not to exceed ten years following the date of initial release of the motion picture. For an episodic television series, the period over which ultimate revenues are estimated cannot exceed ten years following the date of delivery of the first episode, or, if still in production, five years from the date of delivery of the most recent episode, if later. For titles included in acquired libraries, ultimate revenue includes estimates over a period not to exceed twenty years following the date of acquisition.

**Development.** Films and television programs in development include costs of acquiring film rights to books, stage plays or original screenplays and costs to adapt such projects. Such costs are capitalized and, upon commencement of production, are transferred to production costs. Projects in development are written off at the earlier of the date they are determined not to be recoverable or when abandoned, or three years from the date of the initial investment unless the fair value of the project exceeds its carrying cost.

**Licensed Program Rights: General.** Licensed program rights include content licensed from third parties that is monetized as part of a film group for distribution on Media Networks distribution platforms. Licensed content is comprised of films or series that have been previously produced by third parties and the Company retains specified airing rights over a contractual term. Program licenses typically have fixed terms and require payments during the term of the license.

**Recording Cost.** The cost of licensed content is capitalized when the cost is known or reasonably determinable, the license period for programs has commenced, the program materials have been accepted by the Company in accordance with the license agreements, and the programs are available for the first showing. Licensed programming rights may include rights to more than one exploitation window under the Company’s output and library agreements. For films with multiple windows, the license fee is allocated between the windows based upon the proportionate estimated fair value of each window which generally results in the majority of the cost allocated to the first window on newer releases. Certain license agreements and productions may include additional ancillary rights in addition to the pay television rights. The cost of the Media Networks’ third-party licensed content and produced content is allocated between the pay television market distributed by the Media Networks’ segment and the ancillary revenue markets (e.g., home video, digital platforms, international television, etc.) distributed by the Television Production segment based on the estimated relative fair values of these markets. Our estimates of fair value for the pay television and ancillary markets and windows of exploitation involve uncertainty and management judgment.

**Amortization.** The cost of program rights for films and television programs (including original series) exhibited by the Media Networks segment are generally amortized on an accelerated or straight-line basis based on the anticipated number of exhibitions or expected and historical viewership patterns or the license period on a title-by-title or episode-by-episode basis. The number of exhibitions is estimated based on the number of exhibitions allowed in the agreement (if specified) and the expected usage of the content. Participations and residuals are expensed in line with the amortization of production costs. As of December 31, 2022, the Company has not completed development of any film projects and, therefore, has not begun amortizing these costs. When amortization commences, it will be included in cost of revenues.

Changes in management’s estimate of the anticipated exhibitions and viewership patterns of films and original series on our networks could result in the earlier recognition of our programming costs than anticipated. Conversely, scheduled exhibitions and expected viewership patterns may not capture the appropriate usage of the program rights in current periods which would lead to the write-off of additional program rights in future periods and may have a significant impact on our future results of operations and our financial position.

**Impairment Assessment for Investment in Films and Television Programs and Licensed Program Rights:**

**General.** A film group or individual film or television program is evaluated for impairment when an event or change in circumstances indicates that the fair value of an



individual film or film group is less than its unamortized cost. A film group represents the unit of account for impairment testing for a film or license agreement for program material when the film or license agreement is expected to be predominantly monetized with other films and/or license agreements instead of being predominantly monetized on its own. A film group is defined as the lowest level at which identifiable cash flows are largely independent of the cash flows of other films and/or license agreements.

**Content Monetized Individually.** For content that is predominantly monetized individually (primarily investment in film and television programs related to the Motion Picture and Television Production segments), whenever events or changes in circumstances indicate that the fair value of the individual film may be less than its unamortized costs, the unamortized costs of the individual film are compared to the estimated fair value of the individual film. The fair value is determined based on a discounted cash flow analysis of the cash flows directly attributable to the title. To the extent the unamortized costs exceed the fair value, an impairment charge is recorded for the excess.

**Content Monetized as a Group.** For content that is predominantly monetized as a group (primarily licensed program rights in the Media Networks segment and internally produced programming, as discussed above), whenever events or changes in circumstances indicate that the fair value of the film group may be less than its unamortized costs, the aggregate unamortized costs of the group are compared to the present value of the discounted cash flows of the group using the lowest level for which identifiable cash flows are independent of other produced and licensed content. The Company's film groups are generally identified by territory (i.e., country) or groups of international territories, wherein content assets are shared across the various territories and therefore, the group of territories is the film group. If the unamortized costs of the film group exceed the present value of discounted cash flows, an impairment charge is recorded for the excess and allocated to individual titles based on the relative carrying value of each title in the group.

**Valuation Assumptions.** The discounted cash flow analysis includes cash flows estimates of ultimate revenue and costs as well as a discount rate (a Level 3 fair value measurement, see Note 10). The discount rate utilized in the discounted cash flow analysis is based on the weighted average cost of capital of the Company plus a risk premium representing the risk associated with producing a particular film or television program or film group. The fair value of any film costs associated with a film or television program that management plans to abandon is zero. Estimates of future revenue involve measurement uncertainty and it is therefore possible that reductions in the carrying value of investment in films and television programs may be required as a consequence of changes in management's future revenue estimates.

**Assigned rights to the feature film, BUFFALOED** – On November 10, 2022, the Company obtained certain limited rights to the feature film *BUFFALOED*. On December 1, 2022, the Cash Asset Management Agreement (“CAMA”) was signed by all parties. The assigned rights granted the Company a secured position of a one million three hundred eighty-thousand-dollar (\$1,380,000.00 USD) receivable against the film's revenues as per the film's Cash Asset Management Agreement (“CAMA”) and a 35% share of the profits generated thereafter. In December 2022, subsequent to and contingent on the CAMA being signed, the Company received notice that it would receive \$249,924 under the CAMA. As of December 31, 2022, the Company had recognized \$249,924 of revenue under this arrangement representing the amount whose collection was deemed probable. The assets acquired include:

Bold Crayon's (BC's) ownership in the feature film “*BUFFALOED*” inclusive of:

- BC's ownership rights in *BUFFALOED* as per the agreements between BC and Lost City Inc (“Lost City”), the Co-Finance/ Co-Production Agreement dated July 10th, 2018.
- A secured position of a one million three hundred eighty-thousand-dollar (\$1,380,000.00 USD) receivable against the film's revenues as per the film's Cash Asset Management Agreement (“CAMA”).
- A thirty-five percent (35%) beneficial ownership interest as per the film's CAMA.

The terms of the above agreement to purchase the BC assets include:

**Consideration.** As consideration for the BC Assets being acquired by APH hereunder, APH shall pay to Bold Crayon the below purchase price (the “Purchase Price”):

- APHP provided a promise in the form of a contingent promissory note to pay BC the first one hundred thirty thousand dollars (\$130,000.00 USD) that APHP collects from the *BUFFALOED* receivable;
- APHP will deliver one Preferred Share to BC for each ten thousand dollars (\$10,000.00 USD), in value paid to the APHP from the *BUFFALOED* receivable above the one hundred thirty thousand dollars (\$130,000.00 USD), not to exceed one hundred twenty-five (125) Preferred Shares.
- APHP designated Bold Crayon as an APHP content development partner (“Content Partner”).
- APHP will provide Co-producer agreements to Bold Crayon when applicable.

During 2019, Magnolia Pictures acquired the distribution rights to *BUFFALOED* and released the movie on February 14, 2020. In evaluating the fair value of the rights acquired and consideration incurred, management evaluated the likelihood of future receivables to be derived from the November 10, 2022 acquisition of rights under *BUFFALOED*, the Company recorded the assumed liability of \$130,000. At the time the agreement was signed, no value was assigned to the receivable as the amount was not known or able to be estimated and the timing of any future payments, if any, were not known. Subsequently, in late December the Company was notified by Fintage House (the collection account manager of the CAMA), that the Company would receive an initial payment of \$249,924. Due to uncertainties of any future revenue, if any, no value was assigned to any potential future revenues. Subsequent to December 31, 2022, the CAMA has not reported any significant revenues earned under the arrangement and no funds have been received beyond the initial \$249,924.

**Revenues and Costs from Services and Products** – Historically, Company's revenue comes from contracts with customers for consulting services and from the licensing and distribution of film and other entertainment rights. The consulting services typically relate to development of business strategy and monetization of intellectual property rights. The Company accounts for a contract with a customer when there is an enforceable contract between the Company and the customer, the rights of the party are identified, the contract has economic substance, and collectability of the contract is considered probable. Historically, the term of these consulting agreements has been approximately three to six months in duration. The Company's revenue is measured based on considerations specified in the contract with each customer. Accounting Standards Codification (“ASC”) 606 allows for adoption of an “as invoiced” practical expedient that allows companies to recognize revenue in the amount to which the entity has a right to invoice when they have a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. The Company has elected to adopt this practical expedient with regards to its consulting services revenue. Approximately 13%, 33%, and 54% of 2022 revenues were derived from three customers.

Revenues from Films and Television Programs and Licensed Program Rights, are calculated based on expected ultimate revenues estimated over a period not to exceed ten years following the date of initial release of the motion picture. For an episodic television series, the period over which ultimate revenues are estimated cannot exceed ten years following the date of delivery of the first episode, or, if still in production, five years from the date of delivery of the most recent episode, if later. For titles included in acquired libraries, ultimate revenue includes estimates over a period not to exceed twenty years following the date of acquisition.

The cost of services includes only those costs directly related to the services being rendered. For the 2022 period, a majority of the consulting services were performed by the Company's CEO, Mr. MacGregor, who as described in Note 4 was providing the Company with financing and, as a result, did not receive any separate current or deferred compensation for these services. Due to Mr. MacGregor's limited annual compensation of \$5,000 per month, any allocation of time to these services would have been immaterial. 2022 included \$131,722 of cost of goods, \$130,000 was to Bold Crayon related to assignment of CAMA. 2022 income included \$249,924 of CAMA agreement income.

**Deferred Revenue** – Deferred revenue represents the amount billed to clients that has not yet been earned, pursuant to agreements entered into in current and prior periods. As of December 31, 2022, total net deferred revenue was \$35,000.



**IMM Technology License and Related Advances and Loans**— The Company is the holder of a perpetual Master License to technologies being developed by Vastech Holdings LTD (U.K. Company Number: 08312665) (“Vastech”) specifically referred to as “Inverse Magnetic Motor”, an electric motor technology intended for the automotive industry (the “IMM Technology”). The license covers the North American territories (individually and collectively, the “IMM Target Markets”) and is for select target markets including electric vehicles, electric 2/3-wheelers, and medium duty/heavy duty electric vehicles. The license entitles the Company to issue sub-licenses to its licensees and/or key partners. The Master License grants certain rights to the Company including but not limited to the Company having the right to develop its own patents and/or products based on the IMM technology independently and/or with others and to integrate such technologies into motors for sale in the IMM Target Markets. The Company may also pass-along these rights which may be wholly and/or partially assigned to licensees and/or key partners if such is deemed appropriate by the Company. In conjunction with the grant of this license to the Company by Vastech, the Company in its sole discretion, which may be withheld at any time, shall initially pay up to one million six hundred thousand pounds (£1,600,000) to Vastech in advances against future licensing royalties (“the IMM Advances”). The IMM Advances will be treated as loans with a maximum term not to exceed one year and will carry an annual interest rate of six percent (6%) (the “Loans”) which shall be made by the Company to Vastech until such time as Vastech validates its technology sufficiently to the Company, its licensees, and key partners. Acceptance of validation of the technology will be at the sole discretion of the Company which may be withheld for any reason and/or for no reason. If in the event Vastech does not validate its technology, or the Company does not accept such Validation within one year of making such IMM Advances, such will be considered IMM Loans and will become fully due and payable immediately. Vastech agrees to immediately repay the Company for all such IMM Advances and/or IMM Loans upon demand from the Company to Vastech that such repayments must be made. Once the Company accepts validation, the IMM Loans shall convert to IMM Advances; but, not before such acceptance of Validation has been delivered by the Company to Vastech in writing.

In December 2021, management of the Company re-evaluated the \$266,387 IMM Loans Receivable and, in managements’ opinion, determined that this receivable should be fully reserved by an allowance for uncollectible accounts. Further, the Company has substantial doubt that VASTECH and/or its successors and affiliates will successfully commercialize the licensed technology. The license is carried on the Company’s balance sheets at December 31, 2022 and 2021 at \$0.

**Fair Value Measurements** – The Company measures and discloses fair value in accordance with the ASC Topic 820, Fair Value Measurements and Disclosures which defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions there exists a three-tier fair-value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – unadjusted quoted prices are available in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – pricing inputs are other than quoted prices in active markets that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – pricing inputs are unobservable for the non-financial asset or liability and only used when there is little, if any, market activity for the non-financial asset or liability at the measurement date. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 inputs are considered as the lowest priority within the fair value hierarchy. The valuation of the right to obtain control over affiliated company, right to acquire shares of other companies, contingent consideration to be paid upon achieving of performance milestone, certain convertible bridge loans (following the maturity date and thereafter) and certain freestanding stock warrants and bifurcated convertible feature of convertible bridge loans issued to the units’ owners, fall under this category.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The fair value of cash and cash equivalents is based on its demand value, which is equal to its carrying value. Additionally, the carrying value of all other short-term monetary assets and liabilities are estimated to be equal to their fair value due to the short-term nature of these instruments.

**Valuation of Long Lived Assets** – The Company evaluates whether events or circumstances have occurred which indicate that the carrying amounts of long-lived assets (principally produced and licensed content costs) may be impaired or not recoverable. The significant factors that are considered that could trigger an impairment review include: changes in business strategy, market conditions, or the manner of use of an asset; underperformance relative to historical or expected future operating results; and negative industry or economic trends. In evaluating an asset for possible impairment, management estimates that asset’s future undiscounted cash flows and appraised values to measure whether the asset is recoverable. The Company measures the impairment based on the projected discounted cash flows of the asset over its remaining life.

**Stock-Based Compensation** – The Company follows U.S. GAAP, which requires all stock-based compensation to employees, including the grant of employee stock options, to be recognized in the statement of operations based on its fair value. Awards outstanding are accounted for using the accounting principles originally applied to the award. The expense associated with share-based compensation is recognized on a straight-line basis over the service period of each award.

**Income Taxes** – Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered in income. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that the tax benefits will not be realized. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Company had no significant uncertain income tax positions as of December 31, 2022 and 2021.

**Subsequent Events** – In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 28, 2023 (See Note 10 – Subsequent Events).

#### Note 4 – Liquidity and Going Concern

The Company’s financial statements are prepared using account principles generally accepted in the United States (“U.S. GAAP”) applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of December 31, 2022, the Company has an accumulated deficit of approximately \$3.7 million and incurred a net loss of \$85,756 in 2022. These factors, among others, raise doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not include adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from an inability of the Company to continue as a going concern.

The Company has a limited operating history, which makes it difficult to evaluate current business and future prospects. During 2022, the Company reported \$461,174 of service revenues after reporting no revenues in 2021 and 2020. Management expects the Company to incur further losses in the foreseeable future due to costs associated with content acquisition and production timelines. There can be no assurance that our operations will ever generate sufficient revenues to fund continuing operations, or that we will ever generate positive cash flow from our operations, or that we will attain or thereafter sustain profitability in any future period. To mitigate this situation, the Company has a loan agreement with the Company’s CEO/President to fund its month-to-month cash flow needs. During the six months ended June 30, 2023, the Company borrowed \$178,500 from Mr. MacGregor pursuant to a master loan agreement that is due and payable in 2024. The master note agreement accrues interest at a rate of 4.4% due and payable in a lump sum upon maturity of the obligation. During the six months ended June 30, 2023, the Company also repaid \$75,981 of these related party borrowings. This note is not convertible.

## Note 5 – Income Taxes

The components of our deferred tax assets are as follows:

	2022	2021
Deferred tax assets:		
Net operating loss carryforwards	\$ 195,000	\$ 176,000
	<u>\$ 195,000</u>	<u>\$ 176,000</u>
Less valuation allowance	\$ (195,000)	\$ (176,000)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

The benefit of income taxes for the years ended December 31, 2022 and 2021 consist of the following:

	For the years ended December 31,	
	2022	2021
U.S. federal		
Current	\$ -	\$ -
Deferred	-	-
State and local		
Current	-	-
Deferred	-	-
Valuation allowance	-	-
Income Tax Provision (Benefit)	<u>\$ -</u>	<u>\$ -</u>

American Picture House Corporation - SEC Form 10

65 | Page

At December 31, 2022, the Company has federal and state net operating loss carryforwards of approximately \$56,000 of losses that begin to expire in 2037. Beginning in 2018, net operating losses generated for federal purposes will no longer expire. As of December 31, 2022, the amount of federal net operating loss carryforwards that do not expire is approximately \$139,000. Realization of the deferred tax assets is dependent on the Company's ability to generate sufficient taxable income.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that one portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical losses and the uncertainty of future taxable income over the periods which the Company will realize the benefits of its net deferred tax assets, management believes it is more likely than not that the Company will not fully realize the benefits on the balance of its net deferred tax assets and, accordingly, the Company has established full valuation allowance on its net deferred tax assets.

## Note 6 – Notes Payable

### Note Payable – Related Party

On March 31, 2022, the Company agreed to exchange \$299,401 in debt obligations to Michael MacGregor, the Company's CEO & President and Board member, and relief from two of the Company's legal services providers in exchange for equity in the form of 3,000,000 common shares valued at \$0.10 per share for an equivalent aggregate value of \$300,000. The transaction enabled the Company to retire \$231,901 of debt due and owing to Mr. MacGregor and \$67,500 of accrued legal fees.

Additionally, during 2022, the Company borrowed and subsequently repaid an additional \$68,760 from Mr. MacGregor.

On September 13, 2021, the Company issued 3,829 shares of Preferred Stock to an affiliate as payment in full for: (a) repayment of loans from an affiliate comprised of principal of \$539,084 and accrued interest of \$30,197 (combined \$569,281) and (b) a shareholder assuming the loan payable to a note payable to an affiliate comprised of principal of \$186,637 and accrued interest of \$9,871 (combined \$196,508). In aggregate, \$765,789 of loans and accrued interest were converted to 3,829 shares of Preferred Stock.

Subsequent to the September 2021 loan conversion, the same affiliate loaned the Company and additional \$251,771 of which \$66,370 was repaid during the fourth quarter of 2021, resulting in a December 31, 2021 outstanding balance of \$185,401.

### Economic Injury Disaster Loan

In March 2021, the Company executed an *Economic Injury Disaster Loan* ("EIDL") secured loan with the U.S. Small Business Administration under the EIDL program in the amount of \$149,900. The loan is secured by all tangible and intangible assets of the Company and payable over 30 years at an interest rate of 3.75% per annum. Installment payments of interest only will begin in September 2023.

American Picture House Corporation - SEC Form 10

66 | Page

## Note 7 – Equity

On August 6, 2021, the Company approved a 50:1 reverse stock split. Following the reverse stock split, on September 13, 2021, the Company amended its Articles of Incorporation with the State of Wyoming to reduce the number of authorized shares from 4,700,000,000 share of Common Stock at \$0.0001 par value to 1,000,000,000 shares of Common Stock at \$0.0001 par value.

**Common Stock** – The Common Stock has a one share one voting right with no other rights. There are no provisions in the Company's Articles of Incorporation, Articles of Amendment, or By-laws that would delay or prevent a change of control. The Board may from time to time declare, and the Company may pay, dividends on its shares in cash, property, or its own shares, except when the Corporation is insolvent, when the payment thereof would render the Company insolvent, or when the declaration or payment thereof would be contrary to any other state law restrictions.

**Preferred Stock** – The Preferred Stock consists of 1,000,000 preferred shares authorized, of which 100,000 preferred shares have been designated as Series A Convertible Preferred Stock ("Series A preferred shares" herein). At present, 3,829 Series A preferred shares are issued and outstanding. The Series A preferred shares have the following rights: (i.) a first position lien against all of the Company's assets including but not limited to the Company's IP ("Intellectual Property"), (ii.) is convertible at a ratio of 1 to

100,000 so that each one share of Series A preferred stock may be exchanged for 100,000 Common Stock shares, (iii.) and that each share of Series A preferred stock shall carry superior voting rights to the Company's Common Stock and that each share of Series A preferred stock shall be counted as 1,000,000 votes in any Company vote and (iv.) and any other benefits as deemed necessary and appropriate at the time of such issuance.

The "Liquidation Preference" with respect to a share of Series A preferred stock means an amount equal to the ratio of (i.) the total amount of the Company's assets and funds available for distribution to the Series A preferred shares to (ii.) the number of shares of Series A preferred stock outstanding. The Series A preferred stock has a liquidation preference equal to \$12.02 per preferred share.

#### **Note 8 – Contingencies and Uncertainties**

**Risks and Uncertainties** – The Company's operations are subject to significant risks and uncertainties including financial, operational, and regulatory risks, including the potential risk of business failure. The Company does not have employment contracts with its key employees, including the controlling shareholders who are officers of the Company.

**Legal and other matters** – In the normal course of business, the Company may become a party to litigation matters involving claims against the Company.

Pending Legal Proceeding:

Randall S. Sprung v. Bannor Michael MacGregor, Jeffery Katz, and Life Design Station International, Inc. – Supreme Court of New York, County of Kings, Index No.: 504677/2019

This action instituted by Randall Sprung against the Defendants on March 4, 2019, to recover monies he alleges are owed by Defendants (Counter-Plaintiffs) pursuant to written agreements to purchase shares and to provide consulting services between the parties. Defendants Bannor Michael MacGregor and Life Design Station International, Inc. ("LDSI") (Counter-Plaintiffs) have filed counterclaims to recover damages they have incurred as a direct result of Sprung's failure to properly perform his obligations and duties under the written agreement between the parties.

In February 2022, Plaintiff Sprung passed away. On May 25, 2023, the Court entered an Order substituting David Sprung, as Administrator of the Estate of Randall S. Sprung, for Randall S. Sprung as Defendant in the action.

While the case was filed in March 2019, due to the COVID-19 pandemic and the death of the Plaintiff, it is still in the preliminary stages. The Defendants will continue to pursue their counterclaims and to defend against Plaintiff's claims vigorously.

At this time, management is unable to make an estimate of the possible loss or range of loss, if any, although it estimates the risk of such loss to be low. Because management is unable to reasonably estimate the amount of any loss, if any, no loss accrual has been recorded.

#### **Note 9 – Related Party Transactions**

The Company has agreed to indemnify Mr. MacGregor for all legal and professional costs originating from the lawsuit *Randall S. Sprung v. Bannor Michael MacGregor, Jeffery Katz, and Life Design Station International, Inc.* – Supreme Court of New York, County of Kings, Index No.: 504677/2019.

During 2022 and 2021, the Company incurred approximately \$120,000 and \$30,000, respectively, of professional fees to a legal firm affiliated with a member of the Board of Directors. At December 31, 2022 and 2021, the Company had \$55,000 and \$30,000, respectively, in accounts payable and accrued expenses owed to the legal firm.

During 2022, the Company entered into consulting services relationships with four other members of the Board whereby they were compensated a total of \$149,000. As of December 31, 2022, \$105,000 of the total amount of \$149,000 was accrued and unpaid. The consulting services are provided as requested by management and may be terminated at any time with no penalty. There is currently one consulting agreement with Bannor Michael MacGregor for a fee of Five Thousand dollars (\$5,000) per month. This agreement has no convertible features.

#### **American Picture House Corporation - SEC Form 10**

67 | Page

During 2022, the Company entered into a services agreement with Ribo Music LLC *Caka Ribo Media* ("Ribo Media") whereby the Company will assist Ribo Media in developing an online media platform which will deliver music and eventually movies directly to consumers via their smart devices for a fee of \$151,250. In October 2022, this agreement was amended to increase the scope of the services to be rendered by the Company by \$35,000 for a total of \$186,250. As of December 31, 2022, the Company had received \$186,250. Michael Blanchard, a director, Secretary/Treasurer and shareholder of the Company and Timothy Battles, a director and shareholder of the Company are both Managing Members and controlling shareholders in Ribo Media.

In August 2022, the Company funded Devil's Half-Acre Productions, LLC owned by John Luessenhop to produce the feature film Devil's Half-Acre written and directed by Dashiell Luessenhop, a son of A. John Luessenhop, a director of the Company. During the year ended December 31, 2022, the Company capitalized \$106,355 of production costs associated with this film. In July 2023 APH obtained 100% ownership of Devil's Half-Acre Productions, LLC and executed a new option agreement with the writer. In September 2023, APH paid a Five Thousand-Dollar (5,000) option fee to the writer. This option entitles APH to produce the film by July 2024, with the ability to extend the option for an additional two (2) years.

On November 10, 2022 the Company acquired an option/purchase agreement on the screenplay *MIDNIGHT'S DOOR* from Mr. Luessenhop, the owner/controller of the associated IP ("intellectual property"), wherein Mr. Luessenhop and Mr. MacGregor were entitled to reimbursement of an aggregate of \$12,700 provided the Company produced a feature film. The option was due to expire on February 14, 2023, but was subsequently re-issued for another year directly to the Company (See Note 10).

During 2022, the Company entered into definitive agreements to secure Bold Crayon Corporation ("Bold Crayon" or "BC") as a development partner and purchased certain assets from Bold Crayon, including a portion of the rights to a feature film, and copyrights on six film titles. The Parties agree that APHP will designate BC as a "Content Partner", wherein BC will develop content and present APHP with a first opportunity to co-finance and/or coproduce content developed by BC subject to a mutually agreed upon Content Partner Agreement and BC will accept such designation. The Company anticipates any rights and obligations between APH and BC to be effective upon the greenlighting of a specific film or show Mr. MacGregor, CEO/President and a director of the Company, Mr. MacGregor is also the CEO/President and a director of Bold Crayon and effectively controls Bold Crayon as a managing manager of the trustee of the trust that owns the majority ownership interest in Bold Crayon. Mr. Michael Blanchard was a past Director and Secretary/Treasurer of Bold Crayon and is the Secretary/Treasurer and a director of APHP and Mr. Blanchard owns 3.643% of the common shares of APHP. The transaction between the parties has been consummated and all IP and copywrites have been transferred. The assets acquired include:

- i. BC's ownership in the feature film "*BUFFALOED*" inclusive of:
  - BC's ownership rights in *BUFFALOED* as per the agreements between BC and Lost City Inc ("Lost City"), the Co-Finance/ Co-Production Agreement dated July 10th, 2018.
  - A secured position of a one million three hundred eighty-thousand-dollar (\$1,380,000.00 USD) receivable against the film's revenues as per the film's Cash Asset Management Agreement ("CAMA").
  - A thirty-five percent (35%) beneficial ownership interest as per the film's CAMA.

- ii. Title and all copyrights to “*THIEF*” (including five titles) (U.S. Copyright #: V9968D472 (2019)), BC will transfer such copyrights to APHP and APHP will file the necessary documents with the U.S. Library of Congress to effectuate such transfer; and
- iii. Title and copyright to “*SPREAD THE WORD*” (U.S. Copyright #: V9968D474 (2019)) BC will transfer such copyrights to APHP and APHP will file the necessary documents with the U.S. Library of Congress to effectuate such transfer.

The terms of the above agreement to purchase the BC assets include:

Consideration. As consideration for the BC Assets being acquired by Buyer hereunder, Buyer shall pay to Seller the below purchase price (the “Purchase Price”):

- APHP shall provide a promise in the form of a contingent promissory note to pay BC the first one hundred thirty thousand dollars (\$130,000.00 USD) that APHP collects from the *BUFFALOED* receivable;
- APHP shall promise to deliver one Preferred Share to BC for each ten thousand dollars (\$10,000.00 USD), in value paid to the APHP from the *BUFFALOED* receivable above the one hundred thirty thousand dollars (\$130,000.00 USD), not to exceed one hundred twenty-five (125) Preferred Shares.
- APHP shall promise to designate BC as an APHP content development partner (“Content Partner”).
- Co-producer agreements entitling BC to certain limited rights in any production resulting from the use of the *THIEF* or *SPREAD THE WORD* IP, including:
  - An “In Association” credit for each production;
  - Two “Executive Producer” credits for each production; and
  - Two “Producer” credits and such other compensation to Producers under work for hire as mutually agreed for each production.

On November 10, 2022, the Company approved the optioning of *MIDNIGHT’S DOOR* written by Kirsten Elms from Mr. Luessenhop for \$12,700 (provided the Company produces *MIDNIGHT’S DOOR* as a feature film and further subject to producer agreements with Luessenhop and MacGregor). Mr. Luessenhop is a director of the Company and owns 2.005% of the Company.

On November 10, 2022 the Company entered into an additional agreement regarding *THE DEVIL’S HALF-ACRE* to extend additional financing in an undetermined amount to the film in exchange among other things for increased equity in the film. *DEVIL’S HALF-ACRE* is currently controlled by Mr. Luessenhop.

On November 10, 2022 and as a result of previous agreement between two of Company’s Shareholders the Company ratified Bold Crayon as a “Designated APHP Content Developer” and approved the purchase of certain assets from Bold Crayon. The Board has authorized management to enter into definitive agreements to consummate the transaction as soon as is practical. As noted above, Mr. MacGregor controls Bold Crayon.

**American Picture House Corporation - SEC Form 10**

68 | Page

On November 10, 2022 the Company granted Mr. Luessenhop, a director of the Company, the right to purchase 2,000,000 common shares in the Company for \$0.0125 per share for an aggregate purchase price \$25,000 to be paid to the Company in the form of two components: (i.) relief of an outstanding account payable of \$12,417 due to Mr. Luessenhop from the Company and (ii.) cash of \$12,583.

Regarding the IMM Technology License more fully described in Note 3, Mr. MacGregor was a member of the Board of Directors of VASTECH from March 8, 2017 until July 7, 2021. Mr. MacGregor also owns approximately 2.5% of VASTECH. Mr. MacGregor owns approximately 4.9% of Intellitech Pty Ltd, the now current owner of the VASTECH IMM Technology.

In November 2020, the Company agreed to pay Bold Crayon Corporation (“Bold Crayon”) \$80,000 in exchange for an option to finance and co-produce two feature films subject to Bold Crayon procuring a portion of the equity required to fund the production of the films. Bold Crayon failed to secure the funding and the option expired on December 31, 2020. In March 2021, the Company paid the \$80,000 owed to Bold Crayon pursuant to the option agreement. The Company’s President is also the President and Director of Bold Crayon but does not hold any equity in Bold Crayon.

On September 13, 2021, the Company issued 3,829 shares of Preferred Stock to an affiliate as payment in full for: (a) repayment of loans from an affiliate comprised of principal of \$539,084 and accrued interest of \$30,197 (combined \$569,281) and (b) a shareholder assuming the loan payable to a note payable to an affiliate comprised of principal of \$186,637 and accrued interest of \$9,871 (combined \$196,508). In aggregate, \$765,789 of loans and accrued interest were converted to 3,829 shares of Preferred Stock.

During November 2021, the Company issued 1,735,000 shares of Common Stock to persons or entities as payment in full for services rendered or to be rendered to the Company, including 100,000 issued to a member of the Board of Directors. The Company recorded \$3,470 of consulting expense related to the issuance of these 1,735,000 shares.

Mr. MacGregor, the Company’s President, is also the Managing Manager of the of the trustee of The Noah Morgan Private Family Trust and the Managing Member of the trustee of the Bold Crayon Private Family Trust. In November of 2021, the two trusts entered into a private stock exchange agreement whereby The Noah Morgan Private Family Trust transferred 44,000,000 shares of Common Stock in the Company to the Bold Crayon Private Family Trust. The Bold Crayon Private Family Trust currently maintains ownership for 2,933,215 of the aforementioned shares. As part of this private stock exchange agreement, the Bold Crayon Private Family Trust, as the controlling shareholder of Bold Crayon Corporation, agreed in principal to: (i) act as a designated American Picture House developer of IP and pledged to become a WGA signatory, (ii) grant the Company the right of first refusal to produce six titles owned by Bold Crayon, and (iii) Bold Crayon may further at its sole discretion grant certain beneficial ownership to a Bold Crayon produced feature film at Bold Crayon’s sole discretion at such time as the Company and Bold Crayon mutually agree to the Company. The Company was not a party to the aforementioned private stock exchange agreement and no incremental shares of Common Stock were issued as a result of this transaction.

#### **Note 10 – Subsequent Events**

Management has evaluated subsequent events through the date of these financial statements to which these notes are attached. Except as noted below, management believes that no significant events have occurred subsequent to the balance sheet date that would have a material effect on the consolidated financial statements thereby requiring adjustment or disclosure.

On January 1, 2023, the Company authorized the issuance of 250,000 options to each of its nine board members, 100,000 options to each of its four advisors, 662,983 options to Mr. Macgregor, and 497,238 options to Mr. Blanchard for an aggregate of 3,810,221 options with the rights to purchase common shares of the Company at an exercise price of \$0.0125 per share.

On January, 20, 2023 the Company received \$249,924 from Fintage Collection Account Management B.V. (“Fintage”), the designated administrator of the Collection Account Management Agreement for the feature film, *BUFFALOED*, as an initial payment against the *BUFFALOED* receivable and subsequently on January 25, 2023, paid off a \$130,000 debt obligation to Bold Crayon as per an agreement between the Company and Bold Crayon.

In February the Company extended the option on *MIDNIGHT’S DOOR* for another year.

In March 2023, Mr. MacGregor loaned \$100,000 to the Company for one year under a promissory note at an interest rate of 4.40%. This note is not convertible.

**15 (b) Exhibits**

- 3.1 [Amended and Restated Articles of Incorporation](#)
- 3.2 [Bylaws](#)
- 3.3 [Devil's Half-Acre Articles of Organization](#)
- 3.4 [Ask Christine Articles of Organization](#)
- 10.1 [Consulting Agreement with Bannor Michael MacGregor](#)
- 10.1.1 [Amended Consulting Agreement with Bannor Michael MacGregor](#)
- 10.2 [Economic Injury Disaster Loan \(EIDL\)](#)
- 10.3 [American Express Business Line of Credit Loan Agreement and Personal Guarantee](#)
- 10.4 [2023 Directors, Employees and Advisors Stock Incentive and Compensation Plan](#)
- 10.5 [Asset Purchase Agreement with Bold Crayon](#)
- 10.6 [Devil's Half-Acre Agreement](#)
- 10.6.1 [Devil's Half-Acre Addendum](#)
- 10.7 [Ask Christine Screenplay Options Purchase Agreement](#)
- 10.8 [Master Loan Agreement between APHP and Bannor MacGregor](#)
- 14.1 [Code of Ethics](#)
- 14.2 [Code of Ethics For Executive Officers](#)
- 15 [Auditor Letter](#)
- 23 [Auditor Consent](#)

**SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

American Picture House Corporation

By: /s/ Bannor Michael Macgregor

Name: Bannor Michael Macgregor

Title: Chief Executive Officer

Date: October 19, 2023

AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
AMERICAN PICTURE HOUSE CORPORATION

ARTICLE I – NAME OF THE CORPORATION

The name of the corporation shall be: American Picture House Corporation (the “Corporation”).

ARTICLE II – STATE OF INCORPORATION

The Corporation was incorporated under the laws of the state of Wyoming.

ARTICLE III – DATE OF INCORPORATION

The Corporation was formed on September 21, 2005.

ARTICLE IV – PERIOD OF DURATION

The period of this Corporation’s duration is perpetual.

ARTICLE V – PRINCIPAL OFFICE ADDRESS AND MAILING ADDRESS

The principal office address and mailing address of the Corporation is 555 Madison Avenue, New York, NY 10022.

ARTICLE VI – NAME AND ADDRESS OF REGISTERED AGENT

The address of the registered office of the Corporation in the State of Wyoming is 1910 Thomas Ave., Cheyenne, Wyoming 82001. The name of the Corporation’s registered agent at the address is InCorp Services, Inc. Either the registered office or the registered agent may be changed in the manner provided by law.

ARTICLE VII – PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Wyoming Business Corporation Act other than the banking business, the trust Corporation business or the practice of a profession permitted to be incorporated by the Wyoming Business Corporation Act

ARTICLE VIII – AUTHORIZED CAPITAL

**A. Authorized Capital.** The aggregate number of shares of all classes of capital stock which this Corporation shall have authority to issue is 1,100,000,000 shares, of which 1,000,000 shares shall be shares of preferred stock, par value of \$.0001 per share as described herein (“Preferred Stock”), and 1,000,000,000 shares shall be shares of common stock, par value of \$.0001 per share (“Common Stock”).

**(1) Preferred Stock.** Notwithstanding the designation of the class of Series A Preferred Stock designated in Article XVI, the designations, preferences, limitations, restrictions, and relative rights of any additional classes of Preferred Stock, and variations in the relative rights and preferences as between different series, shall be established in accordance with the Wyoming Business Corporation Act.

**(2) Common Stock.** The holders of Common Stock shall have and possess all rights as shareholders of the Corporation, including such rights as may be granted elsewhere by these Articles of Incorporation, except as such rights may be limited by the preferences, privileges and voting powers, and the restrictions and limitations of the Preferred Stock.

The Common Stock shall have voting rights such that each share of Common Stock duly authorized, issued and outstanding shall entitle its holder to one vote.

**B. Dividends.** Subject to preferential dividend rights, if any, of the holders of Preferred Stock, dividends on the Common Stock may be declared by the Board of Directors and paid out of any funds legally available therefor at such times and in such amounts as the Board of Directors shall determine.

**C. No Assessment.** The capital stock, after the amount of the subscription price has been paid in, shall not be subject to assessment to pay the debts of the Corporation.

**D. Value.** Any stock of the Corporation may be issued for money, property, services rendered, labor done, cash advances for the Corporation, or for any other assets of value in accordance with the action of the Board of Directors, whose judgment as to value received in return therefor shall be conclusive and said stock when issued shall be fully paid and non-assessable.

**E. Restrictions.** The Board of Directors shall have the authority to impose restrictions upon the transfer of the capital stock of the Corporation as it deems necessary in the best interests of the corporation or as required by law.

ARTICLE IX - CUMULATIVE VOTING

Cumulative voting for the election of directors shall not be permitted.

ARTICLE X - PREEMPTIVE RIGHTS

No holder of any stock of the Corporation shall be entitled, as a matter of right, to purchase, subscribe for or otherwise acquire any new or additional shares of stock of the Corporation of any class, or any options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares, or any shares, bonds, notes, debentures or other securities convertible into or carrying options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares unless specifically authorized by the governing board of the Corporation.

ARTICLE XI - GOVERNING BOARD

The governing board of this Corporation shall be known as directors, and the number of the directors may from time to time be increased or decreased in such manner as shall be permitted by the bylaws of this Corporation. There shall not be fewer than one member of the Board of Directors.

## ARTICLE XII – SHAREHOLDER VOTING ON CORPORATE ACTIONS

Notwithstanding the requirements of Wyoming law, the affirmative vote or concurrence of the holders of a majority of the outstanding shares of the Corporation entitled to vote thereon are required to make effective all transactions that require shareholder approval under applicable law.

## ARTICLE XIII – INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, FIDUCIARIES AND AGENTS

**A. Liability for Monetary Damages.** The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under Wyoming law provided, however, that the liability of directors is not limited or eliminated (a) for acts or omissions that involve intentional misconduct or a knowing and culpable violation of law, or (b) any of the acts set forth in Section 17-16-202 of the Wyoming Business Corporations Act

The Corporation shall indemnify, to the fullest extent permitted by applicable law, any person, and the estate and personal representative of any such person, against all liability and expense (including attorneys' fees) incurred by reason of the fact that he is or was a director or officer of the Corporation or, while serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary, or agent of, or in any similar managerial or fiduciary position of, another domestic or foreign corporation or other individual or entity or of an employee benefit plan. The Corporation also shall indemnify any person who is serving or has served the Corporation as director, officer, employee, fiduciary, or agent, and that person's estate and personal representative, to the extent and in the manner provided in any bylaw, resolution of the shareholders or directors, contract, or otherwise, so long as such provision is legally permissible.

2

---

**B. Expenses.** The Corporation may, at its discretion, advance expenses in advance of the final disposition of the case to or for the benefit of a director, officer, employee, fiduciary, or agent, who is party to a proceeding such as described in the preceding paragraph A to the maximum extent permitted by applicable law.

**C. Repeal or Modification.** Any repeal or modification of the foregoing paragraph by the shareholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation or other person entitled to indemnification existing at the time of such repeal or modification.

## ARTICLE XIV - LIMITATIONS OF LIABILITY

**A. Limitation of Liability.** Notwithstanding Wyoming law, specifically Section 17-16-202 of the Wyoming Business Corporations Act, or the provisions of these Articles of Incorporation, a director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or to its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the director derived an improper personal benefit. If the Wyoming Business Corporations Act is amended after this Article is adopted to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Wyoming Business Corporations Act, as so amended.

**B. Repeal or Modification.** Any repeal or modification of the foregoing paragraph by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

## ARTICLE XV – ACTIONS OF SHAREHOLDERS

**A. Meetings.** Meetings of shareholders shall be held at such time and place as provided in the bylaws of the Corporation or by resolution of the board of directors.

**B. Quorum.** A quorum for the conduct of any meeting of stockholders, whether special or annual, shall be one-third (1/3) of all votes entitled to be cast at such meeting; provided, that if any class or series of securities of the Corporation is entitled to vote as a separate voting group, then a quorum of class or series shall be one-third of such class or series but only with respect to such matters and issues on which such class or series is entitled to vote as a separate group.

**C. Required Approval.** Notwithstanding the provisions of these Articles, any action for which the Wyoming Business Corporations Act requires the approval of two-thirds of the shares or any class or series or voting group entitled to vote with respect thereto, unless otherwise provided in the Articles of Incorporation, shall require for approval, the affirmative vote of a majority of the shares or any class or series or voting group outstanding and entitled to vote thereon.

**D. Vote Procedure.** Any vote of the shareholders of the Corporation may be taken either:

(1) at a meeting called for such purpose or,

(2) by the written consent of the shareholders in lieu of a meeting provided that shareholders holding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted consent to such action in writing.

## ARTICLE XVI – DESIGNATION OF SERIES A CONVERTIBLE PREFERRED STOCK

**A. Designation.** The designation of said series of preferred stock shall be "Series A Convertible Preferred Stock," \$0.0001 par value per share (the "Series A Preferred Stock").

**B. Number of Shares.** The number of shares of Series A Preferred Stock authorized shall be one hundred thousand (100,000,) shares. Each share of Series A Preferred Stock shall have a par value equal to \$0.0001 (as may be adjusted for any stock dividends, combinations or splits with respect to such shares).

**C. Dividends.** Initially, there will be no dividends due or payable on the Series A Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation's Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

3

---

**D. Liquidation Preference.** The Holders of shares of Series A Preferred Stock shall have a first position lien against all of the Corporation's assets, including but not limited to its intellectual property. If the Corporation shall commence a voluntary case under the U.S. Federal bankruptcy laws or any other applicable bankruptcy, insolvency or similar law, or consent to the entry of an order for relief in an involuntary case under any law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due, or if a decree or order for relief in respect of the Corporation shall be entered by a court having jurisdiction in the premises in an involuntary case under the U.S. Federal bankruptcy laws or any other applicable bankruptcy, insolvency or similar law resulting in the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order shall be unstayed and in effect for a period of sixty (60) consecutive days and, on account of any such event, the

Corporation shall liquidate, dissolve or wind up, or if the Corporation shall otherwise liquidate, dissolve or wind up, including, but not limited to, the sale or transfer of all or substantially all of the Corporation's assets in one transaction or in a series of related transactions (a "Liquidation Event"), no distribution shall be made to the holders of any shares of capital stock of the Corporation (other than Senior Securities and Pari Passu Securities) upon liquidation, dissolution or winding up unless prior thereto the Holders of shares of Series A Preferred Stock shall have received the Liquidation Preference (as defined below) with respect to each share. If, upon the occurrence of a Liquidation Event, the assets and funds available for distribution among the Holders of the Series A Preferred Stock and Holders of Pari Passu Securities shall be insufficient to permit the payment to such holders of the preferential amounts payable thereon, then the entire assets and funds of the Corporation legally available for distribution to the Series A Preferred Stock and the Pari Passu Securities shall be distributed ratably among such shares in proportion to the ratio that the Liquidation Preference payable on each such share bears to the aggregate Liquidation Preference payable on all such shares. The purchase or redemption by the Corporation of stock of any class, in any manner permitted by law, shall not, for the purposes hereof, be regarded as a liquidation, dissolution or winding up of the Corporation. Neither the consolidation or merger of the Corporation with or into any other entity nor the sale or transfer by the Corporation of substantially all of its assets shall, for the purposes hereof, be deemed to be a liquidation, dissolution or winding up of the Corporation. The "Liquidation Preference" with respect to a share of Series A Preferred Stock means an amount equal to the ratio of (a) the total amount of the Corporation's assets and funds available for distribution to the Series A Preferred Stock to (b) the number of shares of Series A Preferred Stock outstanding.

#### **E. Conversion.**

(1) Each outstanding share of Series A Preferred Stock shall be convertible into one hundred thousand (100,000) shares ("Conversion Ratio") of the Corporation's common stock ("Common Stock"), at the option of the Holder in whole or in part, at any time commencing after the Issuance Date; The Holder shall effect conversions by sending a conversion notice (the "Notice of Conversion") in the manner set forth herein. Each Notice of Conversion shall specify the number of shares of Series A Preferred Stock to be converted. The date on which such conversion is to be effected (the "Conversion Date") shall be on the date the Notice of Conversion is delivered pursuant to this section. Except as provided herein, each Notice of Conversion, once given, shall be irrevocable. Upon the entire conversion of the Series A Preferred Stock, the certificates for such Series A Preferred Stock shall be returned to the Corporation for cancellation.

(2) Not later than ten (10) Business Days after the Conversion Date, the Corporation will deliver to the Holder (a) a certificate or certificates representing the number of shares of Common Stock being acquired upon the conversion of the Series A Preferred Stock and (b) once received from the Corporation, the Series A Preferred Stock in principal amount equal to the principal amount of the Series A Preferred Stock not converted; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon conversion of any Series A Preferred Stock until the Series A Preferred Stock are either delivered for conversion to the Corporation or any transfer agent for the Series A Preferred Stock or Common Stock, or the Holder notifies the Corporation that such Series A Preferred Stock certificates have been lost, stolen or destroyed and provides an agreement reasonably acceptable to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith. In the case of a conversion pursuant to a Notice of Conversion, if such certificate or certificates are not delivered by the date required under this section, the Holder shall be entitled, by providing written notice to the Corporation at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Corporation shall immediately return the Series A Preferred Stock tendered for conversion.

4

(3) (a) If the Corporation, at any time while any Series A Preferred Stock are outstanding, (i) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Junior Securities (as defined below) payable in shares of its capital stock (whether payable in shares of its Common Stock or of capital stock of any class), (ii) subdivide outstanding shares of Common Stock into a larger number of shares, (iii) combine outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of shares of Common Stock any shares of capital stock of the Corporation, the Conversion Ratio designated herein shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock of the Company outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) If the Corporation, at any time while Series A Preferred Stock are outstanding, shall distribute to all holders of Common Stock (and not to Holders of Series A Preferred Stock) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security, then in each such case the Conversion Price at which each Series A Preferred Stock shall thereafter be convertible shall be determined by multiplying the Conversion Ratio in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the Per Share Market Value of Common Stock determined as of the record date mentioned above, and of which the numerator shall be such Per Share Market Value of the Common Stock on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of Common Stock as determined by the Board of Directors in good faith. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

(c) All calculations under this Article XIV shall be made to the nearest 1/1,000th of a cent or the nearest 1/1,000th of a share, as the case may be. Any calculation resulting in a fraction shall be rounded up to the next cent or share.

(d) Whenever the Conversion Ratio is adjusted pursuant to this section, the Corporation shall within ten (10) days after the determination of the new Fixed Conversion Ratio mail and fax to the Holder and to each other Holder of Series A Preferred Stock, a notice setting forth the Fixed Conversion Ratio after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(e) In case of any reclassification of the Common Stock, any consolidation or merger of the Corporation with or into another person, the sale or transfer of all or substantially all of the assets of the Corporation or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property, then each holder of Series A Preferred Stock then outstanding shall have the right thereafter to convert such Series A Preferred Stock only into the shares of stock and other securities and property receivable upon or deemed to be held by holders of Common Stock following such reclassification, consolidation, merger, sale, transfer or share exchange (except in the event the property is cash, then the Holder shall have the right to convert the Series A Preferred Stock and receive cash in the same manner as other stockholders), and the Holder shall be entitled upon such event to receive such amount of securities or property as the shares of the Common Stock into which such Series A Preferred Stock could have been converted immediately prior to such reclassification, consolidation, merger, sale, transfer or share exchange would have been entitled. The terms of any such consolidation, merger, sale, transfer or share exchange shall include such terms so as to continue to give to the holder the right to receive the securities or property set forth in this section upon any conversion following such consolidation, merger, sale, transfer or share exchange. This provision shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers or share exchanges.

(f) If:

(i) the Corporation shall declare a dividend (or any other distribution) on its Common Stock; or

(ii) the Corporation shall declare a special nonrecurring cash dividend on or a redemption of its Common Stock; or

(iii) the Corporation shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; or

5



(iv) the approval of any stockholders of the Corporation shall be required in connection with any reclassification of the Common Stock of the Corporation (other than a subdivision or combination of the outstanding shares of Common Stock), any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property; or

(v) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation;

then the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of Series A Preferred Stock, and shall cause to be mailed and faxed to the Holders of Series A Preferred Stock at their last addresses as it shall appear upon the Series A Preferred stock register, at least thirty (30) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up; provided, however, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice.

(4) The Corporation covenants that all shares of Common Stock that shall be issuable hereunder shall, upon issue, be duly and validly authorized, issued and fully paid and nonassessable.

(5) No fractional shares of Common Stock shall be issuable upon a conversion hereunder and the number of shares to be issued shall be rounded up to the nearest whole share. If a fractional share interest arises upon any conversion hereunder, the Corporation shall eliminate such fractional share interest by issuing the Holder an additional full share of Common Stock.

(6) The issuance of certificates for shares of Common Stock on conversion of Series A Preferred Stock shall be made without charge to the Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(7) Series A Preferred Stock converted into Common Stock shall be canceled upon conversion.

(8) Each Notice of Conversion shall be given by facsimile or email to the Corporation no later than 4:00 pm EST. Any such notice shall be deemed given and effective upon the transmission of such facsimile or email at the current facsimile telephone number of the Company. In the event that the Corporation receives the Notice of Conversion after 4:00 p.m. EST, the Conversion Date shall be deemed to be the next Business Day. In the event that the Corporation receives the Notice of Conversion after the end of the Business Day, notice will be deemed to have been given the next Business Day.

6

---

**F. Rank.** The Series A Preferred Stock shall, as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, rank (i) prior to the Corporation's Common Stock (ii) prior to any class or series of capital stock of the Corporation hereafter created that, by its terms, ranks junior to the Series A Preferred Stock ("Junior Securities"); (iii) junior to any class or series of capital stock of the Corporation hereafter created which by its terms ranks senior to the Series A Preferred Stock ("Senior Securities"); (iv) *pari passu* with any other series of preferred stock of the Corporation hereafter created which by its terms ranks on a parity ("Pari Passu Securities") with the Series A Preferred Stock.

**G. Voting Rights.** Each one share of the Series A Preferred Stock shall have voting rights equal to one million (1,000,000) votes of Common Stock. With respect to all matters upon which stockholders are entitled to vote or to which stockholders are entitled to give consent, the holders of the outstanding shares of Series A Preferred Stock shall vote together with the holders of Common Stock without regard to class, except as to those matters on which separate class voting is required by applicable law or the Corporation's Certificate of Incorporation or by-laws.

**H. Protection Provisions.** So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not, without first obtaining the unanimous written consent of the holders of Series A Preferred Stock, alter or change the rights, preferences or privileges of the Series A Preferred so as to affect adversely the holders of Series A Preferred Stock.

#### **I. Miscellaneous.**

**(1) Status of Converted or Redeemed Stock.** In case any shares of Series A Preferred Stock shall be redeemed or otherwise repurchased or reacquired, the shares so redeemed, repurchased, or reacquired shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Series A Preferred Stock.

**(2) Lost or Stolen Certificates.** Upon receipt by the Corporation of (a) evidence of the loss, theft, destruction or mutilation of any Preferred Stock Certificate(s) and (b) in the case of loss, theft or destruction, indemnity (with a bond or other security) reasonably satisfactory to the Corporation, or in the case of mutilation, the Preferred Stock Certificate(s) (surrendered for cancellation), the Corporation shall execute and deliver new Preferred Stock Certificates. However, the Corporation shall not be obligated to reissue such lost, stolen, destroyed or mutilated Preferred Stock Certificates if the holder of Series A Preferred Stock contemporaneously requests the Corporation to convert such holder's Series A Preferred.

**(3) Waiver.** Notwithstanding any provision in this Article of Designation to the contrary, any provision contained herein and any right of the holders of Series A Preferred granted hereunder may be waived as to all shares of Series A Preferred Stock (and the holders thereof) upon the unanimous written consent of the holders of the Series A Preferred Stock.

7

---

**(4) Notices.** Any notices required or permitted to be given under the terms hereof shall be sent by certified or registered mail (return receipt requested) or delivered personally, by nationally recognized overnight carrier or by confirmed facsimile transmission, and shall be effective five (5) days after being placed in the mail, if mailed, or upon receipt or refusal of receipt, if delivered personally or by nationally recognized overnight carrier or confirmed facsimile transmission, in each case addressed to a party as set forth below, or such other address and telephone and fax number as may be designated in writing hereafter in the same manner as set forth in this section.

If to the Corporation:

American Picture House Corporation  
555 Madison Avenue, Fifth Floor  
New York, NY 10022

Attention: Bannor Michael MacGregor,  
Chief Executive Officer  
Telephone: 1-800-689-6885

If to the holders of Series A Preferred, to the address listed in the Corporation's books and records.

**ARTICLE XVII – CONFLICTING INTEREST TRANSACTIONS**

No contract or other transaction between the Corporation and one (1) or more of its directors or any other Corporation, firm, association, or entity in which one (1) or more of its directors are directors or officers or are financially interested shall be either void or voided solely because of such relationship or interest, or solely because such directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction, or solely because their votes are counted for such purpose if:

A. The fact of such a relationship or interest is disclosed or known to the Board of Directors or committee that authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;

B. The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or

C. The contract or transaction is fair and reasonable to the Corporation. Common or interested directors may be counted in determining the presence of a quorum, as herein previously defined, at a meeting of the Board of Directors or a committee thereof that authorizes, approves, or ratifies such contract or transaction.

**AMENDED AND RESTATED BYLAWS OF:  
AMERICAN PICTURE HOUSE CORPORATION**

ARTICLE I. GENERAL

The provisions of this document constitute the Amended and Restated Bylaws (Bylaws) of American Picture House Corporation, a Wyoming corporation, hereinafter referred to as the Corporation, which Bylaws shall be utilized to govern the management and operation of the Corporation.

ARTICLE II. OFFICES AND AGENCY

Section 1. Registered Office and Registered Agent. The registered office of the Corporation shall be located in the state of incorporation at such place as may be fixed from time to time by the Board of Directors of the Corporation, the members of which shall be hereinafter referred to as Directors, upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

Section 2. Other Offices. The Corporation may have other offices within or outside the state of incorporation at such place or places as the Board of Directors may from time to time determine.

ARTICLE III. STOCKHOLDERS

Section 1. Closing Transfer Books. For the purpose of determining stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other purpose, the Board of Directors may, but is not required to, provide that the stock transfer books shall be closed for a stated period not to exceed, in any case, sixty (60) days. If the stock transfer books shall be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) days immediately preceding such meeting.

Section 2. Fixing Record Date. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any determination of stockholders, such date in any case to be not more than sixty (60) days and, in case of a meeting of stockholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of stockholders is to be taken.

Section 3. Other Determination of Stockholders. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders or stockholders entitled to receive payment of a dividend the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of stockholders.

Section 4. Adjourned Meetings. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Article, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

**Page 1 of 16 pages**

---

Section 5. Record of Stockholders.

(a) If the Corporation has six or more stockholders of record, the officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting or any adjournment thereof, with the address of and the number and class and series, if any, of shares held by each. The list shall be kept on file at the registered office of the Corporation, at the principal place of business of the Corporation or at the office of the transfer agent or registrar of the Corporation for a period of ten (10) days prior to such meeting and shall be subject to inspection by any stockholder at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any stockholder at any time during the meeting.

(b) If the requirements of paragraph (a) above have not been substantially complied with, the meeting, on demand of any stockholder in person or by proxy, shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of paragraph (a) shall not affect the validity of any action at such meeting.

ARTICLE IV. STOCKHOLDERS' MEETINGS

Section 1. Annual Meetings. The annual meeting of the stockholders for the election of Directors and for the transaction of such other business as may properly come before the meeting, shall be held each year within three months after the end of the fiscal year, or at such other time as the Board of Directors or stockholders shall direct; provided, however, that the annual meeting for any year shall be held at no later than thirteen (13) months after the last preceding annual meeting of stockholders.

Section 2. Special Meetings. Special meetings of the stockholders for any purpose may be called at any time by the President of the Corporation, Board of Directors, or the consents in writing of holders of not less than one third (1/3) of all shares entitled to vote at the meeting.

Section 3. Place of Meetings. All meetings of the stockholders shall be at the principal place of business of the Corporation or at such other place, either within or without the state of incorporation, as the Board of Directors or the stockholders may from time to time designate.

Section 4. Notice. Written or printed notice stating the place, day and hour of any meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the meeting, by or at the direction of the President, the Secretary or other persons calling the meeting. Notice to stockholders shall be given by personal delivery, by first class U.S. Mail or by telephone facsimile or electronic mail with receipt confirmed; and, if mailed, such notice shall be deemed to be delivered when deposited, the deposit thereof certified by the Secretary of the Corporation, in the United States mail addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid. The Corporation shall obtain a receipt of mailing from the U.S. Postal Service, if notice is delivered by first class U.S. Mail; or the Corporation's officer effecting delivery by telephone facsimile or by electronic mail shall certify in writing for the records of the Corporation, the name of each stockholder, the facsimile number or electronic mail address, the date and the time of initiation of such delivery.

Section 5. Adjourned Meetings. A majority of the stockholders present, whether or not a quorum exists, may adjourn any meeting of the stockholders to another time and place. Notice of any such adjourned meeting, or of the business to be transacted thereat need not be given of any adjourned meeting if the time and place of the adjourned meeting are announced at the time of the adjournment, unless the time of the adjourned meeting is more than thirty days after the meeting at which the adjournment is taken.

**Page 2 of 16 pages**

---

Section 6. Waiver of Notice. A written waiver of notice signed by any stockholder, whether before or after any meeting, shall be equivalent to the giving of timely notice to said stockholder. Attendance of a stockholder at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice.

Section 7. Quorum and Voting.

(a) Stockholders representing not less than one-third (1/3) of the shares entitled to vote in attendance at any meeting of stockholders, shall constitute a quorum for the transaction of business at such meeting, unless otherwise specifically provided by these Bylaws or applicable law. When a specified item of business is required to be voted on by a class or series of stock, not less than one-third of the shares of such class or series shall constitute a quorum for the consideration of such item of business by that class or series, subject to paragraph (b) below. Attendance shall be either in person, by proxy, or by telephonic, radio or electronic connection whereby the distant stockholder and those stockholders present in person all hear and may speak to and be heard on the matters raised therein.

(b) Notwithstanding, even if a quorum is present, only the affirmative vote of a majority of the shares entitled to vote on the subject matter, in person or by legally valid proxy, shall be the act of the stockholders, unless the vote of a greater number or voting by classes is required by the Articles of Incorporation, these Bylaws or applicable law.

(c) After a quorum has been established at a stockholders' meeting, the subsequent withdrawal of stockholders, so as to reduce the number of stockholders entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of the meeting or any adjournment thereof. Nonetheless, only the affirmative vote of a majority of the shares entitled to vote on the subject matter shall be the act of the stockholders unless otherwise provided by the Articles of Incorporation, these Bylaws or applicable law.

(d) A person entitled to vote shares at a meeting of the stockholders shall be deemed to have attended such meeting in person if such person has attended by telephone, radio or electronic connection whereby the distant person and the other stockholders present at such meeting all hear and may speak to and be heard on the matters raised therein.

Section 8. Voting of Shares.

(a) Each outstanding share of common stock shall be entitled to one vote, unless otherwise provided in the Articles of Incorporation which authorize it, and each outstanding share of preferred stock shall be entitled to the number of votes provided in the Articles of Incorporation which authorize it, in each case on each matter submitted to a vote at a meeting of stockholders.

(b) Treasury shares, shares of stock of the Corporation owned by another corporation of which the majority of the voting stock is owned or controlled by the Corporation, and shares of stock of the Corporation held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

---

Page 3 of 16 pages

(c) A stockholder may vote either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.

(d) Shares standing in the name of another corporation, domestic or foreign, may be voted by the officer, agent, or proxy designated by the bylaws of the corporate stockholder; or, in the absence of any applicable bylaw, by such person as the Board of Directors of the corporate stockholder may designate. Proof of such designation may be made by presentation of a certified copy of the bylaws or other instrument of the corporate stockholder. In the absence of any such designation, or in case of conflicting designation by the corporate stockholder, the chairman of the board, president, any vice president, secretary and treasurer of the corporate stockholder shall be presumed to possess, in that order, authority to vote such shares.

(e) Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him in trust without a transfer of such shares into his name.

(f) Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court by which such receiver was appointed.

(g) A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee or his nominee shall be entitled to vote the shares so transferred.

(h) On and after the date on which written notice of redemption of redeemable shares has been mailed to the holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders thereof upon surrender of certificates therefor, such shares shall not be entitled to vote on any matter and shall not be deemed to be outstanding shares.

Section 9. Proxies.

(a) Every stockholder entitled to vote at a meeting of stockholders, or to express consent or dissent without a meeting or a stockholder's duly authorized attorney-in-fact, may authorize another person or persons to act for him by proxy.

(b) Every proxy must be signed by the stockholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except as otherwise provided by law.

(c) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the stockholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the corporate officer responsible for maintaining the list of stockholders.

(d) If a proxy for the same shares confers authority upon two or more persons and does not otherwise provide, a majority of them present at the meeting, or if only one is present, then that one, may exercise all the powers conferred by the proxy; but if the proxy holders present at the meeting are equally divided as to the right and manner of voting in any particular case, the voting of such shares shall be prorated.

(e) If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in his place.

Section 10. Voting Trusts. Any number of stockholders of the Corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares for a period not to exceed ten (10) years, as provided by law. A counterpart of the voting trust agreement and a copy of the record of the holders of voting trust certificates shall be deposited with the Corporation at its registered office as provided by law. These documents shall be subject to the same right of examination by a stockholder of the Corporation, in person or by agent or attorney, as are the books and records of the Corporation and shall also be subject to examination by any holder of record of voting trust certificates, either in person or by agent or attorney, at any reasonable time for any proper purpose.

Section 11. Stockholders' Agreements. Two or more stockholders of the Corporation may enter a written agreement, signed by the parties thereto, providing for the exercise of voting rights in the manner provided in the agreement or relating to any phase of the affairs of the Corporation as provided by law. Nothing therein shall impair the right of the Corporation to treat the stockholders of record as entitled to vote the shares standing in their names.

Section 12. Action by Stockholders Without a Meeting

(a) Any action required by law, these Bylaws, or the Articles of Incorporation of the Corporation to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. If any class of shares is entitled to vote thereon as a class, such written consent shall be required of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

(b) Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those stockholders who have not consented in writing. The notice shall fairly summarize the material features of the authorized action and, if the action be a merger, consolidation or sale or exchange of assets for which dissenters' rights are provided under law, the notice shall contain a clear statement of the right of stockholders dissenting therefrom to be paid the fair value of their shares upon compliance with further provisions of the law regarding the rights of dissenting stockholders.

Section 13. New Business. Any Stockholder of record may make a proposal of new business to be acted upon at an annual or a special meeting of Stockholders, only if and provided written notice of such proposed new business is filed with the Secretary of the Corporation not less than five business days prior to the day of meeting, but no other proposal shall be acted upon at such meeting.

---

Page 5 of 16 pages

ARTICLE V. DIRECTORS

Section 1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as may otherwise be provided by the Articles of Incorporation, these Bylaws or applicable law. The Board of Directors shall make appropriate delegations of authority to the officers and, to the extent permitted by law, by appropriate resolution, the Board of Directors may authorize one or more committees to act on its behalf when it is not in session.

Section 2. Qualification. Directors need not be residents of the state of incorporation or stockholders of the Corporation.

Section 3. Compensation. The Board of Directors shall have authority to fix the compensation of Directors.

Section 4. Duties of Directors.

(a) A Director shall be expected to attend meetings, whether annual, or special, of the Board of Directors and of any committee to which the Director has been appointed.

(b) A Director shall perform his duties as a Director, including his duties as a member of any committee of the Board of Directors upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(c) In performing his duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional or expert competence; or

(3) A committee of the Board of Directors upon which he does not serve, duly designated in accordance with a provision of the Articles of Incorporation or these Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

(d) A Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance

described above to be unwarranted.

(e) A person who performs his duties in compliance with this section shall have no liability by reason of being or having been a Director of the Corporation.

Section 5. Number. The number of Directors of the Corporation shall be a minimum of five (5) and a maximum of sixteen (16). This number may be increased or decreased from time to time by amendment to these Bylaws or by election of a number of persons as directors which exceeds or is less than the immediately preceding incumbent number of directors, as the case may be, at any time such number, but no decrease shall have the effect of shortening the term of any incumbent Director; provided, that the resignation or removal of a number of directors director(s) which exceeds the number set forth first in this Section shall reduce the authorized number of directors to the number thereof remaining in office, but not to a number less than the number set forth first in this Section. Unfilled vacancies on the board of directors shall not prevent the board of directors from conducting business.

Section 6. Election and Term.

(a) Each person named in the Articles of Incorporation as a member of the initial Board of Directors shall hold office until the first annual meeting of stockholders and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

(b) At the first meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect Directors to hold office until the next succeeding annual meeting. Each Director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

Section 7. Election of Chair and Vice Chair. At the organizational meeting of the Board of Directors and at each first Board of Directors' meeting following the election of directors at the annual meeting of stockholders, the Board of Directors shall elect from among the then incumbent Directors a person to serve as Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Directors and of the stockholders. At any time, the board of directors may, but is not required to, elect a Vice Chair, who shall preside at such meetings in the absence of the Chair.

Section 8. Removal of Directors.

(a) At a meeting of stockholders called expressly for that purpose, any Director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote in an election of Directors.

(b) If less than the entire Board of Directors is to be removed and if cumulative voting is permitted by the Articles of Incorporation, no one of the Directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

Section 9. Resignation of Director. A Director may resign from the Board of Directors by providing written notification of such resignation to the President of the Corporation, and such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

Section 10. Vacancies. Any vacancy occurring in the membership of the Board of Directors, including any vacancy created by reason of an increase in the number of Directors, may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director so elected shall hold office until the next election of Directors by the stockholders.

ARTICLE VI. DIRECTORS' MEETINGS

Section 1. Regular Meetings. The Board of Directors shall hold, without notice, a regular meeting immediately after the adjournment of the annual meeting of stockholders and such other regular meetings as they may, by resolution, designate from time to time.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President of the Corporation or by any two Directors.

Section 3. Place of Meeting. All meetings of the Board of Directors shall be held at the principal place of business of the Corporation or at such other place, either within or without the state of incorporation, as the Directors may from time to time designate; provided, however, no such meeting shall be held outside the state of incorporation if at least two (2) Directors object in writing not less than three (3) days before such meeting.

---

**Page 7 of 16 pages**

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of any special meeting of the Board of Directors must be given to each Director not less than five (5) nor more than thirty (30) days before the meeting, by or at the direction of the President or other persons calling the meeting. Notice shall be given either personally or by telephone facsimile or by electronic mail or first-class U.S. mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the Director at his or her address, as it appears in the records of the Corporation, with postage thereon prepaid. Except as otherwise specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of, any meeting.

Section 5. Waiver of Notice. A written waiver of notice signed by any Director, whether before or after any meeting, shall be equivalent to the giving of timely notice to said Director. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a Director attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or a special meeting of the Directors need be specified in any written waiver of notice.

Section 6. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 7. Adjourned Meeting. A majority of the Directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the Directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Directors.

Section 8. Quorum. A majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Directors, unless otherwise specifically provided by the Articles of Incorporation, these Bylaws or applicable law. Attendance shall be either in person or by telephonic, electronic or radio connection whereby the distant Director and those Directors present in person all hear and may speak to and be heard on the matters raised therein.

Section 9. Voting. Each Director who is entitled to vote and who is present at any meeting of the Board of Directors, including the Chair and, if any, the Vice Chair, shall be entitled to one (1) vote on each matter submitted to a vote of the Directors. An affirmative vote, of a majority of the Directors present at a meeting of Directors at which a quorum is present, shall constitute the approval, ratification and confirmation of the Board of Directors.

Section 10. Proxies Prohibited. No Director may authorize another person or entity to act in said Director's stead by proxy or otherwise.

Section 11. Action by Directors Without a Meeting. Any action required or which may be taken at a meeting of the Directors, or of a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed or otherwise approved in writing by all of the Directors or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

---

**Page 8 of 16 pages**

Section 12. Directors' Conflicts of Interest.

(a) No contract or other transaction between the Corporation and one or more of its Directors or any other corporation, firm, association or entity in which one or more of the Directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, or because such Director or Directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or their votes are counted for such purpose, if:

(1) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose, even though less than a majority of the quorum, without counting the votes or consents of such interested Directors; or

(2) The fact of such relationship or interest is disclosed or known to the stockholders entitled to vote, and they authorize, approve, or ratify such contract or transaction by vote or written consent; or

(3) The contract or transaction is fair and reasonable as to the Corporation at the time it is authorized by the Board of Directors, a committee, or the stockholders.

(b) Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

(c) The position of director, officer or employee of a not-for-profit corporation held by a Director of the Corporation shall not be deemed to create a conflict of interest for such Director, with respect to approval of dealings between the Corporation and the not-for-profit corporation.

(d) In the event all Directors of the Corporation are directors, officers or employees of or have a financial interest in another corporation, firm, association or entity, the vote or consent of all Directors shall be counted for purposes of approving any contract or transaction between the Corporation and such other corporation, firm, association or entity.

Section 13. Procedure. The Board of Directors may adopt their own rules of procedure which shall not be inconsistent with the Articles of Incorporation, these Bylaws or applicable law.

#### ARTICLE VII. EXECUTIVE AND OTHER COMMITTEES

Section 1. Designation. The Board of Directors, by resolution adopted by a majority of the full Board of Directors may designate from among its members an executive committee and one or more other committees. The Board of Directors, by resolution adopted in accordance with this section, may designate one or more Directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

---

#### **Page 9 of 16 pages**

---

Section 2. Powers. Any committee designated as provided above shall have and may exercise all the authority granted to it by the Board of Directors, except that no committee shall have the authority to:

(a) Approve or recommend to stockholders' actions or proposals required by law to be approved by stockholders;

(b) Designate candidates for the office of Director, for purposes of proxy solicitation or otherwise;

(c) Fill vacancies on the Board of Directors or any committee thereof;

(d) Amend the Bylaws;

(e) Authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors; or

(f) Authorize or approve the issuance or sale of, or any contract to issue or sell, common shares, except that the Board of Directors, having acted regarding general authorization for the issuance or sale of common shares, or any contract therefor, may, pursuant to a general formula or method specified by the Board of Directors by resolution or by adoption of a stock option or other plan, authorize a committee to fix the terms of any contract for the sale of the common shares and to fix the terms upon which such shares may be issued or sold, subject to final approval of the Board of Directors.

#### ARTICLE VIII. OFFICERS

Section 1. Designation. The officers of the Corporation shall consist of one president, one or more vice presidents (if determined to be necessary by the Board of Directors), a corporation secretary and a treasurer (if determined to be necessary by the Board of Directors). The Corporation shall also have such other officers, assistant officers and agents as may be deemed necessary or appropriate by the Board of Directors from time to time. Any two or more offices may be held by the same person. The failure to elect a president, vice president, secretary or treasurer shall not affect the existence of the Corporation. The office of the president may, in the discretion of the Board of Directors, be divided into the office of the chief executive officer and the office of the chief operating officer, provided, that the office of the chief executive officer shall be the office of the president for purposes of state and federal laws requiring such office or the signature of such officer.

Section 2. Duties. The officers of the Corporation shall have the following duties.

(a) President. The President shall be the Chief Executive Officer of the Corporation, shall have general and active management of the business and affairs of the Corporation subject to the directions of the Board of Directors, and shall preside at all meetings of the stockholders and Board of Directors. The Board of Directors, in its discretion from time to time, may separate from the duties and responsibilities of the President, the duties and responsibilities of a Chief Operating Officer by the election thereof.

(b) Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there is more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the attestation of the Secretary or an Assistant Secretary, certificates for shares of the Corporation, and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

---

#### **Page 10 of 16 pages**

---

(c) Corporation Secretary. The Secretary shall have custody of, and maintain, all of the corporate records except the financial records; shall record the minutes of all meetings of the stockholders and Board of Directors; send out all notices of meetings; and perform such other duties as may be prescribed by the Board of

Directors or the President.

(d) Treasurer. The Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of stockholders and whenever else required by the Board of Directors or the President, and shall perform such other duties as may be prescribed by the Board of Directors or the President. The Board of Directors may designate the title of the Treasurer as Chief Financial Officer.

Section 3. Election. All officers shall be elected by the Board of Directors.

Section 4. Tenure. Each officer shall take and hold office from the date of his election until the next annual meeting of the Board of Directors and until his successor shall have been duly elected and qualified or until his earlier resignation, removal from office or death.

Section 5. Resignation of Officers. Any officer or agent elected or appointed by the Board of Directors may resign such office by providing written notification of such resignation to the President (or if the President is resigning, to the Vice President) of the Corporation.

Section 6. Removal of Officers.

(a) Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

(b) Any officer or agent elected by the stockholders may be removed only by vote of the stockholders unless the stockholders shall have authorized the Directors to remove such officer or agent.

(c) Removal of any officer shall be without prejudice to the contract rights, if any, of the person so removed; however, election or appointment of an officer or agent shall not of itself create contract rights.

Section 7. Vacancies. Any vacancy, however occurring, in any office, may be filled by the Board of Directors.

#### ARTICLE IX. STOCK CERTIFICATES

Section 1. Issuance. Every holder of shares in the Corporation shall be entitled to have a certificate, representing all shares to which he is entitled. No certificate shall be issued for any share until such share is fully paid.

---

#### **Page 11 of 16 pages**

Section 2. Form.

(a) Certificates representing shares in this Corporation shall be signed by the President or Vice President and the Secretary or an Assistant Secretary and may be sealed with the seal of this Corporation or a facsimile thereof. The signatures of the President or Vice President and the Secretary or Assistant Secretary may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the Corporation itself or an employee of the Corporation. In case any officer who signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of its issuance.

(b) If there is more than one class of stock, every certificate representing shares issued by the Corporation shall set forth or fairly summarize upon the face or back of the certificate, or shall state that the Corporation will furnish to any stockholder upon request and without charge a full statement of: the designations, preferences, limitations and relative rights of the shares of each class or series authorized to be issued; the variations in the relative rights and preferences between the shares of each series so far as the same have been fixed and determined; and the authority of the Board of Directors to fix and determine the relative rights and preferences of subsequent series.

(c) Every certificate representing shares which are restricted as to the sale, disposition or other transfer of such shares shall state that such shares are restricted as to transfer and shall set forth or fairly summarize upon the certificate or shall state that the Corporation will furnish to any stockholder upon request and without charge a full statement of, such restrictions.

(d) Each certificate representing shares shall state upon the face thereof: the name of the Corporation; that the Corporation is organized under the laws state of incorporation; the name of the person or persons to whom issued; the number and class, if any, of shares, and the designation of the series, if any, which such certificate represents; and the par value of each share represented by such certificate, or a statement that the shares are without par value.

Section 3. Transfers of Stock. Transfers of stock shall be made only upon the stock transfer books of the Corporation, kept at the registered office of the Corporation or at its principal place of business, or at the office of its transfer agent or registrar; and before a new certificate is issued, the old certificate shall be surrendered for cancellation and shall be properly endorsed by the holder of record or by his duly authorized attorney. The Board of Directors may, by resolution, open a share register in any state of the United States and may employ an agent or agents to keep such register and to record transfers of shares therein.

Section 4. Registered Owner. Registered stockholders only shall be entitled to be treated by the Corporation as the holders in fact of the stock standing in their respective names, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the state of incorporation.

Section 5. Lost, Stolen or Destroyed Certificates. The Corporation shall issue a new stock certificate in the place of any certificate previously issued if the holder of record of the certificate:

(a) Makes proof in affidavit form that it has been lost, destroyed or wrongfully taken;

(b) Requests the issuance of a new certificate before the Corporation has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claim;

---

#### **Page 12 of 16 pages**

(c) Gives bond or other security in such form as the Corporation may direct to indemnify the Corporation, the transfer agent and registrar against any claim that may be made on account of the alleged loss, destruction or theft of a certificate; and

(d) Satisfies any other reasonable requirements imposed by the Corporation.



Section 6. Fractional Shares or Scrip. The Corporation shall not issue fractional shares. In the event a recapitalization, share combination or share division would result in fractional shares, each fractional share shall be rounded to one whole share.

Section 7. Shares of Another Corporation. Shares owned by the Corporation in another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Board of Directors may determine or, in the absence of such determination, by the President of the Corporation.

#### ARTICLE X. DIVIDENDS

Section 1. Declaration. The Board may from time to time declare, and the Corporation may pay, dividends on its shares in cash, property or its own shares, except when the Corporation is insolvent, when the payment thereof would render the Corporation insolvent, or when the declaration or payment thereof would be contrary to any restrictions contained in the Articles of Incorporation, subject to the following provisions:

(a) Unless otherwise provided by Wyoming law, dividends in cash or property may be declared and paid, except as otherwise provided in this section, only out of the unreserved and unrestricted earned surplus of the Corporation or out of capital surplus, howsoever arising, but each dividend paid out of capital surplus shall be identified as a distribution of capital surplus, and the amount per share paid from such surplus shall be disclosed to the stockholders receiving the same concurrently with the distribution.

(b) Dividends may be declared and paid in the Corporation's own treasury shares.

(c) Dividends may be declared and paid in the Corporation's own authorized but unissued shares out of any unreserved and unrestricted surplus of the Corporation upon the following conditions:

(1) If a dividend is payable in shares having a par value, such shares shall be issued at not less than the par value thereof, and there shall be transferred to stated capital, at the time such dividend is paid, an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(2) If a dividend is payable in shares without par value, such shares shall be issued at such stated value as shall be fixed by the Board of Directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital, at the time such dividend is paid, an amount of surplus equal to the aggregate stated value so fixed in respect of such shares; and the amount per share so transferred to stated capital shall be disclosed to the stockholders receiving such dividend concurrently with the payment thereof.

(d) No dividend payable in shares of any class shall be paid to the holders of shares of any other class unless the Articles of Incorporation so provide or such payment is authorized by the affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class in which the payment is to be made.

---

Page 13 of 16 pages

(e) A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the Corporation shall not be construed to be a share dividend within the meaning of this section.

(f) Shares of one class or series (including common shares) of capital stock may be issued as a share dividend in respect of shares of another class or series (including common shares) of capital stock.

Section 2. Holders of Record. The holders of record shall be determined as provided in Article III of these Bylaws.

#### ARTICLE XI. INDEMNIFICATION OF

#### OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. Indemnification for Actions, Suits or Proceedings.

(a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The adverse termination of any action, suit or proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner in which he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is firmly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

---

Page 14 of 16 pages

(c) To the extent that a Director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) or (b) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) or (b). Such determination shall be made:

(1) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or

(2) If such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or

(3) By the stockholders by a majority vote of a quorum consisting of stockholders who were not parties to such action, suit or proceeding.

(e) Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this section.

Section 2. Other Indemnification. The indemnification provided by these Articles shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested Directors, under Wyoming law or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such position and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 3. Liability Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation shall have indemnified him against such liability under the provisions of this Article XI.

## ARTICLE XII. BOOKS AND RECORDS

### Section 1. Books and Records.

(a) This Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its stockholders, Board of Directors, and committees of Directors.

**Page 15 of 16 pages**

---

(b) This Corporation shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its stockholders, giving the names and addresses of all stockholders and the number, class and series, if any, of the shares held by each.

(c) Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 2. Stockholders' Inspection Rights. Any person who shall have been a holder of record of shares or of voting trust certificates therefor at least six (6) months immediately preceding his demand or shall be the holder of record of, or the holder of record of voting trust certificates for, at least five percent (5%) of the outstanding shares of any class or series of the Corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, its relevant books and records of accounts, minutes and records of stockholders and to make extracts therefrom.

### Section 3. Financial Information.

(a) Not later than four (4) months after the close of each fiscal year, the Corporation shall prepare a balance sheet showing in reasonable detail the financial condition of the Corporation as of the close of its fiscal year, and a profit and loss statement showing the results of the operations of the Corporation during its fiscal year.

(b) Upon the written request of any stockholder or holder of voting trust certificates for shares of the Corporation, the Corporation shall mail to such stockholder or holder of voting trust certificates a copy of the most recent such balance sheet and profit and loss statement.

(c) The balance sheets and profit and loss statements shall be maintained in the principal place of business of the Corporation, shall be kept for at least five (5) years, and shall be subject to inspection during business hours by any stockholder or holder of voting trust certificates, in person or by agent, as provided by Wyoming state law.

## ARTICLE XIII. CORPORATE SEAL

The Board of Directors shall provide a corporate seal or stamp which shall be circular or rectangular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation and the year of incorporation. The use of a seal or stamp by a Corporation on any corporate record is not necessary. The Corporation may use a seal or stamp, if it desires, but such use or nonuse must not in any way affect the legality of the record.

## ARTICLE XIV. AMENDMENT TO BYLAWS

Section 1. By Stockholders. The stockholders, by the affirmative vote of a majority of the voting stock, shall have the power to alter, amend, and repeal the Bylaws of this Corporation or to adopt additional Bylaws and any Bylaw so adopted may specifically provide that such Bylaw can only be altered, amended or repealed by the stockholders.

Section 2. By Directors. The Board of Directors, by affirmative vote of a majority of the Board of Directors, shall have the power to adopt additional Bylaws or to alter, amend, and repeal the Bylaws of this Corporation, except when any Bylaw adopted by the stockholders specifically provides that such Bylaw can only be altered, amended, or repealed by the stockholders.

## SECRETARY'S CERTIFICATION

I, the undersigned Secretary of this Corporation, hereby certify that the foregoing Bylaws were duly adopted by its Board of Directors on the date above indicated and that the foregoing text of the Bylaws are currently in full force and effect and have not been revoked, suspended, or amended since adoption thereof.

*Donald Harris, Secretary*

7/20/2023  
date

**Page 16 of 16 pages**

---



Wyoming Secretary of State  
Herschler Bldg East, Ste.100 & 101  
Cheyenne, WY 82002-0020  
Ph. 307-777-7311

For Office Use Only  
WY Secretary of State  
FILED: Jul 10 2022 8:17PM  
Original ID: 2022-001135682

---

**Limited Liability Company  
Articles of Organization**

- I. **The name of the limited liability company is:**  
Devil's Half-Acre, LLC
  
- II. **The name and physical address of the registered agent of the limited liability company is:**  
Registered Agents Inc  
30 N Gould St Ste R  
Sheridan, WY 82801
  
- III. **The mailing address of the limited liability company is:**  
PO Box 2038  
Amagansett, NY 11930
  
- IV. **The principal office address of the limited liability company is:**  
30 N Gould St  
Ste R  
Sheriden, WY 82801
  
- V. **The organizer of the limited liability company is:**  
Alfred John Luessenhop Jr  
PO Box 2038, Amagansett, NY 11930

Signature: Alfred John Luessenhop Jr Date: 07/10/2022  
 Print Name: Alfred John Luessenhop Jr  
 Title: Authorized Representative  
 Email: jluessenhop@gmail.com  
 Daytime Phone #: (310) 804-4566



- I am the person whose signature appears on the filing; that I am authorized to file these documents on behalf of the business entity to which they pertain; and that the information I am submitting is true and correct to the best of my knowledge.
- I am filing in accordance with the provisions of the Wyoming Limited Liability Company Act, (W.S. 17-29-101 through 17-29-1105) and Registered Offices and Agents Act (W.S. 17-28-101 through 17-28-111).
- I understand that the information submitted electronically by me will be used to generate Articles of Organization that will be filed with the Wyoming Secretary of State.
- I intend and agree that the electronic submission of the information set forth herein constitutes my signature for this filing.
- I have conducted the appropriate name searches to ensure compliance with W.S. 17-16-401.
- I consent on behalf of the business entity to accept electronic service of process at the email address provided with Article IV, Principal Office Address, under the circumstances specified in W.S. 17-28-104(e).

**Notice Regarding False Filings: Filing a false document could result in criminal penalty and prosecution pursuant to W.S. 6-5-308.**

**W.S. 6-5-308. Penalty for filing false document.**

(a) A person commits a felony punishable by imprisonment for not more than two (2) years, a fine of not more than two thousand dollars (\$2,000.00), or both, if he files with the secretary of state and willfully or knowingly:

- (i) Falsifies, conceals or covers up by any trick, scheme or device a material fact;
- (ii) Makes any materially false, fictitious or fraudulent statement or representation; or
- (iii) Makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry.

- I acknowledge having read W.S. 6-5-308.

Filer is:  An Individual  An Organization

**Filer Information:**

**By submitting this form I agree and accept this electronic filing as legal submission of my Articles of Organization.**

Signature: Alfred John Luessenhop Jr Date: 07/10/2022  
Print Name: Alfred John Luessenhop Jr  
Title: Authorized Representative  
Email: jluessenhop@gmail.com  
Daytime Phone #: (310) 804-4566



**Wyoming Secretary of State**  
Herschler Bldg East, Ste.100 & 101

Cheyenne, WY 82002-0020  
Ph. 307-777-7311

---

### **Consent to Appointment by Registered Agent**

**Registered Agents Inc**, whose registered office is located at **30 N Gould St Ste R, Sheridan, WY 82801**, voluntarily consented to serve as the registered agent for **Devil's Half-Acre, LLC** and has certified they are in compliance with the requirements of W.S. 17-28-101 through W.S. 17-28-111.

I have obtained a signed and dated statement by the registered agent in which they voluntarily consent to appointment for this entity.

Signature: Alfred John Luessenhop Jr Date: 07/10/2022  
Print Name: Alfred John Luessenhop Jr  
Title: Authorized Representative  
Email: jluessenhop@gmail.com  
Daytime Phone #: (310) 804-4566

**STATE OF WYOMING**  
**Office of the Secretary of State**

I, EDWARD A. BUCHANAN, Secretary of State of the State of Wyoming, do hereby certify that the filing requirements for the issuance of this certificate have been fulfilled.

**CERTIFICATE OF ORGANIZATION**

**Devil's Half-Acre, LLC**

I have affixed hereto the Great Seal of the State of Wyoming and duly executed this official certificate at Cheyenne, Wyoming on this **10th** day of **July, 2022** at **8:17 PM**.

Remainder intentionally left blank.



Filed Date: 07/10/2022

*Edward A. Buchanan*

Secretary of State

Filed Online By:

Alfred John Luessenhop Jr

on 07/10/2022



Wyoming Secretary of State
Herschler Bldg East, Ste.100 & 101
Cheyenne, WY 82002-0020
Ph. 307-777-7311

For Office Use Only
WY Secretary of State
FILED: Aug 16 2023 3:01PM
Original ID: 2023-001315888

Limited Liability Company
Articles of Organization

- I. The name of the limited liability company is: Ask Christine Productions LLC
II. The name and physical address of the registered agent of the limited liability company is: InCorp Services, Inc. 1910 Thomes Ave Cheyenne, WY 82001
III. The mailing address of the limited liability company is: 1910 Thomas Ave Cheyenne Cheyenne, WYOMING 82001
IV. The principal office address of the limited liability company is: 1910 Thomes Ave 13304 BOYCE MILL RD Cheyenne, WYOMING 82001
V. The organizer of the limited liability company is: Bannor Michael MacGregor 13304 BOYCE MILL RD, DURHAM, NC 27703

Signature: Bannor Michael MacGregor Date: 08/16/2023
Print Name: Bannor Michael MacGregor
Title: Managing Manager
Email: bannormacgregor@gmail.com
Daytime Phone #: (919) 624-2328



- I am the person whose signature appears on the filing; that I am authorized to file these documents on behalf of the business entity to which they pertain; and that the information I am submitting is true and correct to the best of my knowledge.
- I am filing in accordance with the provisions of the Wyoming Limited Liability Company Act, (W.S. 17-29-101 through 17-29-1105) and Registered Offices and Agents Act (W.S. 17-28-101 through 17-28-111).
- I understand that the information submitted electronically by me will be used to generate Articles of Organization that will be filed with the Wyoming Secretary of State.
- I intend and agree that the electronic submission of the information set forth herein constitutes my signature for this filing.
- I have conducted the appropriate name searches to ensure compliance with W.S. 17-16-401.
- I consent on behalf of the business entity to accept electronic service of process at the email address provided with Article IV, Principal Office Address, under the circumstances specified in W.S. 17-28-104(e).

**Notice Regarding False Filings: Filing a false document could result in criminal penalty and prosecution pursuant to W.S. 6-5-308.**

**W.S. 6-5-308. Penalty for filing false document.**

(a) A person commits a felony punishable by imprisonment for not more than two (2) years, a fine of not more than two thousand dollars (\$2,000.00), or both, if he files with the secretary of state and willfully or knowingly:

- (i) Falsifies, conceals or covers up by any trick, scheme or device a material fact;
- (ii) Makes any materially false, fictitious or fraudulent statement or representation; or
- (iii) Makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry.

- I acknowledge having read W.S. 6-5-308.

Filer is:  An Individual  An Organization

**Filer Information:**

**By submitting this form I agree and accept this electronic filing as legal submission of my Articles of Organization.**

Signature: *Bannor Michael MacGregor* Date: 08/16/2023  
Print Name: Bannor Michael MacGregor  
Title: Managing Manager  
Email: bannormacgregor@gmail.com  
Daytime Phone #: (919) 624-2328





**Wyoming Secretary of State**  
Herschler Bldg East, Ste.100 & 101

Cheyenne, WY 82002-0020  
Ph. 307-777-7311

---

### Consent to Appointment by Registered Agent

**InCorp Services, Inc.**, whose registered office is located at **1910 Thomes Ave, Cheyenne, WY 82001**, voluntarily consented to serve as the registered agent for **Ask Christine Productions LLC** and has certified they are in compliance with the requirements of W.S. 17-28-101 through W.S. 17-28-111.

I have obtained a signed and dated statement by the registered agent in which they voluntarily consent to appointment for this entity.

Signature: *Bannor Michael MacGregor* Date: 08/16/2023  
Print Name: **Bannor Michael MacGregor**  
Title: **Managing Manager**  
Email: **bannormacgregor@gmail.com**  
Daytime Phone #: **(919) 624-2328**

**STATE OF WYOMING**  
**Office of the Secretary of State**

I, CHUCK GRAY, Secretary of State of the State of Wyoming, do hereby certify that the filing requirements for the issuance of this certificate have been fulfilled.

**CERTIFICATE OF ORGANIZATION**

**Ask Christine Productions LLC**

I have affixed hereto the Great Seal of the State of Wyoming and duly executed this official certificate at Cheyenne, Wyoming on this **16th** day of **August, 2023** at **3:01 PM**.

Remainder intentionally left blank.



Filed Date: 08/16/2023

Handwritten signature of Chuck Gray in cursive script.

Secretary of State

Filed Online By:

Bannor Michael MacGregor

on 08/16/2023

---

**At-Will Initial Consulting Agreement**

This At-Will Initial Consulting Agreement (hereinafter referred to as, "Agreement") made as of January 1, 2022 by and between the parties Bannor Michael MacGregor (hereinafter referred to as, the "Consultant") and Picture House Corporation (hereinafter referred to as, the, "Company") a Wyoming limited liability company (hereinafter respectively referred in the singular as, "Party" and collectively in the plural as, "Parties").

**Witnesseth**

Whereas, the Company desires to secure the services of the Consultant and the Consultant desires to provide such services to the Company; and

Now, therefore, in consideration of the foregoing and the mutual covenants herein contained, the Parties hereto hereby agree as follows:

**Article I: Engagement**

The Company hereby engages the Consultant, effective as of the above-mentioned date until such time as either party terminates this Agreement.

**Article II: Duties**

1. The Consultant will oversee the operations of the Company.
2. The Consultant shall devote such time and efforts as Consultant deems appropriate.
  - a. Promote the quality of the Company's products and services with attention to the maintenance of the standards and procedures the Company will establish; and
  - b. Seek to enhance and develop the Company's relationships with the entertainment industry and technology developers.
3. The Consultant shall act as the Company's acting CEO/President.
4. The Consultant represents and warrants to the Company that, to the best of his/her knowledge, he/she is under no professional obligation or commitment, whether contractual or otherwise, that is inconsistent with his/her obligations under this Agreement. The Consultant represents and warrants that he/she will not knowingly use or disclose any trade secrets or other proprietary information or intellectual property in which the Company or any other person has any right, title or interest. To the best of his/her knowledge, the Consultant's services to be delivered to the Company as contemplated by this Agreement will not infringe or violate the rights of any other person. The Consultant represents and warrants to the Company that he/she has returned all property and confidential information belonging to his/her most recent prior employer.

Page 1 of 6 pages

---

American Picture House Corporation  
At-Will Consulting Agreement  
Version 1.01

---

**Article III: Compensation**

1. Company shall pay to the Consultant for all services to be rendered pursuant to the terms of this Agreement until its termination the "Consultant Compensation" as outlined and payable as per "Exhibit A".
2. The Company shall pay bonus compensation as mutually agreed and to be determined at the sole discretion of the Company to the Consultant for the additional services which are considered outside the scope this Agreement.

**Article IV: Working Conditions and Benefits**

1. The Consultant shall work from wherever the customarily work (*e.g. from home or other*) and will not be required to work from the Company's offices.
2. If the Consultant travels on the Company's behalf to the extent reasonably necessary Consultant shall be reimbursed for such travel, provide such travel was pre-authorized by the Company.

**Article V: Term "At-Will"**

The Agreement shall remain in effect, from the commencement date set forth in Article I until the date when the Agreement terminates pursuant to Article VI.

**Article VI: Termination**

1. The Consultant may voluntarily terminate this Agreement at any time upon written notice to the Company.
2. The Company may terminate this Agreement, in its sole discretion, at any time.

**Article VII: Confidentiality**

The Consultant hereby agrees as follows:

1. All Company trade secrets, proprietary information, software, software codes, advertising, sales, marketing and other materials or articles of information, including customer and supplier lists, data, reports, customer sales analyses, invoices, price lists or information, samples, or any other materials or data of any kind furnished to the Consultant by the Company shall remain the sole and confidential property of the Company; if the Company requests the return of such materials at any time the Consultant shall immediately deliver the same to the Company.
2. During the term of this Agreement and at all times thereafter, the Consultant shall not knowingly use for his/her personal benefit, or disclose, communicate or divulge to, or use for the direct or indirect benefit of any person, firm, association or entity other than the Company, any material referred to in subsection (1) above or any information regarding the business methods, business policies, procedures, techniques, research or development projects or results, trade secrets, or other knowledge or processes used or developed by the Company or any names and addresses of customers or clients or any other confidential information relating to or dealing with the business operations or activities of the Company, first made known to the Consultant or first learned or acquired by the Consultant from the Company.

---

Page 2 of 6 pages

---

**American Picture House Corporation**  
At-Will Consulting Agreement  
Version 1.01

---

3. The foregoing provisions of this Article shall not:
  - a. Prevent Consultant from owning five percent (5%) or less of the outstanding stock of any publicly traded entity;
  - b. Apply to information of any type that is publicly disclosed, or is or becomes publicly available, in each instance without a violation by Consultant of the provisions of this Article, and
  - c. Be construed to prevent disclosure by Consultant pursuant to legal process, provided in this event Consultant shall endeavor to give reasonable advance notice to the Company of any such legal process involving his/her that may result in otherwise prohibited disclosure.
4. It is recognized that damages in the event of breach by the Consultant of this Article would be difficult, if not impossible, to ascertain. It is, therefore, agreed that the Company shall have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any breach, and the Consultant hereby waives any and all defenses specifically related to the ground of lack of jurisdiction or competence of the court to grant such injunction or other equitable relief. The existence of this right shall not preclude any other rights and remedies at law or in equity which the Company may have.
5. The Consultant also agrees to sign additional Mutual Non-Disclosure Agreements as may be required by the Company.

#### **Article VIII: Construction, Enforceability and Severability**

1. The descriptive headings of Articles, or of or in any exhibit, are inserted for convenience only and are not a part of this Agreement. Unless otherwise qualified, references in this Agreement to "Article" are to provisions of this Agreement and a reference thereto includes any subparts. As used herein, the singular includes the plural, the plural includes the singular, and words in one gender include the other, the terms "Party" and "Parties" are references to the Company and/or the Consultant as permitted or required by the context, "herein", "hereunder", "hereof" and similar references refer to the whole of this Agreement, "include", "including" and similar terms are not words of limitation, and any examples are not limiting. The failure of an incorporated Party to affix its corporate seal to this Agreement shall not impair the validity of the signature of that Party but shall, instead, be the adoption by that Party of the phrase "Corporate Seal" as the corporate seal of that Party for the purposes of this Agreement. In the event any date specified herein or determined hereunder shall be on a Saturday, Sunday or nationally declared holiday, then that date so specified or determined shall be deemed to be the next business day following such date and compliance by or on that day shall be deemed to be compliance with the terms of this Agreement.
2. If any provision or portion of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect. If any provision or portion of this Agreement is held invalid or unenforceable with respect to circumstances, it shall remain in full force and effect in all other circumstances.
3. The Company represents and warrants to the Consultant that, to the best of its knowledge, it has been duly authorized to execute, deliver and perform this Agreement and each related agreement, and that execution, delivery and performance hereof and thereof is not and will not be a breach or violation of any obligation or commitment, whether contractual or otherwise, to which the Company is subject or by which it is bound.

---

Page 3 of 6 pages

---

**American Picture House Corporation**  
At-Will Consulting Agreement  
Version 1.01

---

#### **Article IX: Arbitration**

Any controversy or claim arising out of or relating to this Agreement or the breach thereof, or the Consultant's engagement or the termination thereof, shall be settled by arbitration in North Carolina in accordance with rules outlined by the American Arbitration Association. The decision of the arbitrator shall be final and binding on the Parties, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be empowered to enter an equitable decree mandating specific enforcement of the terms of this Agreement. The Company and the Consultant shall share equally all fees and expenses of the arbitrator; provided, however, that the Company or the Consultant, as the case may be, shall bear all fees and expenses of the arbitrator and all of the legal fees and out-of-pocket expenses of the other Party if the arbitrator determines that the claim or position of the Company or the Consultant, as the case may be, was without reasonable foundation. The Consultant and the Company each hereby consent to personal jurisdiction of the state and federal courts located within the territorial limits of the above venue for any action or proceeding arising from or relating to this Agreement or relating to any arbitration in which the parties are participants, and waive all venue objections with respect to such arbitration, actions or proceedings.

#### **Article X: Notice**

Any notice, request, demand or other communication required to be given under the terms of this Agreement shall be in writing and shall be deemed to have been duly given if delivered to the addressee in person or mailed by certified mail, return receipt requested, to the Consultant at the last resident address he/she/they has(have) provided to the Company, or in the case of the Company, at its principal offices.

#### **Article XI: Benefit**

This Agreement shall inure to and shall be binding upon the Parties, the successors and assigns of the Company, and the heirs and personal representatives of the Consultant.

**Article XII: Waiver**

The waiver by either Party of any breach or violation of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

**Article XIII: Governing Law**

The law of the State of North Carolina shall govern the construction, enforcement and validity of this Agreement as such laws shall apply to agreements negotiated, formed and executed within such state.

**Article XIV: Entire Agreement**

This Agreement constitutes or refers to the entire understanding of the Consultant and the Company with respect to the subject matter hereof and supersedes any and all prior understandings written or oral. This Agreement may not be changed, modified, or discharged orally, but only by an instrument in writing signed by the Parties.

**American Picture House Corporation**  
At-Will Consulting Agreement  
Version 1.01

---

**Article XV: Counterparts and Facsimile Signatures**

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.


Execution and delivery of this Agreement by exchange of facsimile copies bearing the facsimile signature of a Party shall constitute a valid and binding execution and delivery of this Agreement by such Party.

Such facsimile copies shall constitute enforceable original documents.


**Signatures Page**

In Witness Whereof, the Parties have executed this Agreement and affixed their hands and seal the day and year first written above.

**Bannor Michael MacGregor** (the, "Consultant")

x   
\_\_\_\_\_ 01/01/2022  
Bannor Michael MacGregor, *Individually* date

**American Picture House Corporation** (the, "Company")

x   
\_\_\_\_\_ 01/01/2022  
Bannor Michael MacGregor, *CEO/President* date

**American Picture House Corporation**  
At-Will Consulting Agreement  
Version 1.01

---

**(Exhibit A)**

**Consultant Compensation Details:**

Compensation: Consultant will receive compensation (*at the sole discretion of the Company*) for exemplary performance and for significantly adding value to the Company. The Company makes no warranties and/or representations of guaranteed compensation to Consultant.

However, if this Agreement his replaced with a full-time, employment agreement the Company shall pay Consultant a minimum of:

- Five thousand dollars per month (\$5,000.00 USD); and
- An amount of ownership in the Company to be mutually agreed to and to be further vested with terms acceptable to both parties (*e.g., over a two-year period, etc.*).

## Amended Consulting Agreement

This Amended Consulting Agreement (hereinafter referred to as, "Agreement") made as of September 19, 2023 (the "Effective Date"), by and between Bannor Michael MacGregor (the "Consultant"), citizen and resident of the State of North Carolina, and American Picture House Corporation (the "Company"), a corporation formed and existing under the laws of the State of Wyoming. Consultant and Company may be referred to herein individually as a "Party" and collectively as "Parties".

### Witnesseth

Whereas, the Company desires to secure the services of the Consultant as defined herein and the Consultant desires to provide such services to the Company; and

Now, therefore, in consideration of the foregoing and the mutual covenants herein contained, the Parties agree as follows:

### Article I: Engagement

The Company hereby engages the Consultant effective as of the Effective Date to provide the services and perform the duties enumerated in Article II. This Agreement shall continue until such time as either party terminates this Agreement pursuant to Article VI.

### Article II: Duties

1. The Consultant will oversee the operations of the Company for the purposes of:
  - a. Promoting the quality of the Company's products and services with attention to the maintenance of the standards and procedures the Company will establish;  
and
  - b. Seeking to enhance and develop the Company's relationships with the entertainment industry and technology developers.
2. The Consultant shall devote such time and efforts as Consultant and Company deem appropriate.
3. The Consultant shall act as the Company's CEO. The Consultant represents and warrants to the Company that, to the best of his/her knowledge, he/she is under no professional obligation or commitment, whether contractual or otherwise, that is inconsistent with his/her obligations under this Agreement. The Consultant represents and warrants that he/she will not knowingly use or disclose any trade secrets or other proprietary information or intellectual property in which the Company or its affiliates or any other third person doing business with the Company has any right, title or interest. To the best of his/her knowledge, the Consultant's services to be delivered to the Company as contemplated by this Agreement will not infringe or violate the rights of any other person. The Consultant represents and warrants to the Company that he/she has returned all property and confidential information belonging to his/her most recent prior employer and that

---

he/she will not use any such property or confidential information in providing services and/or performing the duties contemplated herein.

#### **Article III: Compensation**

1. Company shall pay to the Consultant for all services to be rendered pursuant to the terms of this Agreement until its termination, the "Consultant Compensation" as outlined and payable as per "Exhibit A".
2. The Company shall pay to the Consultant, bonus compensation as mutually agreed upon and to be determined at the sole discretion of the Company for any additional services provided to the Company by the Consultant, which are considered outside the scope this Agreement.

#### **Article IV: Working Conditions and Benefits**

1. The Consultant shall work from wherever the Consultant customarily works (*e.g. from home or other*) and will not be required to work from the Company's offices.
2. If the Consultant travels at the request of and on behalf of the Company, Company shall reimburse Consultant for all reasonably incurred and necessary travel expenses, provided such travel expenses were pre-authorized by the Company.

#### **Article V: Term**

The Agreement shall remain in effect, from the Effective Date set forth above, until such time as the Agreement is terminated in accordance with Article VI.

#### **Article VI: Termination**

1. The Consultant may voluntarily terminate this Agreement with or without cause upon 30-day written notice to the Company.
2. The Company may terminate this Agreement with or without cause, in its sole discretion, at any time and without notice.

#### **Article VII: Confidentiality**

The Consultant hereby agrees as follows:

1. All Company trade secrets, proprietary information, software, software codes, advertising, sales, marketing and other materials or articles of information, including customer and supplier lists, data, reports, customer sales analyses, invoices, price lists or information, samples, or any other materials or data of any kind furnished to the Consultant by the Company shall remain the sole and confidential property of the Company; if the Company requests the return of such materials at any time the Consultant shall immediately deliver the same to the Company.
2. During the term of this Agreement and at all times thereafter, the Consultant shall not knowingly use for his/her personal benefit, or disclose, communicate or divulge to, or use for the direct or indirect benefit of any person, firm, association or entity other than the Company, any material

---

referred to in subsection (1) above or any information regarding the business methods, business policies, procedures, techniques, research or development projects or results, trade secrets, or other knowledge or processes used or developed by the Company or any names and addresses of customers or clients or any other confidential information relating to or dealing with the business operations or activities of the Company, first made known to the Consultant or first learned or acquired by the Consultant from the Company.

3. The foregoing provisions of this Article shall not:
  - a. Apply to information of any type that is publicly disclosed, or is or becomes publicly available, in each instance without a violation by Consultant of the provisions of this Article, and
  - b. Be construed to prevent disclosure by Consultant pursuant to legal process, provided in this event Consultant shall endeavor to give reasonable advance notice to the Company of any such legal process involving his/her that may result in otherwise prohibited disclosure.
4. It is recognized that damages in the event of breach by the Consultant of this Article would be difficult, if not impossible, to ascertain. It is, therefore, agreed that the Company shall have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any breach, and the Consultant hereby waives any and all defenses specifically related to the ground of lack of jurisdiction or competence of the court to grant such injunction or other equitable relief. The existence of this right shall not preclude any other rights and remedies at law or in equity which the Company may have.
5. The Consultant also agrees to sign additional Mutual Non-Disclosure Agreements as may be required by the Company.

#### Article VIII: Construction, Enforceability and Severability

1. The descriptive headings of Articles, or of or in any exhibit, are inserted for convenience only and are not a part of this Agreement. Unless otherwise qualified, references in this Agreement to "Article" are to provisions of this Agreement and a reference thereto includes any subparts. As used herein, the singular includes the plural, the plural includes the singular, and words in one gender include the other, the terms "Party" and "Parties" are references to the Company and/or the Consultant as permitted or required by the context, "herein", "hereunder", "hereof" and similar references refer to the whole of this Agreement, "include", "including" and similar terms are not words of limitation, and any examples are not limiting. The failure of an incorporated Party to affix its corporate seal to this Agreement shall not impair the validity of the signature of that Party but shall, instead, be the adoption by that Party of the phrase "Corporate Seal" as the corporate seal of that Party for the purposes of this Agreement. In the event any date specified herein or determined hereunder shall be on a Saturday, Sunday or nationally declared holiday, then that date so specified or determined shall be deemed to be the next business day following such date and compliance by or on that day shall be deemed to be compliance with the terms of this Agreement.



2. If any provision or portion of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect. If any provision or portion of this Agreement is held invalid or unenforceable with respect to circumstances, it shall remain in full force and effect in all other circumstances.
3. The Company represents and warrants to the Consultant that, to the best of its knowledge, it has been duly authorized to execute, deliver and perform this Agreement and each related agreement, and that execution, delivery and performance hereof and thereof is not and will not be a breach or violation of any obligation or commitment, whether contractual or otherwise, to which the Company is subject or by which it is bound.

#### **Article IX: Arbitration**

Any controversy or claim arising out of or relating to this Agreement or the breach thereof, or the Consultant's engagement or the termination thereof, shall be settled by arbitration in North Carolina in accordance with rules outlined by the American Arbitration Association. The decision of the arbitrator shall be final and binding on the Parties, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be empowered to enter an equitable decree mandating specific enforcement of the terms of this Agreement. The Company and the Consultant shall share equally all fees and expenses of the arbitrator; provided, however, that the Company or the Consultant, as the case may be, shall bear all fees and expenses of the arbitrator and all of the legal fees and out-of-pocket expenses of the other Party if the arbitrator determines that the claim or position of the Company or the Consultant, as the case may be, was without reasonable foundation. The Consultant and the Company each hereby consent to personal jurisdiction of the state and federal courts located within the territorial limits of the above venue for any action or proceeding arising from or relating to this Agreement or relating to any arbitration in which the parties are participants, and waive all venue objections with respect to such arbitration, actions or proceedings.

#### **Article X: Notice**

Any notice, request, demand or other communication required to be given under the terms of this Agreement shall be in writing and shall be deemed to have been duly given if delivered to the addressee in person or mailed by certified mail, return receipt requested, to the Consultant at the last resident address he/she/they has(have) provided to the Company, or in the case of the Company, at its principal offices.

#### **Article XI: Benefit**

This Agreement shall inure to and shall be binding upon the Parties, the successors and assigns of the Company, and the heirs and personal representatives of the Consultant.

#### **Article XII: Waiver**

The waiver by either Party of any breach or violation of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

#### **Article XIII: Governing Law**

The law of the State of North Carolina shall govern the construction, enforcement and validity of this

Agreement as such laws shall apply to agreements negotiated, formed and executed within such state.

**Article XIV: Entire Agreement**

This Agreement constitutes or refers to the entire understanding of the Consultant and the Company with respect to the subject matter hereof and supersedes any and all prior understandings written or oral. This Agreement may not be changed, modified, or discharged orally, but only by an instrument in writing signed by the Parties.

**Article XV: Counterparts and Facsimile Signatures**

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Execution and delivery of this Agreement by exchange of facsimile copies bearing the facsimile signature of a Party shall constitute a valid and binding execution and delivery of this Agreement by such Party. Such facsimile copies shall constitute enforceable original documents.

**Signatures Page**

In Witness Whereof, the Parties have executed this Agreement and affixed their hands and seal the day and year first written above.

**Bannor Michael MacGregor** (the, "Consultant")

By: E-Signature on file 9/19/23  
Bannor Michael MacGregor, *Individually* date

**American Picture House Corporation** (the, "Company")

By: E-signature on file 9/19/23  
A. John Luessenhop date

(Exhibit A)

**Consultant Compensation Details:**

Compensation: Consultant will receive compensation (*at the sole discretion of the Company*) for exemplary performance and for significantly adding value to the Company. The Company makes no warranties and/or representations of guaranteed compensation to Consultant. However, if this Agreement is replaced with a full-time, employment agreement the Company shall pay Consultant a minimum of:

- Five thousand dollars per month (\$5,000.00 USD); and
- An amount of ownership in the Company to be mutually agreed to and to be further vested with terms acceptable to both parties (*e.g., over a two-year period, etc.*).

**LOAN AUTHORIZATION AND AGREEMENT (LA&A)*****A PROPERLY SIGNED DOCUMENT IS  
REQUIRED PRIOR TO ANY  
DISBURSEMENT*****CAREFULLY READ THE LA&A:**

This document describes the terms and conditions of your loan. It is your responsibility to comply with ALL the terms and conditions of your loan.

**SIGNING THE LA&A:**

All borrowers must sign the LA&A.

- Sign your name *exactly* as it appears on the LA&A. If typed incorrectly, you should sign with the correct spelling.
- If your middle initial appears on the signature line, sign with your middle initial.
- If a suffix appears on the signature line, such as Sr. or Jr., sign with your suffix.
- Corporate Signatories: Authorized representatives should sign the signature page.

*Your signature represents your agreement to comply  
with the terms and conditions of the loan.*

**U.S. Small Business Administration**

Economic Injury Disaster Loan

**LOAN AUTHORIZATION AND AGREEMENT**

Date: 02.26.2021 (Effective Date)

On the above date, this Administration (SBA) authorized (under Section 7(b) of the Small Business Act, as amended) a Loan (SBA Loan #4909478503) to American Picture House Corporation (Borrower) of 1 Marina Park Dr Ste 1410 Boston Massachusetts 02210 in the amount of one hundred and fifty thousand and 00/100 Dollars (\$150,000.00), upon the following conditions:

**PAYMENT**

- Installment payments, including principal and interest, of \$731.00 Monthly, will begin Twelve (12) months from the date of the promissory Note. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory Note.

**INTEREST**

- Interest will accrue at the rate of 3.75% per annum and will accrue only on funds actually advanced from the date(s) of each advance.

**PAYMENT TERMS**

- Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal.
- Each payment will be made when due even if at that time the full amount of the Loan has not yet been advanced or the authorized amount of the Loan has been reduced.

**COLLATERAL**

- For loan amounts of greater than \$25,000, Borrower hereby grants to SBA, the secured party hereunder, a continuing security interest in and to any and all "Collateral" as described herein to secure payment and performance of all debts, liabilities and obligations of Borrower to SBA hereunder without limitation, including but not limited to all interest, other fees and expenses (all hereinafter called "Obligations"). The Collateral includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. The security interest Borrower grants includes all accessions, attachments, accessories, parts, supplies and replacements for the Collateral, all products, proceeds and collections thereof and all records and data relating thereto.
- For loan amounts of \$25,000 or less, SBA is not taking a security interest in any collateral.

**REQUIREMENTS RELATIVE TO COLLATERAL**

- Borrower will not sell or transfer any collateral (except normal inventory turnover in the ordinary course of business) described in the "Collateral" paragraph hereof without the prior written consent of SBA.

#### USE OF LOAN PROCEEDS

- Borrower will use all the proceeds of this Loan solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 31, 2020 and continuing thereafter and to pay Uniform Commercial Code (UCC) lien filing fees and a third-party UCC handling charge of \$100 which will be deducted from the Loan amount stated above.

#### REQUIREMENTS FOR USE OF LOAN PROCEEDS AND RECEIPTS

- Borrower will obtain and itemize receipts (paid receipts, paid invoices or cancelled checks) and contracts for all Loan funds spent and retain these receipts for 3 years from the date of the final disbursement. Prior to each subsequent disbursement (if any) and whenever requested by SBA, Borrower will submit to SBA such itemization together with copies of the receipts.
- Borrower will not use, directly or indirectly, any portion of the proceeds of this Loan to relocate without the prior written permission of SBA. The law prohibits the use of any portion of the proceeds of this Loan for voluntary relocation from the business area in which the disaster occurred. To request SBA's prior written permission to relocate, Borrower will present to SBA the reasons therefore and a description or address of the relocation site. Determinations of (1) whether a relocation is voluntary or otherwise, and (2) whether any site other than the disaster-affected location is within the business area in which the disaster occurred, will be made solely by SBA.
- Borrower will, to the extent feasible, purchase only American-made equipment and products with the proceeds of this Loan.
- Borrower will make any request for a loan increase for additional disaster-related damages as soon as possible after the need for a loan increase is discovered. The SBA will not consider a request for a loan increase received more than **two (2)** years from the date of loan approval unless, in the sole discretion of the SBA, there are extraordinary and unforeseeable circumstances beyond the control of the borrower.

#### DEADLINE FOR RETURN OF LOAN CLOSING DOCUMENTS

- **Borrower will sign and return the loan closing documents to SBA within 2 months of the date of this Loan Authorization and Agreement.** By notifying the Borrower in writing, SBA may cancel this Loan if the Borrower fails to meet this requirement. The Borrower may submit and the SBA may, in its sole discretion, accept documents after 2 months of the date of this Loan Authorization and Agreement.

#### COMPENSATION FROM OTHER SOURCES

- Eligibility for this disaster Loan is limited to disaster losses that are not compensated by other sources. Other sources include but are not limited to: (1) proceeds of policies of insurance or other indemnifications, (2) grants or other reimbursement (including loans) from government agencies or private organizations, (3) claims for civil liability against other individuals, organizations or governmental entities, and (4) salvage (including any sale or re-use) of items of damaged property.

SBA Loan #4909478503

Application #3315916159

- Borrower will promptly notify SBA of the existence and status of any claim or application for such other compensation, and of the receipt of any such compensation, and Borrower will promptly submit the proceeds of same (not exceeding the outstanding balance of this Loan) to SBA.
- Borrower hereby assigns to SBA the proceeds of any such compensation from other sources and authorizes the payor of same to deliver said proceeds to SBA at such time and place as SBA shall designate.
- SBA will in its sole discretion determine whether any such compensation from other sources is a duplication of benefits. SBA will use the proceeds of any such duplication to reduce the outstanding balance of this Loan, and Borrower agrees that such proceeds will not be applied in lieu of scheduled payments.

#### DUTY TO MAINTAIN HAZARD INSURANCE

- Within 12 months from the date of this Loan Authorization and Agreement the Borrower will provide proof of an active and in effect hazard insurance policy including fire, lightning, and extended coverage on all items used to secure this loan to at least 80% of the insurable value. Borrower will not cancel such coverage and will maintain such coverage throughout the entire term of this Loan. **BORROWER MAY NOT BE ELIGIBLE FOR EITHER ANY FUTURE DISASTER ASSISTANCE OR SBA FINANCIAL ASSISTANCE IF THIS INSURANCE IS NOT MAINTAINED AS STIPULATED HEREIN THROUGHOUT THE ENTIRE TERM OF THIS LOAN.** Please submit proof of insurance to: U.S. Small Business Administration, Office of Disaster Assistance, 14925 Kingsport Rd, Fort Worth, TX. 76155.

#### BOOKS AND RECORDS

- Borrower will maintain current and proper books of account in a manner satisfactory to SBA for the most recent 5 years until 3 years after the date of maturity, including extensions, or the date this Loan is paid in full, whichever occurs first. Such books will include Borrower's financial and operating statements, insurance policies, tax returns and related filings, records of earnings distributed and dividends paid and records of compensation to officers, directors, holders of 10% or more of Borrower's capital stock, members, partners and proprietors.
- Borrower authorizes SBA to make or cause to be made, at Borrower's expense and in such a manner and at such times as SBA may require: (1) inspections and audits of any books, records and paper in the custody or control of Borrower or others relating to Borrower's financial or business conditions, including the making of copies thereof and extracts therefrom, and (2) inspections and appraisals of any of Borrower's assets.
- Borrower will furnish to SBA, not later than 3 months following the expiration of Borrower's fiscal year and in such form as SBA may require, Borrower's financial statements.
- Upon written request of SBA, Borrower will accompany such statements with an 'Accountant's Review Report' prepared by an independent public accountant at Borrower's expense.
- Borrower authorizes all Federal, State and municipal authorities to furnish reports of examination, records and other information relating to the conditions and affairs of Borrower and any desired information from such reports, returns, files, and records of such authorities upon request of SBA.

LIMITS ON DISTRIBUTION OF ASSETS

- Borrower will not, without the prior written consent of SBA, make any distribution of Borrower's assets, or give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, to any owner or partner or any of its employees, or to any company directly or indirectly controlling or affiliated with or controlled by Borrower, or any other company.

EQUAL OPPORTUNITY REQUIREMENT

- If Borrower has or intends to have employees, Borrower will post SBA Form 722, Equal Opportunity Poster (copy attached), in Borrower's place of business where it will be clearly visible to employees, applicants for employment, and the general public.

DISCLOSURE OF LOBBYING ACTIVITIES

- Borrower agrees to the attached Certification Regarding Lobbying Activities

BORROWER'S CERTIFICATIONS

Borrower certifies that:

- There has been no substantial adverse change in Borrower's financial condition (and organization, in case of a business borrower) since the date of the application for this Loan. (Adverse changes include, but are not limited to: judgment liens, tax liens, mechanic's liens, bankruptcy, financial reverses, arrest or conviction of felony, etc.)
- No fees have been paid, directly or indirectly, to any representative (attorney, accountant, etc.) for services provided or to be provided in connection with applying for or closing this Loan, other than those reported on SBA Form 5 Business Disaster Loan Application; SBA Form 3501 COVID-19 Economic Injury Disaster Loan Application; or SBA Form 159, 'Compensation Agreement'. All fees not approved by SBA are prohibited.
- All representations in the Borrower's Loan application (including all supplementary submissions) are true, correct and complete and are offered to induce SBA to make this Loan.
- No claim or application for any other compensation for disaster losses has been submitted to or requested of any source, and no such other compensation has been received, other than that which Borrower has fully disclosed to SBA.
- Neither the Borrower nor, if the Borrower is a business, any principal who owns at least 50% of the Borrower, is delinquent more than 60 days under the terms of any: (a) administrative order; (b) court order; or (c) repayment agreement that requires payment of child support.
- Borrower certifies that no fees have been paid, directly or indirectly, to any representative (attorney, accountant, etc.) for services provided or to be provided in connection with applying for or closing this Loan, other than those reported on the Loan Application. All fees not approved by SBA are prohibited. If an Applicant chooses to employ an Agent, the compensation an Agent charges to and that is paid by the Applicant must bear a necessary and reasonable relationship to the services actually performed and must be comparable to those charged by other Agents in the geographical area. Compensation cannot be contingent on loan approval. In addition, compensation must not include any expenses which are deemed by SBA to be unreasonable for services actually performed or expenses actually incurred. Compensation must not include charges prohibited in 13 CFR 103 or SOP 50-30, Appendix 1. **If the compensation exceeds \$500 for a disaster home loan or \$2,500 for a disaster business loan, Borrower must fill out the Compensation Agreement Form 159D which will be provided for Borrower upon request or can be found on the SBA website.**

Page 5 of 11

- Borrower certifies, to the best of its, his or her knowledge and belief, that the certifications and representations in the attached Certification Regarding Lobbying are true, correct and complete and are offered to induce SBA to make this Loan.

CIVIL AND CRIMINAL PENALTIES

- Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines, imprisonment or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

RESULT OF VIOLATION OF THIS LOAN AUTHORIZATION AND AGREEMENT

- If Borrower violates any of the terms or conditions of this Loan Authorization and Agreement, the Loan will be in default and SBA may declare all or any part of the indebtedness immediately due and payable. SBA's failure to exercise its rights under this paragraph will not constitute a waiver.
- A default (or any violation of any of the terms and conditions) of any SBA Loan(s) to Borrower and/or its affiliates will be considered a default of all such Loan(s).

DISBURSEMENT OF THE LOAN

- Disbursements will be made by and at the discretion of SBA Counsel, in accordance with this Loan Authorization and Agreement and the general requirements of SBA.
- Disbursements may be made in increments as needed.
- Other conditions may be imposed by SBA pursuant to general requirements of SBA.
- Disbursement may be withheld if, in SBA's sole discretion, there has been an adverse change in Borrower's financial condition or in any other material fact represented in the Loan application, or if Borrower fails to meet any of the terms or conditions of this Loan Authorization and Agreement.

- NO DISBURSEMENT WILL BE MADE LATER THAN 6 MONTHS FROM THE DATE OF THIS LOAN AUTHORIZATION AND AGREEMENT UNLESS SBA, IN ITS SOLE DISCRETION, EXTENDS THIS DISBURSEMENT PERIOD.

SBA Loan #4909478503

Application #3315916159

PARTIES AFFECTED

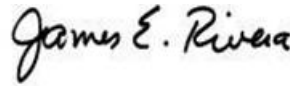
- This Loan Authorization and Agreement will be binding upon Borrower and Borrower's successors and assigns and will inure to the benefit of SBA and its successors and assigns.

RESOLUTION OF BOARD OF DIRECTORS

- Borrower shall, within 180 days of receiving any disbursement of this Loan, submit the appropriate SBA Certificate and/or Resolution to the U.S. Small Business Administration, Office of Disaster Assistance, 14925 Kingsport Rd, Fort Worth, TX. 76155.

ENFORCEABILITY

- This Loan Authorization and Agreement is legally binding, enforceable and approved upon Borrower's signature, the SBA's approval and the Loan Proceeds being issued to Borrower by a government issued check or by electronic debit of the Loan Proceeds to Borrower's banking account provided by Borrower in application for this Loan.



James E. Rivera  
Associate Administrator  
U.S. Small Business Administration

The undersigned agree(s) to be bound by the terms and conditions herein during the term of this Loan, and further agree(s) that no provision stated herein will be waived without prior written consent of SBA. **Under penalty of perjury of the United States of America, I hereby certify that I am authorized to apply for and obtain a disaster loan on behalf of Borrower, in connection with the effects of the COVID-19 emergency.**

**American Picture House Corporation**

DocuSigned by:  
  
A6281DD9C085408

Banner MacGregor, Owner/Officer

Date: 02.26.2021

**Note:** Corporate Borrowers must execute Loan Authorization and Agreement in corporate name, by a duly authorized officer. Partnership Borrowers must execute in firm name, together with signature of a general partner. Limited Liability entities must execute in the entity name by the signature of the authorized managing person.

SBA Loan #4909478503

Application #3315916159

**CERTIFICATION REGARDING LOBBYING**

For loans over \$150,000, Congress requires recipients to agree to the following:

1. Appropriated funds may NOT be used for lobbying.
2. Payment of non-federal funds for lobbying must be reported on Form SF-LLL.
3. Language of this certification must be incorporated into all contracts and subcontracts exceeding \$100,000.
4. All contractors and subcontractors with contracts exceeding \$100,000 are required to certify and disclose accordingly.

SBA Loan #4909478503

Application #3315916159

**CERTIFICATION REGARDING  
LOBBYING**

*Certification for Contracts, Grants, Loans, and Cooperative  
Agreements*

Borrower and all Guarantors (if any) certify, to the best of its, his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal loan, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and co-operative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

SBA Loan #4909478503

Application #3315916159



This Statement of Policy is Posted In Accordance with Regulations of the

**Small Business Administration**

This Organization Practices

Equal Employment Opportunity

**We do not discriminate on the ground of race, color, religion, sex, age, disability or national origin in the hiring, retention, or promotion of employees; nor in determining their rank, or the compensation or fringe benefits paid them.**

This Organization Practices

Equal Treatment of Clients

**We do not discriminate on the basis of race, color, religion, sex, marital status, disability, age or national origin in services or accommodations offered or provided to our employees, clients or guests.**

**These policies and this notice comply with regulations of the United States Government.**

**Please report violations of this policy to:**

**Administrator  
Small Business Administration  
Washington, D.C. 20416**

In order for the public and your employees to know their rights under 13 C.F.R Parts 112, 113, and 117, Small Business Administration Regulations, and to conform with the directions of the Administrator of SBA, this poster must be displayed where it is clearly visible to employees, applicants for employment, and the public.

Failure to display the poster as required in accordance with SBA Regulations may be considered evidence of noncompliance and subject you to the penalties contained in those Regulations.

SBA FORM 722 (10-02) REF: SOP 9030

PREVIOUS EDITIONS ARE OBSOLETE

**U.S. GOVERNMENT PRINTING OFFICE: 1994 0-153-346**

This form was electronically produced by Elite Federal Inc.



SBA Loan #4909478503

Application #3315916159



**Esta Declaración De Principios Se Publica**

**De Acuerdo Con Los Reglamentos De La**

**Agencia Federal Para el Desarrollo de la Pequeña Empresa**

**Esta Organización Practica**



Igual Oportunidad De Empleo

No discriminamos por razón de raza, color, religión, sexo, edad, discapacidad o nacionalidad en el empleo, retención o ascenso de personal ni en la determinación de sus posiciones, salarios o beneficios marginales.

Esta Organización Practica

Igualdad En El Trato A Su Clientela

No discriminamos por razón de raza, color, religión, sexo, estado civil, edad, discapacidad o nacionalidad en los servicios o facilidades provistos para nuestros empleados, clientes o visitantes.

Estos principios y este aviso cumplen con los reglamentos del Gobierno de los Estados Unidos de América.

Favor de informar violaciones a lo aquí indicado a:

Administrador
Agencia Federal Para el Desarrollo de la
Pequeña Empresa
Washington, D.C. 20416

A fin de que el público y sus empleados conozcan sus derechos según lo expresado en las Secciones 112, 113 y 117 del Código de Regulaciones Federales No. 13, de los Reglamentos de la Agencia Federal Para el Desarrollo de la Pequeña Empresa y de acuerdo con las instrucciones del Administrador de dicha agencia, esta notificación debe fijarse en un lugar claramente visible para los empleados, solicitantes de empleo y público en general.

SBA FORM 722 (10-02) REF: SOP 9030

PREVIOUS EDITIONS ARE OBSOLETE

U.S. GOVERNMENT PRINTING OFFICE: 1994 0-153-346

This form was electronically produced by Elite Federal Inc.



SBA Loan #4909478503

Application #3315916159

NOTE

A PROPERLY SIGNED NOTE IS REQUIRED PRIOR TO ANY DISBURSEMENT

CAREFULLY READ THE NOTE: It is your promise to repay the loan.

- The Note is pre-dated. DO NOT CHANGE THE DATE OF THE NOTE.
LOAN PAYMENTS will be due as stated in the Note.
ANY CORRECTIONS OR UNAUTHORIZED MARKS MAY VOID THIS DOCUMENT.

SIGNING THE NOTE: All borrowers must sign the Note.

- Sign your name exactly as it appears on the Note. If typed incorrectly, you should sign with the correct spelling.
If your middle initial appears on the signature line, sign with your middle initial.
If a suffix appears on the signature line, such as Sr. or Jr., sign with your suffix.
Corporate Signatories: Authorized representatives should sign the signature page.

SBA Loan #4909478503

Application #3315916159



U.S. Small Business Administration

Date: 02.26.2021

Note
(SECURED DISASTER LOANS)

Loan Amount: \$150,000.00

Annual Interest Rate: 3.75%

- PROMISE TO PAY: In return for a loan, Borrower promises to pay to the order of SBA the amount of one hundred and fifty thousand and 00/100 Dollars (\$150,000.00), interest on the unpaid principal balance, and all other amounts required by this Note.
DEFINITIONS: A) "Collateral" means any property taken as security for payment of this Note or any guarantee of this Note. B) "Guarantor" means each person or entity that signs a guarantee of payment of this Note. C) "Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.
PAYMENT TERMS: Borrower must make all payments at the place SBA designates. Borrower may prepay this Note in part or in full at any time, without notice or penalty. Borrower must pay principal and interest payments of \$731.00 every month beginning Twelve (12) months from the date of the Note. SBA will apply each installment payment first to pay interest accrued to the day SBA receives the payment and will then apply any remaining balance to reduce principal. All remaining principal and accrued interest is due and payable Thirty (30) years from the date of the Note.

4. **DEFAULT:** Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower: **A)** Fails to comply with any provision of this Note, the Loan Authorization and Agreement, or other Loan Documents; **B)** Defaults on any other SBA loan; **C)** Sells or otherwise transfers, or does not preserve or account to SBA's satisfaction for, any of the Collateral or its proceeds; **D)** Does not disclose, or anyone acting on their behalf does not disclose, any material fact to SBA; **E)** Makes, or anyone acting on their behalf makes, a materially false or misleading representation to SBA; **F)** Defaults on any loan or agreement with another creditor, if SBA believes the default may materially affect Borrower's ability to pay this Note; **G)** Fails to pay any taxes when due; **H)** Becomes the subject of a proceeding under any bankruptcy or insolvency law; **I)** Has a receiver or liquidator appointed for any part of their business or property; **J)** Makes an assignment for the benefit of creditors; **K)** Has any adverse change in financial condition or business operation that SBA believes may materially affect Borrower's ability to pay this Note; **L)** Dies; **M)** Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without SBA's prior written consent; or **N)** Becomes the subject of a civil or criminal action that SBA believes may materially affect Borrower's ability to pay this Note.
5. **SBA'S RIGHTS IF THERE IS A DEFAULT:** Without notice or demand and without giving up any of its rights, SBA may: **A)** Require immediate payment of all amounts owing under this Note; **B)** Have recourse to collect all amounts owing from any Borrower or Guarantor (if any); **C)** File suit and obtain judgment; **D)** Take possession of any Collateral; or **E)** Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.
6. **SBA'S GENERAL POWERS:** Without notice and without Borrower's consent, SBA may: **A)** Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses; **B)** Collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If SBA incurs such expenses, it may demand immediate reimbursement from Borrower or add the expenses to the principal balance; **C)** Release anyone obligated to pay this Note; **D)** Compromise, release, renew, extend or substitute any of the Collateral; and **E)** Take any action necessary to protect the Collateral or collect amounts owing on this Note.


Page 2 of 3

SBA Loan #4909478503

Application #3315916159

7. **FEDERAL LAW APPLIES:** When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.
8. **GENERAL PROVISIONS:** **A)** All individuals and entities signing this Note are jointly and severally liable. **B)** Borrower waives all suretyship defenses. **C)** Borrower must sign all documents required at any time to comply with the Loan Documents and to enable SBA to acquire, perfect, or maintain SBA's liens on Collateral. **D)** SBA may exercise any of its rights separately or together, as many times and in any order it chooses. SBA may delay or forgo enforcing any of its rights without giving up any of them. **E)** Borrower may not use an oral statement of SBA to contradict or alter the written terms of this Note. **F)** If any part of this Note is unenforceable, all other parts remain in effect. **G)** To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that SBA did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale. **H)** SBA may sell or otherwise transfer this Note.
9. **MISUSE OF LOAN FUNDS:** Anyone who wrongfully misapplies any proceeds of the loan will be civilly liable to SBA for one and one-half times the proceeds disbursed, in addition to other remedies allowed by law.
10. **BORROWER'S NAME(S) AND SIGNATURE(S):** By signing below, each individual or entity acknowledges and accepts personal obligation and full liability under the Note as Borrower.

American Picture House Corporation

DocuSigned by:  
  
 A6281DD9C085408  
 Bannor MacGregor, Owner/Officer

Page 3 of 3

SBA Loan #4909478503

Application #3315916159

**SECURITY AGREEMENT**

Read this document carefully. It grants the SBA a security interest (lien) in all the property described in paragraph 4.

This document is predated. DO NOT CHANGE THE DATE ON THIS DOCUMENT.

SBA Loan #4909478503

Application #3315916159



U.S. Small Business Administration  
 SECURITY AGREEMENT

SBA Loan #: 4909478503  
 Borrower: American Picture House Corporation  
 Secured Party: **The Small Business Administration, an Agency of the U.S. Government**

Date: 02.26.2021  
Note Amount: \$150,000.00

**1. DEFINITIONS.**

Unless otherwise specified, all terms used in this Agreement will have the meanings ascribed to them under the Official Text of the Uniform Commercial Code, as it may be amended from time to time, ("UCC"). "SBA" means the Small Business Administration, an Agency of the U.S. Government.

**2. GRANT OF SECURITY INTEREST.**

For value received, the Borrower grants to the Secured Party a security interest in the property described below in paragraph 4 (the "Collateral").

**3. OBLIGATIONS SECURED.**

This Agreement secures the payment and performance of: (a) all obligations under a Note dated 02.26.2021, made by American Picture House Corporation, made payable to Secured Lender, in the amount of \$150,000.00 ("Note"), including all costs and expenses (including reasonable attorney's fees), incurred by Secured Party in the disbursement, administration and collection of the loan evidenced by the Note; (b) all costs and expenses (including reasonable attorney's fees), incurred by Secured Party in the protection, maintenance and enforcement of the security interest hereby granted; (c) all obligations of the Borrower in any other agreement relating to the Note; and (d) any modifications, renewals, refinancings, or extensions of the foregoing obligations.

**4. COLLATERAL DESCRIPTION.**

The Collateral in which this security interest is granted includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. The security interest Borrower grants includes all accessions, attachments, accessories, parts, supplies and replacements for the Collateral, all products, proceeds and collections thereof and all records and data relating thereto.

SBA Loan #4909478503

Application #3315916159

**5. RESTRICTIONS ON COLLATERAL TRANSFER.**

Borrower will not sell, lease, license or otherwise transfer (including by granting security interests, liens, or other encumbrances in) all or any part of the Collateral or Borrower's interest in the Collateral without Secured Party's written or electronically communicated approval, except that Borrower may sell inventory in the ordinary course of business on customary terms. Borrower may collect and use amounts due on accounts and other rights to payment arising or created in the ordinary course of business, until notified otherwise by Secured Party in writing or by electronic communication.

**6. MAINTENANCE AND LOCATION OF COLLATERAL; INSPECTION; INSURANCE.**

Borrower must promptly notify Secured Party by written or electronic communication of any change in location of the Collateral, specifying the new location. Borrower hereby grants to Secured Party the right to inspect the Collateral at all reasonable times and upon reasonable notice. Borrower must: (a) maintain the Collateral in good condition; (b) pay promptly all taxes, judgments, or charges of any kind levied or assessed thereon; (c) keep current all rent or mortgage payments due, if any, on premises where the Collateral is located; and (d) maintain hazard insurance on the Collateral, with an insurance company and in an amount approved by Secured Party (but in no event less than the replacement cost of that Collateral), and including such terms as Secured Party may require including a Lender's Loss Payable Clause in favor of Secured Party. Borrower hereby assigns to Secured Party any proceeds of such policies and all unearned premiums thereon and authorizes and empowers Secured Party to collect such sums and to execute and endorse in Borrower's name all proofs of loss, drafts, checks and any other documents necessary for Secured Party to obtain such payments.

**7. CHANGES TO BORROWER'S LEGAL STRUCTURE, PLACE OF BUSINESS, JURISDICTION OF ORGANIZATION, OR NAME.**

Borrower must notify Secured Party by written or electronic communication not less than 30 days before taking any of the following actions: (a) changing or reorganizing the type of organization or form under which it does business; (b) moving, changing its place of business or adding a place of business; (c) changing its jurisdiction of organization; or (d) changing its name. Borrower will pay for the preparation and filing of all documents Secured Party deems necessary to maintain, perfect and continue the perfection of Secured Party's security interest in the event of any such change.

**8. PERFECTION OF SECURITY INTEREST.**

Borrower consents, without further notice, to Secured Party's filing or recording of any documents necessary to perfect, continue, amend or terminate its security interest. Upon request of Secured Party, Borrower must sign or otherwise authenticate all documents that Secured Party deems necessary at any time to allow Secured Party to acquire, perfect, continue or amend its security interest in the Collateral. Borrower will pay the filing and recording costs of any documents relating to Secured Party's security interest. Borrower ratifies all previous filings and recordings, including financing statements and notations on certificates of title. Borrower will cooperate with Secured Party in obtaining a Control Agreement satisfactory to Secured Party with respect to any Deposit Accounts or Investment Property, or in otherwise obtaining control or possession of that or any other Collateral.

SBA Loan #4909478503

Application #3315916159

**9. DEFAULT.**

Borrower is in default under this Agreement if: (a) Borrower fails to pay, perform or otherwise comply with any provision of this Agreement; (b) Borrower makes any materially false representation, warranty or certification in, or in connection with, this Agreement, the Note, or any other agreement related to the Note or this Agreement; (c) another secured party or judgment creditor exercises its rights against the Collateral; or (d) an event defined as a "default" under the Obligations occurs. In the event of default and if Secured Party requests, Borrower must assemble and make available all Collateral at a place and time designated by Secured Party. Upon default and at any time thereafter, Secured Party may declare all Obligations secured hereby immediately due and payable, and, in its sole discretion, may proceed to enforce payment of same and exercise any of the rights and remedies available to a secured party by law including those available to it under Article 9 of the UCC that is

in effect in the jurisdiction where Borrower or the Collateral is located. Unless otherwise required under applicable law, Secured Party has no obligation to clean or otherwise prepare the Collateral for sale or other disposition and Borrower waives any right it may have to require Secured Party to enforce the security interest or payment or performance of the Obligations against any other person.

10. **FEDERAL RIGHTS.**

When SBA is the holder of the Note, this Agreement will be construed and enforced under federal law, including SBA regulations. Secured Party or SBA may use state or local procedures for filing papers, recording documents, giving notice, enforcing security interests or liens, and for any other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax or liability. As to this Agreement, Borrower may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

11. **GOVERNING LAW.**

Unless SBA is the holder of the Note, in which case federal law will govern, Borrower and Secured Party agree that this Agreement will be governed by the laws of the jurisdiction where the Borrower is located, including the UCC as in effect in such jurisdiction and without reference to its conflicts of laws principles.

12. **SECURED PARTY RIGHTS.**

All rights conferred in this Agreement on Secured Party are in addition to those granted to it by law, and all rights are cumulative and may be exercised simultaneously. Failure of Secured Party to enforce any rights or remedies will not constitute an estoppel or waiver of Secured Party's ability to exercise such rights or remedies. Unless otherwise required under applicable law, Secured Party is not liable for any loss or damage to Collateral in its possession or under its control, nor will such loss or damage reduce or discharge the Obligations that are due, even if Secured Party's actions or inactions caused or in any way contributed to such loss or damage.

13. **SEVERABILITY.**

If any provision of this Agreement is unenforceable, all other provisions remain in effect.

Page 4 of 5

---

SBA Loan #4909478503

Application #3315916159

14. **BORROWER CERTIFICATIONS.**

Borrower certifies that: (a) its Name (or Names) as stated above is correct; (b) all Collateral is owned or titled in the Borrower's name and not in the name of any other organization or individual; (c) Borrower has the legal authority to grant the security interest in the Collateral; (d) Borrower's ownership in or title to the Collateral is free of all adverse claims, liens, or security interests (unless expressly permitted by Secured Party); (e) none of the Obligations are or will be primarily for personal, family or household purposes; (f) none of the Collateral is or will be used, or has been or will be bought primarily for personal, family or household purposes; (g) Borrower has read and understands the meaning and effect of all terms of this Agreement.

15. **BORROWER NAME(S) AND SIGNATURE(S).**

By signing or otherwise authenticating below, each individual and each organization becomes jointly and severally obligated as a Borrower under this Agreement.

**American Picture House Corporation**

DocuSigned by:  
*Bannor MacGregor*  
A6281DD9C085408

Date: 02.26.2021

Bannor MacGregor, Owner/Officer

Page 5 of 5

---

**American Express® Business Line of Credit Loan Agreement and Personal Guarantee**

**Borrower Information**

Account Number: 360311  
 Borrower: AMERICAN PICTURE HOUSE CORPORA  
 Borrower Address: 555 Madison Ave # 5FL, New York, NY 10022  
 Business Representative/Guarantor: BANNOR MACGREGOR  
 Marketplaces: AmexCreditCard, Bank of America \*8280, Bank of America \*2818  
 Financial Transaction Channels: ACH Account: Bank of America \*8280, ACH Account: Bank of America \*2818

**Lender:**

American Express National Bank

**Fees**

Late Fee: Up to \$100 per month



Capital Comparison Tool

*This tool is provided to help you understand and assess the cost of your small business financing.*

The calculations below involve certain key assumptions about this Loan, including that the Loan is paid off in its entirety according to the agreed payment schedule and that no repayments are missed.

Loan Amount	Disbursement Amount	Repayment Amount	Term
<b>\$115,000.00</b>	(minus fees withheld) <sup>1</sup> <b>\$115,000.00</b>	<b>\$120,175.00</b>	(repaid monthly) <b>6 Months</b>
METRIC	METRIC CALCULATION		METRIC EXPLANATION
<b>Total Cost of Capital</b> \$5,175.00	Interest Expense: Loan Fee: Origination Fee: Other Fees: <b>Total Cost of Capital:</b>	<b>\$0.00</b> <b>\$5,175.00</b> <b>\$0.00</b> <b>\$0.00</b> <b>\$5,175.00</b>	This is the total amount that you will pay in interest or Loan Fees and other fees for the Loan.  The amount does not include fees and other charges you can avoid, such as late payment fees. <sup>2</sup>
<b>Annual Percentage Rate (APR)<sup>3</sup></b> 13.34%	Your Loan will have monthly payments of:	<b>See Specific Monthly Schedule below</b>  APR: <b>13.34%</b>	This is the cost of the Loan - including total interest or Loan Fees and other fees - expressed as a yearly rate. APR takes into account the amount and timing of capital you receive, fees you pay, and the periodic payments you make.  While APR can be used for comparison purposes, it is not an interest rate and is not used to calculate your interest expense or Loan Fee.

<p><b>Average Monthly Payment</b></p> <p>\$20,029.17</p>	<p>Repayment Amount: <b>\$120,175.00</b>  Term (in months): <b>÷6 Months</b>  <b>Average Monthly Payment:</b> <b>\$20,029.17</b></p> <p>Specific Monthly Schedule (if available):  Month 1: <b>\$20,604.17</b>  Month 2: <b>\$20,604.17</b>  Month 3: <b>\$19,741.67</b>  Month 4: <b>\$19,741.67</b>  Month 5: <b>\$19,741.67</b>  Month 6: <b>\$19,741.65</b></p>	<p>This is the average monthly repayment amount of the Loan, which does not include fees and other charges you can avoid, such as late payment fees.<sup>2</sup> This is an estimate for comparison purposes only.</p>
<p><b>Cents on the Dollar (excluding fees)</b></p> <p>4.50¢</p>	<p>Interest Expense or Loan Fee: <b>\$5,175.00</b>  Loan Amount: <b>÷\$115,000.00</b></p> <p><b>Cents on the Dollar (excluding fees):</b> 4.50¢</p>	<p>This is the total amount of interest or Loan Fee paid per dollar borrowed. This amount is exclusive of fees.</p>
<p><b>Prepayment</b></p>	<p>Does prepayment of this Loan result in any new fees or charges?</p>	<p><b>No</b> (see Section 7)</p>
	<p>Does prepayment of this Loan decrease the total interest or Loan Fees owed?</p>	<p><b>Yes</b></p>
<p><sup>1</sup>The Disbursement Amount is the amount of capital that a business receives and may be different from the Loan Amount. The Disbursement Amount is net of fees withheld from the Loan Amount. A portion of the Disbursement Amount may be used to pay off any amounts owed from a prior loan or an amount owed to a third party.</p> <p><sup>2</sup>Your business may incur other fees that are not a condition of borrowing, such as late payment fees, returned payment fees, or monthly maintenance fees. Those fees are not reflected here. See the agreement for details on these fees (see Section 12).</p> <p><sup>3</sup>APR should be considered in conjunction with the Total Cost of Capital. APR may be most useful when comparing financing solutions of similar expected duration. APR is calculated here according to the principles of 12 C.F.R. § 1026 (Regulation Z), using twelve (12) payment periods per year.</p> <p>© 2016 Innovative Lending Platform Association. All rights reserved. Innovative Lending Platform Association is not responsible for any misuse of the SMART Box™ or any inaccuracies in the calculations or information included therein.</p>		

This American Express Business Line of Credit Loan Agreement and Personal Guarantee ("Loan Agreement") is made in connection with your loan, issued by American Express National Bank. "We", "us", "our", and "American Express" mean American Express National Bank. "You" or "your" mean the business (the "Borrower") to which we issue the loan and, "Business Representative" means the individual person who submitted the loan application on behalf of the Borrower and provides a Personal Guarantee.

<b>Table of Contents</b>	
1. Your American Express Business Line of Credit Loan	17. Credit Reports and Reporting to Credit Reporting Agencies
2. Loan Purpose	18. Usury Savings Clause
3. Business Representative's Guarantee of Borrower's Contractual Covenants and Payment Obligations	19. Privacy, PATRIOT ACT
4. Conditions and Acceptance of Loan Agreement	20. Electronic Signatures
5. Your Promise to Pay	21. Sending Notices, Disclosures and Communications
6. Term	22. No Warranties
7. Cost and Prepayment	23. Indemnification, Limitation of Liability
8. Minimum Monthly Payments	24. Severability
9. Total Minimum Monthly Payments	25. Assignment
10. Payments	26. No Waiver
11. How We Apply Your Payments	27. Governing Law
12. Fees	28. Claims Resolution
13. Linked Accounts	29. Entire Agreement
14. Events of Default, Remedies	30. Construction
15. Representations, Warranties and Covenants	31. State Disclosures
16. Security Interest, Financing Statements	32. Confidentiality, Press Releases

## **1. Your American Express Business Line of Credit Loan**

This American Express Business Line of Credit Loan (the "Loan") is an individual installment loan. The loan in the amount you requested in your loan application ("Loan Disbursement") will reduce your available line of credit by the Loan Disbursement, at a minimum. Every time you draw from your line of credit a separate installment loan is issued by us to you and a separate loan agreement will apply. This Loan and any outstanding loans at the time of execution of this Loan Agreement are together referred to as "Loans".

The American Express Business Line of Credit is the total amount of funding available to the Borrower upon qualification. This is also the maximum amount you can borrow at any one time. The line of credit is subject to periodic review and change and may also be subject to elimination.

We rely solely on the accuracy, authenticity and completeness of any account or other information you and the Business Representative provide to us to make a Loan Disbursement. You and the Business Representative represent and warrant that all account information or other related information provided by you, and in accordance with which we make a Loan Disbursement, is true, accurate and correct and shall remain true, accurate and correct for the duration of this Loan Agreement. You and the Business Representative agree to hold us harmless to the extent a Loan Disbursement is made in reliance upon information you and the Business Representative provide to us.

You authorize us to send a disbursement in the amount of your Loan Disbursement (or, if necessary, to electronically debit your bank account to correct errors) via automated clearing house in one-to-three business days to a Bank Account, as defined herein, designated on your established American Express Business Line of Credit Loan online account. You and the Business Representative represent and warrant that (1) the Bank Account that receives the Loan Disbursement is used for business purposes and (2) you and the Business Representative are authorized to make deposits into such account.

An American Express Business Line of Credit loan is not a card product, and so, unlike American Express Credit and Charge Cards, you and the Business Representative will not receive any card benefits, rewards programs or insurance with your Loan.

## **2. Loan Purpose.**

YOU AND THE BUSINESS REPRESENTATIVE REPRESENT AND WARRANT THAT THE LOAN WILL BE USED **SOLELY FOR BUSINESS PURPOSES** (AND AS INDICATED IN YOUR APPLICATION, IF APPLICABLE) AND NOT FOR CONSUMER, PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. YOU AND THE BUSINESS REPRESENTATIVE REPRESENT AND WARRANT THAT YOU WILL NOT USE THE LOAN TO FUND DIVIDENDS OR DISTRIBUTIONS TO YOUR SHAREHOLDERS, PARTNERS, MEMBERS OR OTHER OWNERS OF AN EQUITY INTEREST IN YOUR BUSINESS. THIS LOAN IS NOT A "CONSUMER TRANSACTION" AS DEFINED IN THE UNIFORM COMMERCIAL CODE. This loan may not be used to satisfy any outstanding debt or obligation to us or any of our affiliates. You agree not to repay us from any consumer account and understand that certain important duties imposed upon transactions and communications for consumer purposes, and certain important rights conferred upon consumers, pursuant to federal or state law, will not apply to any aspect of this loan.



Borrower and Business Representative also understand, acknowledge, and agree that we may be unable to confirm whether, for example, any particular use of any amount loaned or any particular payment conforms to this section. Borrower and Business Representative understand, acknowledge, and agree that a breach by Borrower of the provisions of this section will not affect our right to (i) enforce this Loan Agreement, regardless of the purpose for which any amount loaned is in fact used, or (ii) use any remedy legally available to us in a commercial transaction, even if that remedy would not have been available had any amount loaned been disbursed for consumer purposes or payment delivered from a consumer account.

### **3. Business Representative's Guarantee of Borrower's Contractual Covenants and Payment Obligations**

You, as the Business Representative, understand and agree that you are entering into this Loan Agreement on behalf of the Borrower and you are executing a Personal Guarantee (the "Personal Guarantee"), in your individual capacity. Business Representative personally and unconditionally guarantees the performance of all of the covenants of Borrower in this Loan Agreement including, but not limited to, the Borrower Contractual Covenants herein and Borrower's payment obligations herein. Specifically, Business Representative guarantees payment of all amounts owed by Borrower and that such payments will be made strictly in accordance with the terms of any and all Loans of Borrower. Business Representative's guarantee of payment hereunder is independent of the Borrower's obligation of payment and a separate claim may be brought against the Business Representative to enforce this Loan Agreement, whether or not any claim is made against Borrower. The liability of Business Representative hereunder is primary, direct, irrevocable, continuing, absolute and unconditional. The Business Representative waives any right to require us to proceed first against the Borrower before recovering damages from the Business Representative. The Business Representative hereby expressly waives and surrenders any defenses to Business Representative's liability hereunder, it being the purpose and intent of the parties hereto that the obligations of the Business Representative hereunder are absolute and unconditional and without right of set off or deduction.

If one or more of the terms of this Personal Guarantee or its application shall be held to be invalid, illegal, or unenforceable, such terms shall nevertheless remain valid, legal, and enforceable in all such other respects and shall not affect any other provision hereof, but instead, this Personal Guarantee shall be construed as if such invalid, illegal, or unenforceable term had never been contained herein.

### **4. Conditions and Acceptance of Loan Agreement**

The American Express Business Line of Credit is a digital product. To agree to this Loan Agreement the Borrower and Business Representative must each provide their electronic signature below. The Business Representative represents and warrants that the Business Representative is 18 years or older.

The Business Representative represents and warrants that Business Representative is a resident of the United States or the United States territories, as applicable, and has provided and will maintain both a physical business and physical residential address in the United States or the United States territories, as applicable. Business Representative also represents and warrants that all beneficial owners of the Borrower are also residents of the United States or United State territories, as applicable, and have provided and will maintain a physical residential address in the United States or the United States territories, as applicable.

This Loan Agreement in its entirety, and all obligations on the part of American Express contained herein, are subject to and conditioned upon your and the Business Representative's representations, warranties and covenants being true, accurate, and correct in all material respects as of the date of this Loan Agreement and for the duration of this Loan Agreement. You authorize American Express and its affiliates to conduct such due diligence, inquiries, or investigations as we deem necessary to verify the accuracy of your representations, warranties and covenants, including those concerning your identity, bank accounts, and/or financial information. We will not make any Loan Disbursements under this Loan Agreement until we have verified, to our satisfaction, the accuracy of this information. In the event that we are unable to verify the accuracy of your representations and warranties, to our sole and complete satisfaction, we shall notify you that a condition of this Loan Agreement has not been satisfied. **If any condition of this Loan Agreement is not satisfied prior to us making any Loan Disbursements under this Loan Agreement, then this Loan Agreement, in its entirety, shall be deemed void, unenforceable, and of no effect, as if there was no agreement. If a condition of this Loan Agreement is not satisfied after we have made a Loan Disbursement under this Loan Agreement, then our obligations shall terminate, but your obligations under this Loan Agreement will continue in full force and effect, with respect to the Loan Disbursement that we made to you under this Loan Agreement.**

### **5. Your Promise to Pay**

You promise to pay the Disbursement Amount shown above, plus Costs (as defined below), plus all other amounts that may become due under this Loan Agreement. The Total Minimum Monthly Payment and Payment Due Date (as such terms are defined below) are shown on each monthly statement that we send you. You must pay each Total Minimum Monthly Payment by the Payment Due Date even if you do not receive a monthly statement. You may not apply any credits you have on any American Express account or on any account you have with any American Express affiliate to your loan balance.

You waive, to the extent permitted by applicable law: (a) protest, demand and presentment; (b) notice of dishonor, protest or suit; (c) all other notices or requirements necessary to hold you liable under this Loan Agreement; and (d) all rights of exemption under the constitution or laws of any state as to real or personal property. YOU AGREE THAT YOUR OBLIGATIONS

---



UNDER THIS LOAN AGREEMENT ARE ABSOLUTE AND UNCONDITIONAL, AND WILL CONTINUE IN FULL FORCE AND EFFECT REGARDLESS OF ANY CIRCUMSTANCE, AND THAT SUCH OBLIGATIONS SHALL NOT BE AFFECTED BY ANY COUNTERCLAIM, SET-OFF, RECOUPMENT, OFFSET, DEFENSE OR OTHER ALLEGED RIGHT AGAINST US.

## 6. Term

The term of this loan is the term shown in the SMART Box on page 1 of this Loan Agreement (the "Term").

## 7. Cost and Prepayment

We will impose a fee ("Cost") on each Anniversary Date (defined below) that any portion of Loan proceeds remains outstanding until maturity. The portion of Loan proceeds deemed to be outstanding is the total amount of Loan Disbursements made to you that have not yet been repaid.

If the outstanding balance of your loan is paid on or before the Anniversary Date, then, you will not be required to pay Costs for subsequent months on such loan. The Anniversary Date is the date of the month on which you take the loan and occurs monthly thereafter on the same date. However, if your Anniversary Date occurs on a date which does not repeat every month (e.g., the 31st), your Anniversary Date for that month will be the last day of that month. You may repay your loan in full without penalty. However, if you have multiple Loans, Loans must be repaid in the order of the oldest loan first, then the second oldest loan, and so on.

<b>If you repay your Loan in full on or before:</b>	<b>Your anticipated (total) Cost will be:</b>
Second Monthly Anniversary Date	\$1,437.50
Third Monthly Anniversary Date	\$2,875.00
Fourth Monthly Anniversary Date	\$3,450.00
Fifth Monthly Anniversary Date	\$4,025.00
Sixth Monthly Anniversary Date	\$4,600.00

## 8. Minimum Monthly Payments

You agree to make minimum monthly payments (each a "Minimum Monthly Payment") in the amounts specified below on each scheduled monthly payment due date ("Payment Due Date") as shown on your monthly statement(s). The Minimum Monthly Payment for this loan will be:

<b>Payment Due Date</b>	<b>Scheduled Minimum Monthly Payment:</b>	<b>Monthly Cost %</b>
First Payment Due Date	\$20,604.17*	1.25%
Second Payment Due Date	\$20,604.17*	1.25%
Third Payment Due Date	\$19,741.67*	0.50%
Fourth Payment Due Date	\$19,741.67*	0.50%
Fifth Payment Due Date	\$19,741.67*	0.50%
Sixth Payment Due Date	\$19,741.65*	0.50%

\*Or all amounts due under this Loan Agreement if less than the amount shown

Based on your cycle date, your first Payment Due Date may be as short as 21 days from disbursement or as long as 51 days from disbursement. See your American Express Business Line of Credit Loan online account or your monthly statement for your exact Payment Due Dates. You may at any time pay more than the Minimum Monthly Payment without penalty. Any amounts paid above the Minimum Monthly Payment will be applied as detailed in Section 11 *How We Apply Your Payments*. Any amounts due under this Loan Agreement and remaining unpaid on the final scheduled Payment Due Date are due on that date.

## 9. Total Minimum Monthly Payments

At least 10 calendar days in advance of each Payment Due Date, we will send you a monthly statement which, in addition to the Minimum Monthly Payment due for this Loan, will include the amounts due for all other unpaid Loan(s) between you and us ("Total Minimum Monthly Payment"). The Total Minimum Monthly Payment due is calculated by adding: (i) the total of the current Minimum Monthly Payment(s) due for each Loan(s), plus (ii) any previous Minimum Monthly Payment(s) remaining unpaid, in whole or in part, for each Loan(s), plus (iii) any billed but unpaid Fees. You may receive more than one monthly statement from us. You are responsible for paying the Total Minimum Monthly Payment on each monthly statement when due.

## 10. Payments

- i. **Automatic Payment Authorization.** You authorize us to initiate, on each Payment Due Date, an automatic electronic debit from your business account, the details of which you have provided to us (your "Business Payment Account") in the amount of the Total Minimum Monthly Payment; provided, however, that if a Payment Due Date falls on a Saturday, Sunday or holiday, then the debit may be initiated on the next business day. If our attempt to debit the Business Payment Account in respect of a Total Minimum Monthly Payment is totally or partially unsuccessful, you authorize us to initiate, on or after the relevant Payment Due Date, one or more automatic electronic debits from your Business Payment Account and one or more additional designated business accounts, the details of which you have provided to us (each such additional account, a "Bank Account"), in an aggregate amount not to exceed the Total Minimum Monthly Payment. Such additional debits may be made against the Business Payment Account and individual Bank Accounts in

- any order and amount (but not to exceed in aggregate the amount of the Total Minimum Monthly Payment then due), with no obligation on our part to minimize the number of debits initiated or accounts debited. Any separate payments that you make on or before a Payment Due Date will not affect this authorization. We will not be liable for any fees that you may incur if we are unable to debit your Total Minimum Monthly Payment under this authorization. We also are not responsible for any fees imposed on you by the provider of any Business Payment Account or Bank Account as the result of any authorized debits or any payments made directly by you under this Loan Agreement. You agree that Automated Clearing House transactions must comply with the provisions of U.S. law, and you agree to be bound by the National Automated Clearing House Association Operating Rules, as in effect from time to time and to the extent applicable, in connection with all such transactions.
- ii. **Account Maintenance.** You agree to maintain in your Business Payment Account sufficient funds to meet each Total Minimum Monthly Payment obligation. We may initiate a debit at any time on or after a Payment Due Date, including prior to the time that we open for business on any business day. Consequently, you understand that funds must be available by the end of the business day prior to the applicable Payment Due Date and maintained in your Business Payment Account until the debit is processed.
  - iii. **Changing Debit Authorization.** If you need to make a change related to your automatic electronic debit authorization, you may make a request to do so by calling Customer Service at 1-888-986-8263. If you want to request a change that is relative to an upcoming payment, you should call Customer Service at the number above at least five (5) business days prior to the relevant Payment Due Date. We may modify or terminate automatic debiting for any reason by notifying you in writing in accordance with Section 21 *Sending Notices, Disclosures and Communications*. Following the date of any termination of automatic debits, you will be responsible for making all further payments directly and in a timely manner.
  - iv. **Alternative Payment.** If for any reason we are unable to initiate an electronic debit, you agree that we may prepare and deposit a remotely created check in the same amount.
  - v. **Check Payments.** When you pay us by check, you authorize us to electronically deduct the amount from your bank or other asset account. We may process the check electronically by transmitting to your financial institution: the amount, the routing number, the account number, and the check serial number. If we do this, your payment may be deducted from your bank or other asset account on the same day we receive your check. Also, you will not receive that cancelled check with your bank or asset account billing statement. If we cannot collect the funds electronically, we may issue a draft against your bank or other asset account for the amount of the check.
  - vi. **Other Payments.** You may make additional or alternative payments at any time. Payments made by check should be sent by postal mail, postage paid, to the following address: **American Express Business Line of Credit Payment Remittance, P.O. Box 570622, Atlanta, GA 30357**. You may also call Customer Service to arrange payments by overnight delivery, telephone, or other acceptable method. Payments made to any other address than as specified by us may result in a delay in processing and/or crediting for which we will not be responsible. All payments must be made in good funds from an account at an U.S. institution in U.S. dollars. You are solely responsible for any costs associated with a payment. Payments received after 5:00 p.m. (ET) on any day will be credited on the next business day. Credit to your account may be delayed and you may also incur a Late Fee if a payment (a) contains more than one payment for one or more Loans, or (b) includes staples, paper clips, tape, a folded check, or correspondence of any type. We will not accept a payment made in a foreign currency or payment drawn on an account at a bank located outside of the U.S.
  - vii. **Acceptance of Late and Partial Payments, Disputed Amounts.** We may accept late or partial payments without losing any of our rights under this Loan Agreement. You agree not to send us partial payments marked "paid in full," "without recourse," or similar language. If you send such a payment, we may accept it as an accommodation to you without losing or waiving any of our rights under this Loan Agreement. **All written communications concerning disputed amounts, including any check or other instrument that indicates that the payment constitutes "payment in full" of your payment or fee obligations or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount, must be mailed or delivered to American Express Business Line of Credit Dispute Resolution, P.O. Box 570622, Atlanta, GA 30357.**

## 11. How We Apply Your Payments

With regard to all Loans listed on your monthly statement, payments received will be applied first to Fees to the extent included in your Total Minimum Monthly Payment due, then to Loans listed on your monthly statement, in order of the oldest loan first, then the second oldest loan, and so on; provided, however, that if one or more of your Loans is delinquent, we may apply payments first to delinquent Loans at our sole discretion. With respect to any particular loan, payment will be applied as described in the Loan Agreement associated with that loan. When repaying Loans in full, Loans must be repaid in the order of the oldest loan first, then the second oldest loan, and so on.

With respect to this Loan, payment will be applied first to any Fees associated with this Loan, then to Costs, and finally to principal, to the extent included in your Total Minimum Monthly Payment due. Payments will be applied based on Fees and Costs posted as of the day of payment application which may be different from the Fees and Costs listed on your monthly statement. Any amount received in excess of your Total Minimum Monthly Payment due will be applied in the same order as your Total Minimum Monthly Payment. Any payment in excess of the Total Minimum Monthly Payment due does not relieve you of your obligation to make your next scheduled Total Minimum Monthly Payment.

We will apply your payments as described above even if you provide an instruction or notation with your payment.

## 12. Fees

You may incur one or more Late Fee(s) (together, "Fees").

---

If we do not receive the Total Minimum Monthly Payment by the Payment Due Date, we may assess a Late Fee of:

- i. **\$10** if the aggregate outstanding balance of the Loans listed on the monthly statement (including any Fees) is equal to or greater than \$35 but less than or equal to \$500;
- ii. **\$35** if the aggregate outstanding balance of the Loans listed on the monthly statement (including any Fees) is greater than \$500 but less than or equal to \$5,000;
- iii. **\$100** if the aggregate outstanding balance of the Loans listed on the monthly statement (including any Fees) is greater than \$5,000.

### 13. Linked Accounts

To be eligible for the American Express Business Line of Credit, you have linked a Business Payments Account, certain Bank Accounts, marketplaces where you do business, service providers and/or other accounts on your American Express Business Line of Credit Loan online account. To the extent you de-link any such accounts, marketplaces or service providers this may impact your available line of credit. To avoid any impact to your available line of credit, you should promptly notify us if (i) the details of your account with any such marketplace or other service provider change, (ii) you open a new account with any such marketplace or other service provider or (iii) you close your account with any such marketplace or other service provider.

### 14. Events of Default, Remedies

Each of the following will constitute an "Event of Default" under this Loan Agreement:

- i. you or the Business Representative violate a provision of this Loan Agreement,
- ii. you or the Business Representative give us false or misleading information either now or at the time made or furnished,
- iii. you or the Business Representative commit fraud,
- iv. you or the Business Representative misrepresent your identity or your ownership of any account,
- v. you or the Business Representative default under another agreement you have with us or an affiliate,
- vi. if you are a sole proprietorship, the Business Representative becomes incapacitated or dies; if you are a trust, a trustor becomes incapacitated or dies; if you are a partnership, any general or managing partner becomes incapacitated or dies; if you are a corporation, any principal officer or ten percent (10.00%) or greater shareholder becomes incapacitated or dies; if you are a limited liability company, any managing member becomes incapacitated or dies; if you are any other form of business entity, any person(s) directly or indirectly controlling ten percent (10.00%) or more of the ownership interests of such entity becomes incapacitated or dies;
- vii. you (a) legally dissolve, close, are adjudicated insolvent or cease to pay your debts as they mature, (b) make a general assignment for the benefit of or enter into an arrangement with creditors, (c) apply for or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of your property, (d) become subject to, voluntarily or involuntarily, a petition in bankruptcy or under any similar law, (e) liquidate, or (f) take any step to effectuate any of the foregoing (a)-(e),
- viii. the Business Representative becomes subject to, voluntarily or involuntarily, a petition in bankruptcy or under any similar law,
- ix. you enter into any consolidation merger, partnership, joint venture, or other combination without our prior written consent,
- x. any guarantee given to us ceases to be in full force and effect or is declared to be null and void; or the validity or enforceability thereof is contested in a judicial proceeding; or Business Representative denies that Business Representative, has any further liability under such guarantee; or Business Representative defaults in any provision of any guarantee, or any financial information provided by Business Representative is false or misleading,
- xi. you sell any assets except in the ordinary course of your business as now conducted, or sell, lease, assign, or transfer any substantial part of your business or fixed assets or any property or other assets necessary for the continuance of your business as now conducted, including, without limitation, the selling of any property or other assets accompanied by the leasing back of the same,
- xii. any creditor tries to take, by foreclosure, seizure, repossession, receivership, or otherwise, any of your property on or in which we have a lien or security interest,
- xiii. a judgment is entered against you or Business Representative that is not satisfied within thirty (30) days or stayed pending appeal,
- xiv. your credit rating is downgraded or a risk alert is generated, in either case, by any third party or any third party credit reporting service (e.g., D&B or Equifax) or by us,
- xv. you or the Business Representative fail to provide such information as we may request from time to time (including but not limited to, information about beneficial owners of the Business),
- xvi. you terminate your automatic scheduled debit authorization, stop payment on any authorized debit hereunder or claim that a debit transaction is unauthorized,
- xvii. you or the Business Representative are in default under any loan, security agreement, or any other agreement, in favor of any other party to whom you owe a debt,
- xviii. you make a material change in your ownership or organizational structure (acknowledging that any change in ownership will be deemed material when ownership is closely held),
- xix. we do not receive the full amount of your Minimum Monthly Payment Due on your Payment Due Date, or
- xx. we believe you or the Business Representative is unable or unwilling to pay your debts when due.

Upon the occurrence of an Event of Default, we may, to the extent permitted by applicable law:

- i. require you to immediately pay more than the Minimum Monthly Payment Due,
-

- ii. require you to immediately repay your Loan in full,
- iii. declare all your Loans in default,
- iv. suspend your ability to obtain further Loans,
- v. initiate a claim against Borrower and Business Representative, or
- vi. initiate one or more debits to your Business Payment Account or Bank Account, at any time and from time to time, for all amounts due us.

To the extent not prohibited by applicable law, Borrower or Business Representative shall pay us, on demand, any and all expenses, including, but not limited to, arbitration filing and other fees, collection costs, attorneys' fees, and all other expenses of a like or unlike nature, which may be expended by us to obtain or enforce payment obligations of Borrower or guarantee obligations of Business Representative. Borrower and Business Representative hereby waive any and all defenses to liability under this Agreement other than payment in full.

Upon the occurrence of an Event of Default under Section 14 (vii) (excluding subclause (f)), all outstanding amounts will be immediately due and payable. Upon the occurrence of any other Event of Default, we will have the right, but not the obligation, to declare all outstanding amounts to be immediately due and payable. In addition, we will have and may exercise any and all other rights and remedies available to us. Except as may be prohibited by applicable law, all of our rights and remedies, whether evidenced by this Loan Agreement or by any other record, will be cumulative and may be exercised singularly or concurrently. Election by us to pursue any remedy will not constitute a waiver of our rights to pursue other remedies. No forbearance or delay by us will be deemed to waive any of our rights or remedies or create a course of dealing between the parties. Any election by us to make expenditures or to take action to perform one or more of your obligations under this Loan Agreement, after your failure to perform, will not affect our right to declare an Event of Default and exercise our remedies.

#### **Notice of Borrower or Business Representative Default**

You and the Business Representative agree to furnish to us, immediately upon becoming aware of the existence of any condition or event which with the lapse of time or failure to give notice would constitute an event of default under this Loan Agreement, written notice specifying the nature and period of the existence of such condition or event and any action which you and/or the Business Representative are taking or propose to take with respect thereto.

#### **Authorization to Withdraw from Deposit Accounts for Past Due Amounts and/or upon Event of Default**

You hereby irrevocably authorize us (such authorization being coupled with an interest) to debit or otherwise withdraw (via the ACH system, electronic checks, wires or otherwise) any funds we are entitled to receive under this Loan Agreement for past due amounts and/or upon the occurrence of an Event of Default from any deposit accounts owned or controlled by you, including without limitation, any Business Payment Account or Bank Account as applicable. You represent, warrant, and agree that, as of the date of and during the term of this Loan Agreement, each such Business Payment Account or Bank Account was established for business purposes and continues to be used for business purposes. The specific Business Payment Account or Bank Account(s) set up for automatic debit will no longer apply. This authorization may not be revoked until we have received the amounts past due, or, upon an Event of Default, the total outstanding balance of all Loan(s). You acknowledge and agree that we may issue pre-notifications to your bank(s) with respect to such debits, withdrawals and other transactions. Further, you agree that you will provide such information and execute such documents to enable us to make such debits as may be reasonably requested by the financial institution(s) at which such deposit accounts are held. Within two (2) business days of any request by us, you will provide, or cause the applicable financial institutions to provide, us with records and/or other information regarding the Business Payment Account, Bank Accounts and any other deposit accounts owned or controlled by you. You hereby authorize and direct the applicable financial institutions to provide us with all such information at your expense.

#### **Right of set-off.**

In addition to any rights and remedies provided to us by law, if your loan is in default, you agree that we and any of our affiliates may recoup from, set-off against, and apply any and all deposits at any time held by, funds in the possession of, and other indebtedness or obligations at any time owing by, us or any of our affiliates to or for the credit or account of the Business and/or the Business Representative against any and all obligations owing to us under this Loan Agreement, to the extent permitted by applicable law. We may use this right of set-off without prior notice to you (any such notice being waived by you) and without first making a demand under this Loan Agreement and although such obligations may be contingent or unmaturing or denominated in a currency different from that of the applicable deposit, funds or indebtedness.

### **15. Representations, Warranties and Covenants**

Each of the Borrower and Business Representative represents, warrants and covenants the following as of the date hereof and at all times during the term of this Loan Agreement:

- i. that the Business is in good standing and is and will remain duly organized, licensed, validly existing and in good standing under the laws of its state of formation, and is and will remain duly qualified, licensed, and in good standing in each and every other state in which the failure to do so could have a material adverse effect on its financial condition, business or operations;
  - ii. that (1) any information provided to us regarding your loan, including the bank, financial, or other account information provided in your loan application, is true and accurate and will remain true and accurate for the duration of this Loan Agreement; (2) you have not misrepresented the identity of the Business or of the Business Representative, or described, presented or portrayed yourself as a person other than yourself; (3) you are solvent and are not contemplating any insolvency or bankruptcy proceeding, nor have you initiated or been a party in any insolvency,
-



- bankruptcy, receivership, or assignment for the benefit of your creditors and no such action or proceeding has been filed or is pending against you during the four months preceding the date of this Loan Agreement; (4) the Business Representative has full power and authority to act as the Business Representative and enter into this Loan Agreement on behalf of the Business; (5) you have no present intention to close or cease operating your business, in whole or in part, temporarily or permanently; and (6) no eviction or foreclosure is pending or threatened against Borrower.
- iii. to furnish us information that we may request from time to time;
  - iv. not to use any amount loaned for personal, family or household purposes and not to repay us from any consumer account;
  - v. your exact legal name set forth herein is true and correct, and you do not and will not conduct your business under any other name other than the d/b/a provided to us;
  - vi. you will not change your place of business, your legal name, entity type, or state of formation without our prior signed consent;
  - vii. you are authorized and permitted, by law, your organizational documents, any contracts to which you are a party and otherwise, to execute, deliver, and perform this Loan Agreement and all related documents;
  - viii. you are subject to no charter, corporate or other legal restriction, or any judgment, award, decree, order, governmental rule or regulation or contractual restriction that could have a material adverse effect on your financial condition, business or prospects;
  - ix. not to materially change the nature of the business that you conduct from the type of business originally disclosed to us in connection with this Loan Agreement and, unless we are adequately notified in advance, to conduct your business substantially in accordance with past practices;
  - x. you will take all steps necessary to provide us with access, and you will not reduce or remove, or cause anyone to reduce or remove, our access once granted, to your Business Payment Account(s) or Bank Account(s) linked to your American Express Business Line of Credit Profile as of the date of execution of this Loan Agreement and used for Loan Disbursement or Repayment;
  - xi. with regard to information about any marketplace or other service provider that you provided to us to determine the amount of your loan, to notify us promptly if the details of your account with such marketplace or other service provider changes, you open a new account or you close your account;
  - xii. to use your Business Payment Account in a volume consistent with the level of transactions you processed through such account(s) when you received your loan, or otherwise ensure that funds sufficient to satisfy your obligations under this Loan Agreement are deposited into your Business Payment Account or Bank Account;
  - xiii. to maintain a minimum balance in your Business Payment Account or Bank Account, as appropriate;
  - xiv. is in compliance with any and all federal, state, and local laws and regulations and all rules and regulations relating to the operation of Borrower's business and Borrower possesses and is in compliance with all permits, licenses, approvals, consents, registrations and other authorizations necessary to own, operate and lease its properties and to conduct the business in which it is presently engaged;
  - xv. to collect on your sales promptly, in compliance with all applicable federal, state and local laws, rules and regulations and consistent with your past collection practices;
  - xvi. to make payments to us (in U.S. dollars) on the applicable "Payment Due Date";
  - xvii. not to take any action to discourage the use of your Business Payment Account and not to permit any event to occur that could have an adverse effect on the use, acceptance or authorization of your Business Payment Account for the purchase of services and/or products by your customers;
  - xviii. not to open a new account other than the Business Payment Account or Bank Account (collectively, the "Accounts") into which your sales will be deposited and not to take any action to cause future sales to be settled or paid to any account other than the Accounts;
  - xix. not to sell, dispose, convey or otherwise transfer your business or assets without our express prior written consent and the prior payment or assumption of all of your obligations under this Loan Agreement pursuant to documentation reasonably satisfactory to us;
  - xx. not to take any intentional action that would substantially impair or reduce your generation or collection of accounts receivable adequate to satisfy your obligations under this Loan Agreement without our prior written permission;
  - xxi. not to terminate your authorization of scheduled debits, stop payment on any debit authorized, claim that a debit transaction is unauthorized, or seek a refund, return, chargeback or dispute of a credit card transaction related to a payment;
  - xxii. to maintain insurance in such amounts and against such risks are consistent with past practice and shall show proof of such insurance upon our request;
  - xxiii. Borrower shall not enter into any arrangement, agreement or commitment that relates to or involves Borrower's accounts receivable, whether in the form of a purchase of, a loan against, or the sale or purchase of credits against, Borrower's accounts receivable or future credit card or online sales with any party other than us;
  - xxiv. Borrower has good, complete and marketable title to all of its accounts receivable, free and clear of any and all liabilities, liens, claims, charges, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges and encumbrances of any kind or nature whatsoever or any other rights or interests that may be inconsistent with the transactions contemplated with, or adverse to the interests of, us;
  - xxv. to notify us promptly if, with regard to any Business Payment Account or Bank Account, the details of your account change, you open a new account or you close your account; and
  - xxvi. that: (a) There is no action, suit, proceeding or investigation pending or, to your knowledge, threatened against or affecting you or any of your assets before or by any court or other governmental authority which, if determined adversely to you, would have a material adverse effect on your financial condition, business or prospects; (b) neither you nor any of your direct or indirect owners of at least 25% are listed on the U.S. Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List; and (c) you will provide the name(s) and other personal information that we request regarding any subsequent beneficial owners who own 25% or more of
-

the Borrower within thirty (30) days of any such change.

Collectively, the preceding items (i) through (xxvi) are your "Borrower Contractual Covenants".

## **16. Security Interest, Financing Statements**

Borrower grants to us, to secure Borrower's performance under this Loan Agreement, a continuing security interest in any and all assets of Borrower, wherever found, that Borrower now owns or shall acquire, including, but not limited to: (a) all tangible and intangible personal property of Borrower, including, but not limited to, all cash or cash equivalents, accounts, deposit accounts, chattel paper, documents, equipment, general intangibles, instruments, inventory, investment property (including certificated and uncertificated securities, securities accounts, securities entitlements, commodity contracts and commodity accounts), letter of credit rights, commercial tort claims and as-extracted collateral (as those terms are defined in Article 9 of the Uniform Commercial Code ("UCC") in effect from time to time in the State of Utah); (b) all patents, patent applications, trademarks, trade names, service marks, logos, copyrights, and other sources of business identifiers, and all registrations, recordings and applications with the U.S. Patent and Trademark Office ("USPTO") and U.S. Copyright Office and all renewals, reissues and extensions thereof (collectively "IP"), together with any written agreement granting any right to use any IP; and (c) all accessions, attachments, accessories, parts, supplies and replacements, products, proceeds and collections with respect to the items described in (a) and (b) above, as those terms are defined in Article 9 of the UCC and all records and data relating thereto.

Borrower understands and agrees that we may at any time file one or more (i) UCC-1 financing statements, lien entry form or other document to perfect, amend, or continue any interest granted herein and (ii) assignments with USPTO and/or U.S. Copyright Office to perfect any security interest in IP described above. Borrower agrees to cooperate with us as may be necessary to accomplish said filing and authorizes us to sign Borrower's name to affect the filing or continuation of any such filings.

Borrower hereby acknowledges and agrees that we may use "doing business as" or "d/b/a" names or agents in connection with various matters relating to the transaction between us and Borrower, including the filing of UCC-1 financing statements and other notices or filings.

## **17. Credit Reports and Reporting to Credit Reporting Agencies**

You and the Business Representative authorize us to verify your and his/her information and obtain reports from commercial and consumer reporting agencies or other third parties, and from our affiliates, as applicable, from time to time as permitted by applicable law. You and Business Representative agree that we may investigate your and his/her ability to pay and obtain information about you and Business Representative from other sources. You and Business Representative authorize us and our affiliates to share information we have about you and Business Representative at any time for marketing and administrative purposes as permitted by law and you and Business Representative agree that we will use such information for any purposes, subject to applicable law and pursuant to our privacy practices as described in Section 19 *Privacy, PATRIOT ACT*. Upon request, we will tell you and Business Representative if we have received a consumer report and the name and address of the agency that provided it.

You and Business Representative agree that we may provide information about your loan to credit reporting agencies. For example, we may tell a credit reporting agency if you fail to make a payment or fail to comply with any other term of this Loan Agreement, or otherwise default on your loan. This may have a negative impact on your credit reports.

If you believe information we provided to a credit reporting agency is incorrect, write to us at: American Express Credit Bureau Unit, P.O. Box 981537, El Paso, TX 79998-1537. When you write to us, tell us the specific information you believe is incorrect.

You and Business Representative waive to the maximum extent permitted by law any claim for damages against us or any of our affiliates relating to any (a) investigation undertaken by or on your behalf as permitted by this Loan Agreement or (b) disclosure of information as permitted by this Loan Agreement. You and Business Representative also agree that we may release information if we believe it is required to comply with any governmental or legal process, whether or not such release is actually required, or when it is necessary or desirable in connection with a transaction or investigating a loss or potential loss.

## **18. Usury Savings Clause**

It is the intention of parties hereto to comply strictly with applicable laws and accordingly, in no event and upon no contingency will we ever be entitled to receive, collect, or apply payments as interest in excess of the maximum rate of interest which we may lawfully charge under applicable law ("Maximum Rate"). In the event that we ever receive, collect, or apply payments as interest in excess of the Maximum Rate, such amount which, but for this provision, would be excessive interest, will be applied to the reduction of the principal balance owed hereunder; and if said principal balance, and all lawful interest thereon, is paid in full, any remaining excess will forthwith be paid to you, or another party lawfully entitled thereto. In determining whether or not the interest or fees paid or payable, under any specific contingency, exceeds the highest rate which we may lawfully charge under applicable law from time to time in effect, the parties will, to the maximum extent permitted under applicable law, characterize any non-principal payment as a reasonable loan charge, rather than as interest. Any provision hereof or of any other agreement between the parties, that operates to bind, obligate, or compel you to pay interest in excess of such Maximum Rate will be construed to require the payment of the Maximum Rate only. The

---

provisions of this section will be given precedence over any other provision contained herein or in any other agreement between the parties that is in conflict with the provisions of this section.

## **19. Privacy, PATRIOT ACT**

Your privacy is very important to us. For information about how we collect, store, use, share, and protect your information, please read our Privacy Statement at <https://www.americanexpress.com/us/company/privacy-center/online-privacy-disclosures/#privacy-statement>, as it is updated from time to time. We may also send you communications from time to time regarding privacy choices which you may make.

TO HELP PREVENT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS SUCH AS US TO OBTAIN, VERIFY, AND RECORD INFORMATION ABOUT PERSONS AND ORGANIZATIONS WHICH OPEN AN ACCOUNT OR ESTABLISH A RELATIONSHIP WITH US OR TO WHICH WE SEND MONEY.

## **20. Electronic Signatures**

You and the Business Representative consent to the use of electronic records and signatures in the execution and performance of this Loan Agreement. The Loan Agreement, and any other document you and the Business Representative sign electronically, will be legally valid and enforceable in accordance with its terms to the same extent as if you and the Business Representative had executed it on paper using a handwritten signature.

## **21. Sending Notices, Disclosures and Communications**

### **Electronic Communications**

We may provide any notice, disclosure, statement or other communication related to this Loan Agreement to you or Business Representative by any lawfully permitted electronic means, including by (i) sending it to your email address, (ii) posting it on the American Express website, or (iii) making it available to you on the American Express website through a link provided on an email or communication. Communications sent to you electronically will be effective the earlier of when (i) we send it to you or (ii) we send or otherwise provide you with notice that the communication has been posted on the American Express website. You and Business Representative agree that we may use any email address you provide to us. You may set your electronic communications preferences in your American Express Business Line of Credit Loan online account. Regardless of these preferences, we may continue to send you certain communications, including servicing messages, electronically.

A copy of your executed Loan Agreement, as well as your monthly statements and other communications and disclosures provided in connection with your Loan, are available in your American Express Business Line of Credit Loan online account.

### **Postal Mail Communications**

We may mail you and Business Representative notices through the U.S. mail, postage prepaid, using the latest billing address on our records. Any notice that we send this way is deemed to be given when deposited in the U.S. mail.

### **Changes to Your Contact Information**

You and Business Representative must notify us immediately of any changes to any email address, phone number or mailing address to which we send or make any communications. You may do so by accessing your American Express Business Line of Credit Loan online account or by calling Customer Service at 1-888-986-8263.

### **Servicing and Collections Calls/Text Messages**

If we need to contact you or Business Representative to service your Loan or to collect amounts you owe, you and Business Representative authorize us (and our affiliates, agents, and contractors) to contact you at any number you provide, from which you call us, or at which we believe we can reach you. We may contact you using an automated dialer or prerecorded messages. We may contact you on a mobile, wireless or similar device, even if you are charged for it. To the extent you previously provided consent to receive solicitation or marketing calls or texts at a phone number you provided, this term does not affect your prior consent.

### **Call Monitoring**

We may monitor and record any calls and/or web sessions between you and us.

## **22. No Warranties**

EXCEPT AS EXPRESSLY PROVIDED IN THIS LOAN AGREEMENT OR APPLICABLE LAW, WE MAKE NO REPRESENTATIONS OR WARRANTIES. WE HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE RELATING TO OR ARISING OUT OF THIS LOAN AGREEMENT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE MAKE NO REPRESENTATION OR WARRANTY TO YOU REGARDING THE EFFECT THAT THIS LOAN AGREEMENT MAY HAVE UPON YOUR TAX LIABILITIES IN ANY JURISDICTION.

## **23. Indemnification, Limitation of Liability**

You and the Business Representative will indemnify and hold American Express, its direct or indirect subsidiaries, controlled affiliates, agents, employees or representatives (collectively referred to as the "Indemnified Parties") harmless from and against all losses, damages, claims, liabilities, obligations, penalties, suits, actions, controversies, or proceedings of any

---



kind, imposed upon, incurred by, or asserted against any of the Indemnified Parties, in any way arising from, in connection with, relating to, or incident to your or the Business Representative's breach of this Loan Agreement, including the payment of all costs and expenses of every kind for the enforcement of our rights and remedies hereunder. Such amounts will bear interest at the rate for prejudgment interest prevailing in your jurisdiction until paid.

NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT WILL AMERICAN EXPRESS, ITS DIRECT OR INDIRECT SUBSIDIARIES, CONTROLLED AFFILIATES, AGENTS, EMPLOYEES OR REPRESENTATIVES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND, NOR FOR ANY LOST PROFITS IN CONNECTION WITH OR ARISING OUT OF THIS LOAN AGREEMENT.

The foregoing indemnities are continuing indemnities and will survive expiration or termination of this Loan Agreement for any reason.

#### **24. Severability**

If any part of this Loan Agreement is found by a court or governmental authority to be invalid or unenforceable, that part will be deemed omitted from this Loan Agreement. The remainder of this Loan Agreement will remain in full force and effect, and will be modified only as necessary to give such force and effect to the remaining provisions.

#### **25. Assignment**

We may sell, transfer or assign this Loan Agreement or your Loan. We may do so at any time without notifying you. You may not sell, assign or transfer your Loan or any of your or the Business Representative's obligations under this Loan Agreement. Any such sale, assignment or transfer by you or the Business Representative will be null and void.

You acknowledge that American Express, acting solely for this purpose as your non-fiduciary agent, shall maintain a register for the recordation of the name and address of the holder of the Loans (including any assignee, participant or transferee, if any, who becomes the holder of the Loans pursuant to an assignment, participation, sale or transfer), and principal amounts (and stated interest) of the Loans owing to, such holder from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and you, American Express, Business Representative and holder of the Loans (including any assignee, participant or transferee, if any, who becomes the holder of the Loans pursuant to an assignment, participation, sale or transfer) shall treat the person whose name is recorded in the Register as a holder of the Loans hereunder for all purposes of this Loan Agreement. Recordation in the Register is the sole means of assignment or transfer of the holder's interest in the Loans, and any assignment or transfer in contravention thereof is not effective and is hereby rendered null and void.

#### **26. No Waiver**

We may choose to delay enforcing or to not exercise rights under this Loan Agreement. If we do this, we do not waive our rights to exercise or enforce them or any other rights under this Loan Agreement on any other occasion.

#### **27. Governing Law**

Utah law and federal law govern this Loan Agreement and your Loan. They govern without regard to internal principles of conflicts of law. You and the Business Representative agree that this Loan Agreement is made and performed in the State of Utah. You and the Business Representative agree that: (i) we are located in Utah; (ii) we make all credit decisions from our home office in Utah; and (iii) the Loan hereunder is made in Utah (that is, no binding contract will be formed until we receive and accept your signed Loan Agreement in Utah). This Loan Agreement will only be valid when signed by you and the Business Representative and accepted by us at our home office in Utah.

#### **28. Claims Resolution**

For this section, "you" and "us" includes any corporate parents, subsidiaries, affiliates or related persons or entities and "you" also includes Business Representative. "Claim" means any current or future claim, dispute or controversy relating to your Loan(s), this Loan Agreement, or any agreement or relationship you have or had with us, except for the validity, enforceability or scope of the Arbitration provision. Claim includes but is not limited to: (1) initial claims, counterclaims, crossclaims and third-party claims; (2) claims based upon contract, tort, fraud, statute, regulation, common law and equity; (3) claims by or against any third party using or providing any product, service or benefit in connection with any loan; and (4) claims that arise from or relate to (a) any loan created under any of the agreements, or any balances on any such loan, (b) advertisements, promotions or statements related to any loans, goods or services financed under any loans or terms of financing, and (c) your application for any loan. You may not sell, assign or transfer a claim.

#### **Sending a Claim Notice**

Before beginning a lawsuit, mediation or arbitration, you and we agree to send a written notice (a claim notice) to each party against whom a claim is asserted, in order to provide an opportunity to resolve the claim informally or through mediation. Go to <https://www.americanexpress.com/en-us/business/blueprint/claim/claim-form.pdf> for a sample claim notice. The claim notice must describe the claim and state the specific relief demanded. Notice to you may be provided by your billing statement or sent to your billing address. Notice to us must include your name, address and Account number and be sent to American Express ADR c/o CT Corporation System, 28 Liberty Street, New York, New York 10005. If the claim proceeds to arbitration, the amount of any relief demanded in a claim notice will not be disclosed to the arbitrator until after

---



the arbitrator rules.

### **Mediation**

In mediation, a neutral mediator helps parties resolve a claim. The mediator does not decide the claim but helps parties reach agreement. Before beginning mediation, you or we must first send a claim notice. Within 30 days after sending or receiving a claim notice, you or we may submit the claim to JAMS (1-800-352-5267, jamsadr.com) or the American Arbitration Association ("AAA") (1-800-778-7879, adr.org) for mediation. We will pay the fees of the mediator. All mediation-related communications are confidential, inadmissible in court and not subject to discovery.

All applicable statutes of limitation will be tolled from the date you or we send the claim notice until termination of the mediation. Either you or we may terminate the mediation at any time. The submission or failure to submit a claim to mediation will not affect your or our right to elect arbitration.

### **Arbitration**

You or we may elect to resolve any claim by individual arbitration. Claims are decided by a neutral arbitrator. **If arbitration is chosen by any party, neither you nor we will have the right to litigate that claim in court or have a jury trial on that claim. Further, you and we will not have the right to participate in a representative capacity or as a member of any class pertaining to any claim subject to arbitration. Arbitration procedures are generally simpler than the rules that apply in court, and discovery is more limited. The arbitrator's authority is limited to claims between you and us alone. Claims may not be joined or consolidated unless you and we agree in writing. An arbitration award and any judgment confirming it will apply only to the specific case and cannot be used in any other case except to enforce the award. The arbitrator's decisions are as enforceable as any court order and are subject to very limited review by a court. Except as set forth below, the arbitrator's decision will be final and binding. Other rights you or we would have in court may also not be available in arbitration.**

### **Initiating Arbitration**

Before beginning arbitration, you or we must first send a claim notice. Claims will be referred to either JAMS or AAA, as selected by the party electing arbitration. Claims will be resolved pursuant to this Arbitration provision and the selected organization's rules in effect when the claim is filed, except where those rules conflict with this Loan Agreement. If we choose the organization, you may select the other within 30 days after receiving notice of our selection. Contact JAMS or AAA to begin an arbitration or for other information. Claims also may be referred to another arbitration organization if you and we agree in writing or to an arbitrator appointed pursuant to section 5 of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (FAA).

We will not elect arbitration for any claim you file in small claims court, so long as the claim is individual and pending only in that court. You or we may otherwise elect to arbitrate any claim at any time unless it has been filed in court and trial has begun or final judgment has been entered. Either you or we may delay enforcing or not exercise rights under this Arbitration provision, including the right to arbitrate a claim, without waiving the right to exercise or enforce those rights.

### **Limitations on Arbitration**

**If either party elects to resolve a claim by arbitration, that claim will be arbitrated on an individual basis. There will be no right or authority for any claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of the general public, other cardmembers or other persons similarly situated.**

Notwithstanding any other provision and without waiving the right to appeal such decision, if any portion of these *Limitations on Arbitration* is deemed invalid or unenforceable, then the entire Arbitration provision (other than this sentence) will not apply.

### **Arbitration Procedures**

This Arbitration provision is governed by the FAA. The arbitrator will apply applicable substantive law, statutes of limitations and privileges. The arbitrator will not apply any federal or state rules of civil procedure or evidence in matters relating to evidence or discovery. Subject to the *Limitations on Arbitration*, the arbitrator may otherwise award any relief available in court. You and we agree that the arbitration will be confidential. You and we agree that we will not disclose the content of the arbitration proceeding or its outcome to anyone, but you or we may notify any government authority of the claim as permitted or required by law. If your claim is for \$10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents, through a telephonic hearing, or by an in-person hearing. At any party's request, the arbitrator will provide a brief written explanation of the award. The arbitrator's award will be final and binding, subject to each party's right to appeal as stated in this section and/or to challenge or appeal an arbitration award pursuant to the FAA. To initiate an appeal, a party must notify the arbitration organization and all parties in writing within 35 days after the arbitrator's award is issued. The arbitration organization will appoint a three- arbitrator panel to decide anew, by majority vote based on written submissions, any aspect of the decision objected to. The appeal will otherwise proceed pursuant to the arbitration organization's appellate rules. Judgment upon any award may be entered in any court having jurisdiction. At your election, arbitration hearings will take place in the federal judicial district of your residence.

### **Arbitration Fees and Costs**

You will be responsible for paying your share of any arbitration fees (including filing, administrative, hearing or other fees), but only up to the amount of the filing fees you would have incurred if you had brought a claim in court. We will be responsible for any additional arbitration fees. At your written request, we will consider in good faith making a temporary advance of your share of any arbitration fees, or paying for the reasonable fees of an expert appointed by the arbitrator for

---

good cause.

#### **Additional Arbitration Awards**

If the arbitrator rules in your favor for an amount greater than any final offer we made before the final hearing in arbitration, the arbitrator's award will include: (1) any money to which you are entitled, but in no case less than \$5,000; and (2) any reasonable attorneys' fees, costs and expert and other witness fees.

#### **Your Right to Reject Arbitration**

You may reject this Arbitration provision by sending a written rejection notice to us at: American Express, P.O. Box 981556, El Paso, TX 79998. Go to <https://www.americanexpress.com/en-us/business/blueprint/reject/reject-form.pdf> for a sample rejection notice. Your rejection notice must be mailed within 45 days after you execute your Loan Agreement. Your rejection notice must state that you reject the Arbitration provision and include your name, address, Account number and personal signature. No one else may sign the rejection notice. If your rejection notice complies with these requirements, this Arbitration provision and any other arbitration provisions in the Loan Agreement(s) for any other currently open American Express loans you have will not apply to you and any claims subject to pending litigation or arbitration at the time you send your rejection notice. Rejection of this Arbitration provision will not affect your other rights or responsibilities under this Claims Resolution section or the Loan Agreement. Rejecting this Arbitration provision will not affect your ability to use any benefit, product or service you may have with your Loan.

#### **Continuation**

This section will survive termination of your Loan Agreement, voluntary payment of your Loan balance, any legal proceeding to collect a debt, any bankruptcy and any sale of your Loan (in the case of a sale, its terms will apply to the buyer of your Loan). If any portion of this Claims Resolution section, except as otherwise provided in the Limitations on Arbitration subsection, is deemed invalid or unenforceable, it will not invalidate the remaining portions of this Claims Resolution section.

### **29. Entire Agreement**

This Loan Agreement is a final expression of the agreement between you, the Business Representative and us governing your loan. There are no unwritten oral agreements between the parties. This written Loan Agreement may not be contradicted by any alleged oral agreement. You and the Business Representative may not amend the terms of this Loan Agreement without written agreement from us. We may amend this Loan Agreement to comply with law or to update any names or contact information, definitions, references, or similar terms, only to the extent such amendment is permitted by law, and you and the Business Representative acknowledge that you agree to such amendment upon notice. All rights and obligations of us, our affiliates, you and the Business Representative concerning anything other than the loan continue to be governed by the terms of the separate agreement governing such items, if any. In the event of any conflict between this Loan Agreement and any separate agreement, this Loan Agreement shall prevail as it relates to your loan. You and the Business Representative acknowledge that there are no third-party beneficiaries to this Loan Agreement.

### **30. Construction**

The headings of the sections and subsections herein are inserted for convenience only and under no circumstances shall they affect in any way the meaning or interpretation of this Loan Agreement. For purposes of this Loan Agreement, "including" shall mean "including, without limitation."

### **31. State Disclosures**

**FOR OHIO RESIDENTS ONLY:** The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio civil rights commission administers compliance with this law.

### **32. Confidentiality, Press Releases**

You and the Business Representative understand and agree that the terms and conditions of the products and services we offer, including this Loan Agreement and any other documentation provided by us, is our proprietary and confidential information. Accordingly, unless disclosure is required by applicable law or court order, you and the Business Representative will not disclose such information to any person other than your attorneys, accountants, financial advisors, or employees who need to know such information for the purpose of advising you or the Business Representative, provided that such advisors use such information solely to advise you and the Business Representative and first agree in a signed record to keep such information confidential. You and the Business Representative will not issue any press release or make any public announcement (or both) in respect of this Loan Agreement or us without our prior signed consent. In the event that you were referred to us by a third party, you acknowledge and agree that we may inform such third party that we extended you a Loan under this Loan Agreement and share additional information about your Loan with such third party.

---

---

Andres Espinosa, Chief Credit Officer

---

American Express National Bank

---

Jul 20, 2023 04:42 PM

---

---

BANNOR MACGREGOR

---

Jul 20, 2023 04:42 PM

---

---

BANNOR MACGREGOR

---

Jul 20, 2023 04:42 PM

---

Jul 2023

**AMERICAN PICTURE HOUSE CORPORATION**  
**2023 DIRECTORS, EMPLOYEES AND ADVISORS STOCK INCENTIVE AND COMPENSATION PLAN**

**1. Purpose.**

1.1 Purpose. The purpose of the American Picture House Corporation 2023 Directors, Employees and Advisors Stock Incentive and Compensation Plan is to enable the Company to offer to its officers, directors, advisors and consultants whose past, present and/or potential contributions to the Company and its Subsidiaries have been, are or will be important to the success of the Company, an opportunity to acquire a proprietary interest in the Company. The types of long-term incentive Awards that may be provided under the Plan will enable the Company to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its businesses.

**2. Definitions.**

2.1 Definitions. For purposes of the Plan, the following terms shall be defined as set forth below:

- (a) “**Agreement**” means the agreement between the Company and the Holder setting forth the terms and conditions of an Award under the Plan. Agreements shall be in the form(s) attached hereto.
- (b) “**Award**” means Stock Options, Restricted Stock and/or other Stock Based Awards awarded under the Plan.
- (c) “**Board**” means the Board of Directors of the Company.
- (d) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.
- (e) “**Committee**” means the Board or any committee of the Board that the Board may designate to administer the Plan or any portion thereof. If no Committee is so designated, then all references in this Plan to “Committee” shall mean the Board.
- (f) “**Common Stock**” means the common stock of the Company, \$0.0001 par value per share.
- (g) “**Company**” means American Picture House Corporation, a corporation organized under the laws of the State of Wyoming.
- (h) “**Disability**” means physical or mental impairment as determined under procedures established by the Committee for purposes of the Plan.
- (i) “**Effective Date**” means the date set forth in Section 12.1, below.
- (j) “**Fair Market Value**” means, as of any given date: (i) if the Common Stock is listed on a national securities exchange, the closing price of the Common Stock in the principal trading market for the Common Stock on such date, as reported by the exchange (or on the last preceding trading date if such security was not traded on such date); (ii) if the Common Stock is not listed on a national securities exchange, but is traded in the over-the-counter market, the closing bid price for the Common Stock on such date, as reported by the OTC Markets Inc. or similar publisher of such quotations; (iii) the price per share of the Common Stock sold in the latest completed private placement; and (iv) if the fair market value of the Common Stock cannot be determined pursuant to clause (i), (ii) or (iii) above, such price as the Committee shall determine, in good faith.
- (k) “**Holder**” means a person who has received an Award under the Plan.
- (l) “**Other Stock-Based Award**” means an Award under Section 9, below, that is valued in whole or in part by reference to, or is otherwise based upon, Common Stock.

1

---

- (m) “**Parent**” means any present or future “parent corporation” of the Company, as such term is defined in Section 424(e) of the Code.
- (n) “**Plan**” means the American Picture House Corporation 2023 Directors, Employees and Advisors Stock Incentive and Compensation Plan, as hereinafter amended from time to time.
- (o) “**Repurchase Value**” shall mean the Fair Market Value in the event the Award to be repurchased under Section 10.2 is comprised of shares of Common Stock and the difference between Fair Market Value and the Exercise Price (if lower than Fair Market Value) in the event the Award is a Stock Option or Stock Appreciation Right; in each case, multiplied by the number of shares subject to the Award.
- (p) “**Restricted Stock**” means Common Stock, received under an Award made pursuant to Section 8, below that is subject to restrictions under said Section 8.
- (q) “**SAR Value**” means the excess of the Fair Market Value (on the exercise date) over the exercise price that the participant would have otherwise had to pay to exercise the related Stock Option, multiplied by the number of shares for which the Stock Appreciation Right is exercised.
- (r) “**Stock Appreciation Right**” means the right to receive from the Company, on surrender of all or part of the related Stock Option, without a cash payment to the Company, a number of shares of Common Stock equal to the SAR Value divided by the Fair Market Value (on the exercise date).
- (s) “**Stock Option**” or “**Option**” means any option to purchase shares of Common Stock that is granted pursuant to the Plan. Options granted under the Plan are not intended to be “incentive stock options” within the meaning of Section 422 of the Code.
- (t) “**Subsidiary**” means any present or future “subsidiary corporation” of the Company, as such term is defined in Section 424(f) of the Code.

**3. Administration.**

3.1 Committee Membership. The Plan shall be administered by the Board or a committee designated by the Board. Committee members shall serve for such term as the Board may in each case determine, and shall be subject to removal at any time by the Board. The Committee members, to the extent deemed to be appropriate by the Board, shall be “non-employee directors” as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”).

3.2 Powers of Committee. The Committee shall have the authority and responsibility to recommend to the Board for approval, Awards for Board members, executive officers, non-executive employees and consultants of the Company, pursuant to the terms of the Plan: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, and/or

(iv) Other Stock-Based Awards. For purposes of illustration and not of limitation, the Committee shall have the authority (subject to the express provisions of this Plan):

(a) to select the officers, employees, directors, advisors and consultants of the Company or any Subsidiary to whom Stock Options, Stock Appreciation Rights, Restricted Stock, and/or Other Stock-Based Awards may from time to time be awarded hereunder.

(b) to determine the terms and conditions, not inconsistent with the terms of the Plan or requisite Board approval, of any Award granted hereunder including, but not limited to, number of shares, share exercise price or types of consideration paid upon exercise of Stock Options and the purchase price of Common Stock awarded under the Plan (including without limitation by a Holder's conversion of deferred salary or other indebtedness of the Company to the Holder), such as other securities of the Company or other property, any restrictions or limitations, and any vesting, exchange, surrender, cancellation, acceleration, termination, exercise or forfeiture provisions, as the Committee shall determine;

(c) to determine any specified performance goals or such other factors or criteria which need to be attained for the vesting of an Award granted hereunder;

---

2

(d) to determine the terms and conditions under which Awards granted hereunder are to operate on a tandem basis and/or in conjunction with or apart from other equity awarded under this Plan and cash Awards made by the Company or any Subsidiary outside of this Plan; and

(e) to determine the extent and circumstances under which Common Stock and other amounts payable with respect to an Award hereunder shall be deferred that may be either automatic or at the election of the Holder.

### **3.3 Interpretation of Plan.**

Subject to Section 11, below, the Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and to determine the form and substance of all Agreements relating thereto), and to otherwise supervise the administration of the Plan. Subject to Section 11, below, all decisions made by the Committee pursuant to the provisions of the Plan shall be made in the Committee's sole discretion, subject to Board authorization if indicated, and shall be final and binding upon all persons, including the Company, its Subsidiaries and Holders.

### **4. Stock Subject to Plan.**

4.1 Number of Shares. The total number of shares of Common Stock reserved and available for issuance under the Plan shall be up to Twenty Percent (20%) of the issued and outstanding stock at the time of the grant. Shares of Common Stock under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares. If any shares of Common Stock that have been granted pursuant to a Stock Option ceases to be subject to a Stock Option, or if any shares of Common Stock that are subject to any Stock Appreciation Right, Restricted Stock, Deferred Stock Award, or Other Stock-Based Award granted hereunder are forfeited or any such Award otherwise terminates without a payment being made to the Holder in the form of Common Stock, such shares shall again be available for distribution in connection with future grants and Awards under the Plan.

4.2 Adjustment Upon Changes in Capitalization, Etc. In the event of any dividend (other than a cash dividend) payable on shares of Common Stock, stock split, reverse stock split, combination or exchange of shares, or other similar event (not addressed in Section 4.3, below) occurring after the grant of an Award, which results in a change in the shares of Common Stock of the Company as a whole, (i) the number of shares issuable in connection with any such Award and the purchase price thereof, if any, shall be proportionately adjusted to reflect the occurrence of any such event and (ii) the Committee shall determine whether such change requires an adjustment in the aggregate number of shares reserved for issuance under the Plan or to retain the number of shares reserved and available under the Plan in their sole discretion. Any adjustment required by this Section 4.2 shall be made by the Committee, in good faith, subject to Board authorization if indicated, whose determination will be final, binding and conclusive.

4.3 Certain Mergers and Similar Transactions. In the event of (a) a dissolution or liquidation of the Company, (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the shareholders of the Company or their relative stock holdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Awardees), (c) a merger in which the Company is the surviving corporation but after which the shareholders of the Company immediately prior to such merger (other than any shareholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company, (d) the sale of substantially all of the assets of the Company, or (e) the acquisition, sale, or transfer of more than 50% of the outstanding shares of the Company by tender offer or similar transaction, any or all outstanding Awards may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Awardees. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Awardees as was provided to shareholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Holder, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Holder. In the event such successor corporation (if any) refuses or otherwise declines to assume or substitute Awards, as provided above, (i) the vesting of any or all Awards granted pursuant to this Plan will accelerate immediately prior to the effective date of a transaction described in this Section 4.3 and (ii) any or all Stock Options granted pursuant to this Plan will become exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines. If such Stock Options are not exercised prior to the consummation of the corporate transaction, they shall terminate at such time as determined by the Committee. Subject to any greater rights granted to Awardees under the foregoing provisions of this Section 4.3, in the event of the occurrence of any transaction described in this Section 4.3, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, or sale of assets.

---

3

### **5. Eligibility.**

Awards may be made or granted to employees, officers, directors, advisors and consultants who are deemed to have rendered or to be able to render significant services to the Company or its Subsidiaries and who are deemed to have contributed or to have the potential to contribute to the success of the Company. Notwithstanding anything to the contrary contained in the Plan, Awards covered or to be covered under a registration statement on Form S-8 may be made under the Plan only if (a) they are made to natural persons, (b) who provide bona fide services to the Company or its Subsidiaries, and (c) the services are not in connection with the offer and sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities.

### **6. Stock Options.**

6.1 Grant and Exercise. Any Stock Option granted under the Plan shall contain such terms, not inconsistent with this Plan as the Committee may from time to time approve.

6.2 Terms and Conditions. Stock Options granted under the Plan shall be subject to the following terms and conditions:

(a) Option Term. The term of each Stock Option shall be fixed by the Committee.

(b) Exercise Price. The exercise price per share of Common Stock purchasable under a Stock Option shall be determined by the Committee at the time of grant.

(c) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee and as set forth in Section 10, below. If the Committee provides, in its discretion, that any Stock Option is exercisable only in installments, i.e., that it vests over time, the Committee may waive such installment exercise provisions at any time at or after the time of grant in whole or in part, based upon such factors as the Committee shall determine.

(d) Method of Exercise. Subject to whatever installment, exercise and waiting period provisions are applicable in a particular case, Stock Options may be exercised in whole or in part at any time during the term of the Stock Option, by giving written notice of exercise to the Company specifying the number of shares of Common Stock to be purchased. Such notice shall be accompanied by payment in full of the purchase price, which shall be in cash or, if provided in the Agreement, either in shares of Common Stock (including Restricted Stock and other contingent Awards under this Plan) or partly in cash and partly in such Common Stock, or such other means which the Committee determines are consistent with the Plan's purpose and applicable law. Cash payments shall be made by wire transfer, certified or bank check or personal check, in each case payable to the order of the Company; *provided, however*, that the Company shall not be required to deliver certificates for shares of Common Stock with respect to which an Option is exercised until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof. Payments in the form of Common Stock shall be valued at the Fair Market Value on the date prior to the date of exercise. Such payments shall be made by delivery of stock certificates in negotiable form that are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances. A Holder shall have none of the rights of a Shareholder with respect to the shares subject to the Option until such shares shall be transferred to the Holder upon the exercise of the Option.

---

4

(e) Transferability. Except as may be set forth in the Agreement, no Stock Option shall be transferable by the Holder other than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Holder's lifetime, only by the Holder (or, to the extent of legal incapacity or incompetency, the Holder's guardian or legal representative).

(f) Termination by Reason of Death. If a Holder's employment by or service as an officer, director advisor, or consultant to the Company or a Subsidiary terminates by reason of death, any Stock Option held by such Holder, unless otherwise determined by the Committee at the time of grant and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Holder under the will of the Holder, for a period of one year (or such other greater or lesser period as the Committee may specify at grant) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) Termination by Reason of Disability. If a Holder's employment by or service as an officer, director advisor, or consultant to the Company or any Subsidiary terminates by reason of Disability, any Stock Option held by such Holder, unless otherwise determined by the Committee at the time of grant and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of termination may thereafter be exercised by the Holder for a period of one year (or such other greater or lesser period as the Committee may specify at the time of grant) from the date of such termination or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(h) Other Termination. Subject to the provisions of Section 13, below, and unless otherwise determined by the Committee at the time of grant and set forth in the Agreement, if a Holder is an employee, officer, director, advisor or consultant of the Company or a Subsidiary at the time of grant and if such Holder's employment by or service as an officer, director, advisor or consultant to the Company or any Subsidiary terminates for any reason other than death or Disability, the Stock Option shall thereupon automatically terminate, except that if the Holder's employment or service as an officer, director, advisor or consultant is terminated by the Company or a Subsidiary without cause or due to normal retirement, then the portion of such Stock Option that has vested on the date of termination may be exercised for the lesser of three months after termination or the balance of such Stock Option's term.

(i) Buyout and Settlement Provisions. The Committee may at any time, subject to Board authorization, if indicated, offer to repurchase a Stock Option previously granted, based upon such terms and conditions as the Committee shall establish and communicate to the Holder at the time that such offer is made.

## 7. Stock Appreciation Rights.

7.1 Grant and Exercise. The Committee, subject to Board authorization, if indicated, may grant Stock Appreciation Rights to participants who have been, or are being granted, Stock Options under the Plan as a means of allowing such participants to exercise their Stock Options without the need to pay the exercise price in cash. A Stock Appreciation Right may be granted either at or after the time of the grant of such Stock Option.

7.2 Terms and Conditions. Stock Appreciation Rights shall be subject to the following terms and conditions:

(a) Exercisability. Stock Appreciation Rights shall be exercisable as shall be determined by the Committee and set forth in the Agreement.

(b) Termination. A Stock Appreciation Right shall terminate and shall no longer be exercisable upon the termination or exercise of the related Stock Option.

(c) Method of Exercise. Stock Appreciation Rights shall be exercisable upon such terms and conditions as shall be determined by the Committee and set forth in the Agreement and by surrendering the applicable portion of the related Stock Option. Upon such exercise and surrender, the Holder shall be entitled to receive a number of shares of Common Stock equal to the SAR Value divided by the Fair Market Value on the date the Stock Appreciation Right is exercised.

---

5

(d) Shares Affected Upon Plan. The granting of a Stock Appreciation Right shall not affect the number of shares of Common Stock available for Awards under the Plan. The number of shares available for Awards under the Plan will, however, may be reduced by the number of shares of Common Stock acquirable upon exercise of the Stock Option to which such Stock Appreciation Right relates.

## 8. Restricted Stock.

8.1 Grant. Shares of Restricted Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee, subject to Board authorization, if indicated, shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be awarded, the number of shares to be awarded, the price (if any) to be paid by the Holder, the time or times within which such Awards may be subject to forfeiture (" **Restriction Period** "), the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

8.2 Terms and Conditions. Each Restricted Stock Award shall be subject to the following terms and conditions:

(a) Certificates. Restricted Stock, when issued, will be represented by a stock certificate or certificates registered in the name of the Holder to whom such Restricted Stock shall have been awarded. During the Restriction Period, certificates representing the Restricted Stock and any securities constituting Retained Distributions (as defined below) shall bear a legend to the effect that ownership of the Restricted Stock (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and the Agreement. Such certificates shall be deposited by the Holder with the Company, together with stock powers or other instruments of assignment, each endorsed in blank, which will permit transfer to the Company of all or any portion of the Restricted Stock and any

securities constituting Retained Distributions that shall be forfeited or that shall not become vested in accordance with the Plan and the Agreement.

(b) Rights of Holder. Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Stock, to receive and retain all regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute on such Restricted Stock and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to such Restricted Stock, with the exceptions that (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Stock until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled; (ii) the Company will retain custody of the stock certificate or certificates representing the Restricted Stock during the Restriction Period;

(iii) other than regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute, the Company will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the same restrictions, terms and conditions as are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested and with respect to which the Restriction Period shall have expired; (iv) a breach of any of the restrictions, terms or conditions contained in this Plan or the Agreement or otherwise established by the Committee with respect to any Restricted Stock or Retained Distributions will cause a forfeiture of such Restricted Stock and any Retained Distributions with respect thereto.

(c) Vesting; Forfeiture. Upon the expiration of the Restriction Period with respect to each Award of Restricted Stock and the satisfaction of any other applicable restrictions, terms and conditions (i) all or part of such Restricted Stock shall become vested in accordance with the terms of the Agreement, subject to Section 10, below, and (ii) any Retained Distributions with respect to such Restricted Stock shall become vested to the extent that the Restricted Stock related thereto shall have become vested, subject to Section 10, below. Any such Restricted Stock and Retained Distributions that do not vest shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Restricted Stock and Retained Distributions that shall have been so forfeited.

---

6

## 9. Other Stock-Based Awards.

Other Stock-Based Awards may be awarded, subject to limitations under applicable law, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, or other rights convertible into shares of Common Stock and Awards valued by reference to the value of securities of or the performance of specified Subsidiaries. Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other Awards under this Plan or any other plan of the Company. Each other Stock-Based Award shall be subject to such terms and conditions as may be determined by the Committee.

## 10. Accelerated Vesting and Exercisability.

10.1 Approved Transactions. The Committee may, subject to Board authorization, if indicated, in the event of an acquisition of substantially all of the Company's assets or at least 50% of the combined voting power of the Company's then outstanding securities in one or more transactions (including by way of merger or reorganization) which has been approved by the Company's Board of Directors, (i) accelerate the vesting of any and all Stock Options and other Awards granted and outstanding under the Plan, and (ii) require a Holder of any Award granted under this Plan to relinquish such Award to the Company upon the tender by the Company to Holder of cash in an amount equal to the Repurchase Value of such Award. Notwithstanding the foregoing, for a Holder that is terminated without cause within six (6) months of said acquisition, the vesting of any and all Stock Options and other Awards granted and outstanding under the Plan shall be accelerated.

## 11. Amendment and Termination.

11.1 The Board may at any time, and from time to time, amend alter, suspend, or discontinue any of the provisions of the Plan, but no amendment, alteration, suspension or discontinuance shall be made that would impair the rights of a Holder under any Agreement theretofore entered into hereunder, without the Holder's consent.

## 12. Term of Plan.

12.1 Effective Date. The Plan shall become effective at such time as the Plan is approved and adopted by the Company's Board of Directors (the "Effective Date").

12.2 Termination Date. Unless otherwise terminated by the Board, this Plan shall continue to remain effective until the earlier of ten (10) years from the Effective Date or such time as no further Awards may be granted and all Awards granted under the Plan are no longer outstanding.

## 13. Leak Out/No Shorting.

13.1 Leak Out. The transfer of any Common Stock received by a Director, Employee, of Advisor as a result of an award or issuance of Stock Options, Stock Appreciation Rights, Restricted Stock, or Other Stock-Based Awards by the Company under or pursuant to this Plan equal to or greater than of One Hundred Thousand (100,000.00) shares at the time of issuance or award, shall be limited to selling or transferring up to one percent (1%) of the total issued and outstanding shares over a rolling 90-day period for the duration of 365 days from the date of the issuance of the Common Stock.

13.2 No Shorting. The Holder agrees that during the Lock Up Period, they, or any of their affiliates, shall not short sell the Common Stock and shall abide by any anti-shortening provisions in any remaining Covered Loan Agreements.

## 14. General Provisions.

14.1 Written Agreements. Each Award granted under the Plan shall be confirmed by, and shall be subject to the terms, of the Agreement executed by the Company and the Holder. The Committee may terminate any Award made under the Plan if the Agreement relating thereto is not executed and returned to the Company within 10 days after the Agreement has been delivered to the Holder for his or her execution.

---

7

14.2 Unfunded Status of Plan. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Holder by the Company, nothing contained herein shall give any such Holder any rights that are greater than those of a general creditor of the Company.

## 14.3 Officers, Directors, Employees, Consultants, and Advisors.

(a) Disclosure of Confidential Information. If a Holder's employment with the Company or a Subsidiary is terminated for any reason whatsoever, and within six months after the date thereof such Holder discloses to anyone outside the Company or uses any confidential information or material of the Company in violation of the Company's policies or any agreement between the Holder and the Company, the Committee, in its sole discretion, may require such Holder to return to the Company the economic value of any Award that was realized or obtained by such Holder at any time during the period beginning on that date that is six months prior to the date such Holder's employment



with the Company is terminated.

(b) Termination for Cause. If a Holder’s employment with the Company or a Subsidiary is terminated for cause, subsequent to the grant of any Award under this Plan to such employee, the Committee, in its sole discretion, may require such Holder to return to the Company the economic value of any Award that was realized or obtained by such Holder at any time following the grant date of such Award.

(c) No Right of Employment. Nothing contained in the Plan or in any Award hereunder shall be deemed to confer upon any Holder who is an employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any Holder who is an employee at any time.

14.4. Investment Representations: Company Policy. The Committee may require each person acquiring shares of Common Stock pursuant to a Stock Option or other Award under the Plan to represent to and agree with the Company in writing that the Holder is acquiring the shares for investment without a view to distribution thereof. Each person acquiring shares of Common Stock pursuant to a Stock Option or other Award under the Plan shall be required to abide by all policies of the Company in effect at the time of such acquisition and thereafter with respect to the ownership and trading of the Company’s securities.

14.5 Additional Incentive Arrangements. Nothing contained in the Plan shall prevent the Board from adopting such other or additional incentive arrangements as it may deem desirable, including, but not limited to, the granting of Stock Options and the Awarding of Common Stock and cash otherwise than under the Plan; and such arrangements may be either generally applicable or applicable only in specific cases.

14.6 Governing Law. The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Wyoming.

14.7 Other Benefit Plans. Any Award granted under the Plan shall not be deemed compensation for purposes of computing benefits under any retirement plan of the Company or any Subsidiary and shall not affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation (unless required by specific reference in any such other plan to Awards under this Plan).

14.8 Non-Transferability. Except as otherwise expressly provided in the Plan or the Agreement, no right or benefit under the Plan may be alienated, sold, assigned, hypothecated, pledged, exchanged, transferred, encumbered, or charged, and any attempt to alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void.

14.9 Applicable Laws. The obligations of the Company with respect to all Stock Options and Awards under the Plan shall be subject to (i) all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the Securities Act of 1933, as amended, and (ii) the rules and regulations of any securities exchange on which the Common Stock may then be listed.

14.10 Conflicts. If any of the terms or provisions of any Agreement conflicts with any terms or provisions of the Plan, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of the Plan. Additionally, if any Agreement does not contain any provision required to be included therein under the Plan, such provision shall be deemed to be incorporated therein with the same force and effect as if such provision had been set out at length therein.

14.11 Non-Registered Stock. The shares of Common Stock to be distributed under this Plan have not been, as of the Effective Date, registered under the Securities Act of 1933, as amended, or any applicable state or foreign securities laws and the Company has no obligation to any Holder to register the Common Stock or to assist the Holder in obtaining an exemption from the various registration requirements, or to list the Common Stock on a national securities exchange or any other trading or quotation system.

14.13 Venue. Any litigation allowable under the Plan and/or the Stock Option Award Agreement may be brought only in the State of North Carolina, notwithstanding that the Holder is not at the time a resident of the State of North Carolina and cannot be served process within that State. Holder hereby irrevocably consents to the jurisdiction of the courts of North Carolina (whether Federal or State courts) over his/her person.

14.14 Arbitration. Any controversy or claim arising out of or relating to the Plan and/or Stock Option Award Agreement shall be settled by arbitration administered by the American Arbitration Association under its Employment Arbitration Rules and Mediation Procedures and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

**FORM OF STOCK OPTION AWARD AGREEMENT**

**American Picture House Corporation**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Re: Stock Option

Dear M \_\_\_\_\_:

We are pleased to advise you that, on \_\_\_/\_\_\_/20, the Board of Directors of American Picture House Corporation (the “**Company**”) authorized the Award to you (“**Recipient**” or “**you**”) of an option to purchase \_\_\_(\_\_\_\_) shares of our common stock, par value \$0.0001 per share (the “**Option**”), upon the following terms and conditions:

1. The Option is granted in accordance with and subject to the terms and conditions of the Company’s 2023 Directors, Employees and Advisors Stock Incentive and Compensation Plan (the “**Plan**”).
2. The Option is exercisable commencing on \_\_\_/\_\_\_/20 and terminating at 5:00 pm New York time on \_\_\_/\_\_\_/20.
3. The price at which the Option may be exercised is \$\_\_\_ . **per share**.
4. The Option is non-transferable and may be exercised, in whole or in part, during the exercise period, only by you, except that upon your death, the Option may be exercised strictly in accordance with the terms and conditions of the Plan.
5. The exercise price and number of shares issuable upon exercise of the Option (the “**Option Shares**”) are subject to adjustment in accordance with the Plan in the event of



stock splits, dividends, reorganizations, and similar corporate events.

6. If neither the Option nor the Option Shares have been registered under the Securities Act of 1933, as amended (the “**Act**”), the Option Shares may not be sold, assigned, pledged, transferred, or otherwise disposed of absent registration under the Act or the availability of an applicable exemption from registration. All certificates evidencing the Option Shares will contain a legend describing this restriction on resale of the Option Shares. There is no assurance that there will be a public market into which you may sell the Option Shares or that you will be able to sell your Option Shares at a profit or at all.

7. In order to exercise the Option, you must provide us with written notice that you are exercising all or a portion of your Option. The written notice must specify the number of Option Shares that you are exercising your Option for, and must be accompanied by the exercise price described in paragraph 3, above. You agree to execute and deliver such additional documents as we may request in connection with and as a condition to your ability to exercise the Option. Your Option Shares will be issued to you within approximately one week following our receipt of your exercise notice, cleared funds evidencing the exercise price and any additional documents we may request.

8. At the time you exercise the Option, you acknowledge that the Option Shares cannot be issued to you without a restrictive legend and may not be resold by you except in accordance with the provisions of Rule 144 of the Act.

---

10

9. No rights or privileges of a shareholder of the Company are conferred by reason of the grant of the Option to you. You will have no rights of a shareholder until you have delivered your exercise notice to us and we have received the exercise price of the Option in cleared funds.

10. You understand that the Plan contains important information about your Option and your rights with respect to the Option. The Plan includes terms relating to your right to exercise the Option; important restrictions on your ability to transfer the Option or Option Shares; provisions relating to adjustments in the number of Option Shares and the exercise price; and early termination of the Option following the occurrence of certain events; including the termination of your relationship with us. By signing below, you acknowledge your receipt of a copy of the Plan. By acceptance of your Option, you agree to abide by the terms and conditions of the Plan.

11. You understand and acknowledge that your execution of this Agreement subjects all APHP shares currently held for you at the Company’s transfer agent at the time of your execution of this Agreement to the terms, conditions, and restrictions set out in this Agreement and the Plan.

12. Our business is subject to many risks and uncertainties. The exercise of your Option is a speculative investment and there is no assurance that you will realize a profit on the sale of Option Shares received upon exercise of your Option.

13. The Recipient acknowledges that he, she or it is, will be, or may be in possession of Confidential Information concerning the business of the Company (the “**Business**”), including, but not limited to, information about markets, key personnel, current and prospective customers and other business affairs and methods and other information not readily available to the public; provided, however, that, for purposes of this Agreement, Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of wrongful disclosure by the Recipient, or (b) becomes available to the Recipient, as applicable, from a third party without restriction or breach of this Agreement and, to the knowledge of the Recipient, as applicable, without breach of any other confidentiality obligation owed to the Company. As a means reasonably designed to protect the Confidential Information, from the Effective Date above until the second anniversary of the Effective Date, the Sellers agree that they will not, directly or indirectly (including through their Affiliates), engage in, assist (financially or otherwise), render services to, or perform any activity that is competitive with the Business (the “**Protected Activities**”), in any territory in which the Company does business. Also as a means reasonably designed to protect the Confidential Information, from the Effective Date above until the second anniversary of the Effective Date, the Recipient agrees that he, she or it will not, directly or indirectly (including through his, her or its Affiliates), engage in, assist (financially or otherwise), render services to, or perform any activity that is competitive with the Company and substantially similar to the services rendered or the activities performed by the Company (the “**Protected Activities**”) in the capacity of a shareholder, officer, director or other management personnel, whether as an employee or an independent contractor, in any territory in which the Company does business. For avoidance of doubt, the Recipient’s engaging in any Excluded Business shall not be limited by this Section 12. Notwithstanding the foregoing, the Recipient may own, directly or indirectly, an aggregate of no more than one percent (1%) of the outstanding stock or other equity interest of or in any publicly traded corporation or other business enterprise that engages in the Protected Activities, provided that such participation therein is solely as a passive investor and does not include any role, as applicable, as director, officer, manager or other service provider.

14. From the Effective Date until the second anniversary of the Effective Date, the Recipient will not, without the prior written consent of the Company, directly, indirectly (including through his, her or its Affiliates) or as an agent on behalf of or in conjunction with any person, firm, partnership, corporation or other entity: (a) hire, solicit, encourage the resignation of, or in any other manner seek to engage or employ, any person who, as of the Effective Date or at any time during the six (6) month period prior thereto, was an employee of the Company, whether or not for compensation and whether as an officer, employee, consultant, adviser, independent sales representative, vendor, independent contractor or participant, or (b) contact, solicit, service or otherwise have any dealings with any person or entity with whom the Company has a then-current business relationship or if such contact, solicitation or other dealings could reasonably be expected to adversely impact the Company’s relationship with such person or entity.

---

11

15. Unless otherwise approved in writing by the Company, the Recipient covenants and agrees that he, she or it will not use for any purpose and will keep secret and will not intentionally disclose to anyone other than the Company, wherever located, any and all Confidential Information during the term of this Agreement or for two years after the Effective Date hereof.

16. The Option will become effective upon your acknowledgment of the terms and conditions of this Agreement and your delivery to us of a signed counterpart of this Agreement.

17. This Agreement and Plan contain all of the terms and conditions of your Option and supersedes all prior agreements or understandings relating to your Option. This Agreement shall be governed by the laws of the State of Wyoming, without regard to the conflicts of law provisions thereof.

18. Any litigation allowable under the Plan and/or this Stock Option Award Agreement may be brought only in the State of North Carolina, notwithstanding that the Holder is not at the time a resident of the State of North Carolina and cannot be served process within that State. Holder hereby irrevocably consents to the jurisdiction of the courts of North Carolina (whether Federal or State courts) over his/her person.

19. Any controversy or claim arising out of or relating to the Plan and/or Stock Option Award Agreement shall be settled by arbitration administered by the American Arbitration Association under its Employment Arbitration Rules and Mediation Procedures and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

20. This Agreement may be only amended in writing signed by you and the Company.

Very truly yours,

Corporate Secretary

\_\_\_\_\_

\_\_\_\_\_.

AGREED TO AND ACCEPTED THIS

\_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**APHP/BC ASSET PURCHASE AGREEMENT AND  
DESIGNATION OF BC AS A DESIGNATED APHP DEVELOPER**

This Asset Purchase and Designated Developer Agreement (this “Agreement”) is made and entered into on November 10th, 2022, by and among American Picture House Corporation, a Wyoming corporation with principal offices at 555 Madison Avenue (5FL), NY, NY 10022 (“Buyer” or “APHP”); and Bold Crayon Corporation, a Wyoming corporation with principal offices at 4242 Six Forks Road, North Hills (Suite 1550), Raleigh, NC 27609 (“Seller” or “BC”). (Hereinafter collectively referred to in the singular as “Party” and in the plural “Parties”). Capitalized terms used herein shall have the meanings ascribed to them in Schedule 1.

**Recitals**

Whereas, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of the rights, title and interest in, to certain film related assets (the “BC Assets”) as further defined herein, of the Seller subject to the terms and conditions of this Agreement;

Whereas, Buyer also desires to secure the services of the Seller, specifically to have the Seller act as a designated developer of content for the Buyer and the Seller desires to provide such services to the Buyer; and Whereas, Buyer is a publicly-traded company with a current common share (“Common Share”) price on the Over-The-Counter (“OTC”) Market under the trading symbol (“APHP”) as of the above-mentioned date of two and three tenths of a cent (\$0.023 USD) and an extrapolated preferred share (“Preferred Share”) price of two thousand three hundred dollars (\$2,300.00 USD), based on the Preferred Shares’ convertibility clause which allows the holder to exchange one Preferred Share for one hundred thousand (100,000) Common Shares.

**Agreement**

Now, Therefore, in consideration of the promises and the mutual covenants contained herein, the Parties agree as follows:

**ARTICLE I  
SALE AND PURCHASE OF ASSETS**

1.01 Sale and Purchase of Assets.

- (a) BC Assets. On the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept delivery of, all right, title and interest in the BC Assets (*as defined below*), free and clear of all Liens, except as otherwise noted herein. It is specifically understood and agreed by the Parties hereto that Buyer is acquiring, and Seller is selling, the below assets owned by the Seller:

The BC Assets:

- i. BC’s ownership in the feature film “*BUFFALOED*” inclusive of:
- BC’s ownership rights in *BUFFALOED* as per the agreements between BC and Lost City Inc (“Lost City”), the Co-Finance/ Co-Production Agreement dated July 10th, 2018 and its preceding term sheet.

*Of Note: As of the date of signing hereof, the above-mentioned IP pertaining to BUFFALOED, upon information and BC’s belief, is held one hundred percent (100%) in the name of Lost City’s parent company, “Maker Investment Partners Pty Ltd” (“Maker”), which in BC’s opinion is contrary to the Lost City/BC agreements. Further, it is more than likely that BC will have to pursue arbitration in the state of California to correct this issue. BC reserves its right to arbitrate with Lost City and/or Maker, but makes no that such arbitration shall be initiated.*

1 | Page

- A secured position of a one million three hundred eighty-thousand-dollar (\$1,380,000.00 USD) receivable against the film’s revenues as per the film’s Cash Asset Management Agreement (“CAMA”).
- A thirty-five percent (35%) beneficial ownership interest as per the film’s CAMA.

*Of Note: As of the date of signing hereof, the above-mentioned CAMA pertaining to BUFFALOED is currently unsigned; however, BC reasonable believes that the CAMA will be signed by all the parties to the CMA within the next quarter.*

- ii. Title and all copyrights to “*THIEF*” (including five titles) (U.S. Copyright #: V9968D472 (2019)), BC will transfer such copyrights to APHP and APHP will file the necessary documents with the U.S. Library of Congress to effectuate such transfer; and
- iii. Title and copyright to “*SPREAD THE WORD*” (U.S. Copyright #: V9968D474 (2019)) BC will transfer such copyrights to APHP and APHP will file the necessary documents with the U.S. Library of Congress to effectuate such transfer.
- (b) Method of Conveyance. The sale, transfer, conveyance, assignment and delivery by Seller of the BC Assets to Buyer on the Closing Date by Seller’s execution and delivery to Buyer of one or more bills of sale, assignments and other conveyance instruments with respect to Seller’s transfer of the BC Assets including but not necessarily limited to all Intangible Rights in form and scope reasonably satisfactory to Buyer (*collectively the “Conveyance Documents”*). At the Closing, Seller shall transfer, convey, assign and deliver good, valid and, to the extent applicable, marketable title to the BC Assets to Buyer pursuant to the Conveyance Documents, free and clear of any and all liabilities, obligations, debts, costs, expenses, encumbrances, and Liens.
- (c) Liabilities. Except as otherwise provided herein, in no event shall Buyer assume or be responsible for or be required to pay, perform, or discharge any liability, obligation, debt, cost, expense or commitment of Seller, whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, or otherwise, all of which shall be retained by Seller.

1.02 Consideration for Assets.

- (a) Consideration. As consideration for the BC Assets being acquired by Buyer hereunder, Buyer shall pay to Seller the below purchase price (the “Purchase Price”) on or before the Closing Date:
- i. APHP shall provide a promise in the form of a contingent promissory note to pay BC the first one hundred thirty thousand dollars (\$130,000.00 USD) that APHP collects from the *BUFFALOED* receivable (*referred to in Section 1.01, subsection (a)(i.)*);

- ii. APHP shall promise to deliver one Preferred Share to BC for each ten thousand dollars (\$10,000.00 USD), in value paid to the APHP from the *BUFFALOED* receivable above the one hundred thirty thousand dollars (\$130,000.00 USD), not to exceed one hundred twenty-five (125) Preferred Shares. *(This right ultimately entitles the Seller to purchase the Common Shares for ten cents (\$0.10 USD) per share possibly far into the future).*
- iii. APHP shall promise to designate BC as an APHP content development partner (“Content Partner”) for and among other reasons, and in exchange for the thirty-five percent (35%) beneficial ownership interest as per the *BUFFALOED* CAMA.

- iv. Co-producer agreements entitling BC to certain limited rights in any production resulting from the use of the *THIEF* or *SPREAD THE WORD* IP (referred to in Section 1.01, subsection (a)(ii.) and ((iii.)) including:
  - An “In Association” credit for each production;
  - Two “Executive Producer” credits for each production; and
  - Two “Producer” credits and such other compensation to Producers under work for hire as mutually agreed for each production.

## **ARTICLE II DESIGNATED CONTENT PARTNER**

- 2.01 Designated Content Partner. The Parties agree that APHP will designate BC as a “Content Partner” wherein BC will develop content and present APHP with a first opportunity to co-finance and/or co-produce content developed by BC subject to a mutually agreed upon Content Partner Agreement and BC will accept such designation.

## **ARTICLE III CLOSING**

- 3.01 Closing. The closing of the transactions contemplated hereby (the “Closing”) shall occur on or before the close of business on December 31st, 2022, at such place as may be mutually agreeable to Seller and Buyer. The date upon which the Closing occurs is hereinafter referred to as the “Closing Date.”
- 3.02 Conditions to the Obligations of Buyer to Close. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:
- (a) Deliveries. At or prior to the Closing, Seller shall deliver to Buyer, as applicable, the items set forth on Schedule 2.
- 3.03 Conditions to the Obligations of Seller to Close. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:
- (a) Deliveries. At or prior to the Closing, Buyer shall deliver to Seller the items set forth on Schedule

## **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Buyer that:

- 4.01 Existence. Seller is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Wyoming and has the power to own, manage, lease and hold its Properties and to carry on its business as and where such Properties are presently located and such business is presently conducted.
- 4.02 Authority, Approval and Enforceability. This Agreement has been duly executed and delivered by Seller; Seller has all requisite power and legal capacity to execute and deliver this Agreement and all Collateral Agreements executed and delivered or to be executed and delivered in connection with the transactions provided for hereby, to consummate the transactions contemplated hereby and by the Collateral Agreements, and to perform its obligations hereunder and under the Collateral Agreements. The execution and delivery of this Agreement and the Collateral Agreements and the performance of the transactions contemplated hereby and thereby has been duly and validly authorized and approved by all action necessary on behalf of Seller. Each of this Agreement and each Collateral Agreement to which Seller is a party constitutes the legal, valid, and binding obligation of such party, enforceable in accordance with its terms.

- 4.03 Sale Free and Clear of Liens. On the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept delivery of, all right, title and interest in the BC Assets, free and clear of all Liens. It is specifically understood and agreed by the Parties hereto that Buyer is acquiring, and Seller is selling, the intangible BC Assets owned by the Seller.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller that:

- 5.01 Existence. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Wyoming. Buyer has the power to own, manage, lease and hold its properties and to carry on its business as and where such properties are presently located and such business is presently conducted.
- 5.02 Authority, Approval and Enforceability. This Agreement has been duly executed and delivered by Buyer, and Buyer has all requisite corporate power to execute and deliver this Agreement and all Collateral Agreements executed and delivered or to be executed and delivered by Buyer, as applicable, in connection with the transactions provided for hereby, to consummate the transactions contemplated hereby and by the Collateral Agreements, and to perform its respective obligations hereunder and under the Collateral Agreements. The execution and delivery of this Agreement and the Collateral Agreements and the performance of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by all action necessary on behalf of Buyer. This Agreement and each Collateral Agreement to which Buyer is a party constitutes, or upon execution and delivery will constitute, the legal, valid, and binding obligation of Buyer, enforceable in accordance with its terms, except as such enforcement may be limited by general equitable principles or by applicable bankruptcy, insolvency, moratorium, or similar laws and judicial decisions from time to time in effect which affect creditors’ rights generally.
- 5.03 The *BUFFALOED* Cash Asset Management Agreement (“CAMA”) is Not Executed. As of the date signed hereof the Buyer acknowledges that the *BUFFALOED* CAMA is currently not signed.

**ARTICLE VI  
POST-CLOSING OBLIGATIONS**

6.01 Further Assurances. Following the Closing, Seller or Buyer shall execute and deliver such documents, and take such other action, as shall be reasonably requested by Seller or Buyer to carry out the transactions contemplated by this Agreement. Seller shall, and shall cause its respective Affiliates, employees, consultants and agents to, take all reasonable actions necessary and reasonably requested by Buyer to facilitate the orderly transition of the BC Assets of Seller to Buyer.

**ARTICLE VII  
MISCELLANEOUS**

- 7.01 Survival. The representations and warranties of the Parties set forth in this Agreement shall survive and continue to be in full force and effect.
- 7.02 Brokers. Seller and Buyer each represent to one another that no Broker has been used with respect to this transaction.
- 7.03 Notices. Any notice, request, instruction, correspondence, or other document to be given hereunder by any Party hereto to another shall be in writing and delivered personally, sent by facsimile or sent by overnight courier, charges prepaid, as follows:

4 | Page

Each of the above addresses at the beginning of this Agreement for notice purposes may be changed by providing appropriate notice hereunder. Notice given: (i.) by personal delivery shall be effective upon actual receipt, (ii.) by facsimile shall be effective upon the date sent (with confirmation) if sent before 5:00 p.m. on a Business Day, and if not, on the next business day, and (iii.) by overnight courier, on the date delivered. Anything to the contrary contained herein notwithstanding, notices to any Party hereto shall not be deemed effective with respect to such Party until such notice would, but for this sentence, be effective both as to such Party and as to all other Persons to whom copies are provided above to be given.

- 7.04 Governing Law. The provisions of this agreement and the documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the State of Wyoming (*excluding any conflict of law rule or principle that would result in the application of the laws of another jurisdiction*).
- 7.05 Entire Agreement; Amendments and Waivers. This Agreement, together with all exhibits (*if any*) and schedules attached hereto, constitutes the entire agreement between and among the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to such subject matter. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (*regardless of whether similar*), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.
- 7.06 Binding Effect and Assignment. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties hereto and their respective permitted successors and assigns; but neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any Party hereto without the prior written consent of the Buyer and Seller; provided, however, that nothing herein shall prohibit the assignment of Buyer's rights and obligations to any Affiliate or direct or indirect Subsidiary or any Person acquiring the assets, business, or equity securities of Buyer or prohibit the assignment of Buyer's rights (*but not obligations*) to any lender. Nothing in this Agreement, express or implied, is intended to confer upon any Person or entity other than the Parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.
- 7.07 Remedies. Except as otherwise provided herein, the rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by any Party hereto shall not preclude or constitute a waiver of its right to use any or all other remedies a Party may have by law, statute or otherwise.
- 7.08 Exhibits and/or Schedules. The exhibits and schedules referred to herein are attached hereto and incorporated herein by this reference. A disclosure in any particular Schedule, or otherwise, in this Agreement will be deemed adequate to disclose another exception to a representation or warranty made herein if the disclosure identifies the exception with reasonable particularity so that any exception to any other Schedule is reasonably apparent. The Parties hereto intend that each representation, warranty and covenant contained herein will have independent significance. If any Party hereto has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (*regardless of the relative levels of specificity*) which the Party has not breached will not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant.
- 7.09 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5 | Page

- 7.10 References and Construction.
- (a) Whenever required by the context, and as used in this Agreement, the singular number shall include the plural and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identification the Person may require. References to monetary amounts, specific named statutes and generally accepted accounting principles are intended to be and shall be construed as references to United States dollars, statutes of the United States or any individual state thereof and United States generally accepted accounting principles, respectively, unless the context otherwise requires.
  - (b) The provisions of this Agreement shall be construed according to their fair meaning and neither for nor against any Party hereto irrespective of which Party caused such provisions to be drafted. Each of the Parties acknowledge that it has been represented by an attorney in connection with the preparation and execution of this Agreement.
- 7.11 Attorneys' Fees. In the event any suit or other legal proceeding is brought for the enforcement of any of the provisions of this Agreement, the Parties hereto agree that the prevailing Party or Parties shall be entitled to recover from the other Party or Parties upon final judgment on the merits reasonable attorneys' fees (*and sales taxes thereon, if any*), including attorneys' fees for any appeal, and costs incurred in bringing such suit or proceeding.
- 7.12 Other Assets of BC. Parties acknowledge that BC will continue to own other assets, which when collectively valued as of the date of this Agreement, constitute, as represented by BC's management, a value greater than the value of the BC Assets being transferred to APHP.
- 7.13 BC's Continuation as a Business and Non-Compete with APHP. It is anticipated by the Parties that BC will continue to operate its business including and not limited to its business related to the Film Industry. BC will not compete with APHP on any of the BC assets; however, if APHP, fails to negotiate an acceptable deal with BC within ninety (90) of BC offering APHP such deal, on any other film properties which are secured by BC subsequent to the signing of this Agreement, then, and only then will BC be entitled to seek an alternative deal with other third-parties.

7.14 Disclosure Regarding Related Parties. As of the above-mentioned date, Bannor Michael MacGregor is the CEO/President and a director of APHP, Mr. MacGregor owns three and thirty-eight thousandths percent (3.038%) of the common shares of APHP. Mr. MacGregor is a Managing Manager of Hyperion Sprung Private Family Trust Management Company, LLC, the trustee of The Noah Morgan Private Family Trust which owns 31.430% of the common shares of APHP. Mr. MacGregor is a Managing Member and a shareholder of Duncan Morgan LLC which owns three and thirty-eight thousandths percent (3.038%) of the common shares of APHP, and Mr. MacGregor is the Managing Manager of Bold Crayon Family Trust Management Company, LLC, the trustee of The Bold Crayon Private Family Trust which owns two and nine hundred seventy-one thousandths percent (2.971%) of the common shares of APHP (*Mr. MacGregor's common shares and the common shares of these three entities, in aggregate, hold forty and four hundred seventy-seven thousandths percent (40.477%) of the common shares of APHP*), and Mr. MacGregor owns one hundred percent (100%) of the Preferred Shares of APHP which grant Mr. MacGregor controlling interest in APHP. Mr. MacGregor is also the CEO/President and a director of BC and as stated above effectively controls BC as a managing manager of the trustee of the trust that owns the majority ownership interest in BC. Mr. Michael Blanchard is the Secretary/Treasurer and a director of APHP, Mr. Blanchard, is a past Director and Secretary/Treasurer of Bold Crayon, and Mr. Blanchard owns three and seven hundred seventeen thousandths percent (3.717%) of the common shares of APHP. Donald J. Harris, esq. is a director of APHP, owns three and one hundred fifty-seven thousandths percent (3.157%) of APHP and is a partner at Harris Sarratt & Hodges, LLP, a firm which APHP utilizes for legal services.

7.15 Potential and/or Perceived Conflicts of Interest. To avoid potential conflicts of interest or perceived conflicts of interest between the Parties, APHP will cause Mr. MacGregor, Mr. Blanchard, and Mr. Harris, esq. to abstain from any votes conducted by APHP's Board of Directors pertaining to this Agreement.

6 | Page

## SIGNATURES

EXECUTED as of the date first written above.

BUYER:

**American Picture House Corporation**, a Wyoming corporation ("Buyer" or "APHP")

By:



**Michael Blanchard**, Secretary

SELLER:

**Bold Crayon Corporation**, a Wyoming corporation ("Seller" or "BC")

By:



**Bannor Michael MacGregor**, CEO/President

-----  
Acknowledged:

**American Picture House Corporation**, a Wyoming corporation ("Buyer" or "APHP")

By: e-Signature on File

**Michael Wilson**, Director for the Board and Chairman of the Compensation/Valuation Committee

7 | Page

## Schedule 1 – Definitions

Affiliate. The term "Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, or the spouse, parent, child, or sibling of such Person. The term "control" as used in the preceding sentence means the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the equity interests of an entity or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person.

Agreement. The term "Agreement" has the meaning set forth in the preamble.

Acquired Contracts. The term "Acquired Contracts" means all contracts that are part of the Buyer's bid for the Assets that are ultimately assumed by the Seller and assigned by the Seller to the.

BC Assets. The term "BC Assets" means all rights and interest of every kind or nature owned by Seller in connection with: (i.) the feature film "BUFFALOED", (ii.) the IP related to "THIEF" including five titles (U.S. Copyright #: V9968D472 (2019)), (iii.) the IP related to "SPREAD THE WORD" (U.S. Copyright #: V9968D474 (2019)) and including, without limiting the generality of the foregoing:

Buyer. The term "Buyer" has the meaning set forth in the preamble. Closing. The term "Closing" has the meaning set forth in Section 2.01.

Closing Date. The term "Closing Date" has the meaning set forth in Section 2.01. Code. The term "Code" means the Internal Revenue Code of 1986, as amended.

Collateral Agreements. The term "Collateral Agreements" means any and all of the exhibits to this Agreement and any and all other agreements, certificates, instruments or documents required or expressly provided under this Agreement to be executed and delivered in connection with the transactions contemplated in connection with this Agreement.

Company Intangible Rights. The term "Company Intangible Rights" mean all Intangible Rights that are owned, licensed or controlled by Seller or are otherwise Used by Seller for the ownership, management, operation or commercialization of its Properties and the conduct of its business.

Confidential Information. The term "Confidential Information" means confidential and proprietary data and information relating to the business of a specified Person; other than any data or information that: (i.) has been voluntarily disclosed to the general public by Seller or its Affiliates, (ii.) has been independently developed and disclosed to the general public by others, or (iii.) otherwise enters the public domain through lawful means and not in violation of any confidentiality obligation to any Person or (iv.) has been disclosed pursuant to legal process.

Contracts. The term “Contracts,” when described as being those of or applicable to any Person, means any and all contracts, agreements, franchises, understandings, arrangements, leases, licenses, registrations, authorizations, easements, servitudes, rights of way, mortgages, bonds, notes, guaranties, liens, indebtedness, approvals, or other instruments or undertakings to which such Person is a party or to which or by which such Person or the property of such Person is subject or bound, excluding any Permits.

Conveyance Documents. The term “Conveyance Documents” has the meaning set forth in Section 1.01(b).

Damages. The term “Damages” means any and all damages, liabilities, obligations, penalties, fines, judgments, claims, deficiencies, losses, Taxes, costs, expenses and assessments (*including without limitation income and other taxes, interest, penalties and reasonable attorneys’ and accountants’ fees and disbursements*).

GAAP. The term “GAAP” means U.S. generally accepted accounting principles consistently applied.

Governmental Authority. The term “Governmental Authority” means any nation or country (including but not limited to the United States) and any commonwealth, territory, or possession thereof and any political subdivision of any of the foregoing, including but not limited to courts, departments, commissions, boards, bureaus, departments, agencies, ministries, or other instrumentalities.

---

8 | Page

Intangible Rights. The term “Intangible Rights” means any and all foreign and domestic patents, patent rights, trademarks, service marks, trade names, and copyrights (*whether or not registered and, if applicable, including pending applications for registration*), domain names and addresses, internet addresses, Trade Secrets, Confidential Information, and computer software and licenses other than such that are generally available on a retail basis.

IP. Is the abbreviation for “Intellectual Property”.

Knowledge. The term “Knowledge,” with respect to a Person, means the actual knowledge after reasonable inquiry of such Person of any directors, officers or managerial personnel of such Person with respect to the matter in question.

Legal Requirements. The term “Legal Requirements,” when described as being applicable to any Person, means any and all laws (*statutory, judicial or otherwise*), ordinances, regulations, judgments, orders, directives, injunctions, writs, decrees or awards of, and any Contracts with, any Governmental Authority, in each case as and to the extent applicable to such Person or such Person’s business, operations or properties.

Liens. The term “Liens” means any liens, mortgages, pledges, claims, interests, security agreements, restrictive covenants, encumbrances or other restrictions or limitations whatsoever.

Permits. The term “Permits” means any and all permits, rights, approvals, licenses, authorizations, legal status, orders or Contracts under any Legal Requirement or otherwise granted by any Governmental Authority.

Person. The term “Person” means any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any governmental or political subdivision or any agency, department or instrumentality thereof.

Product. The term “Product” means each product, process or service under development, developed, manufactured, licensed, distributed, performed or sold by Seller at any time and any other products or services in which Seller has or had any proprietary rights.

Properties. The term “Properties” means any and all properties and assets (*real, personal or mixed, tangible, intangible or otherwise*) owned or Used by Seller, including, but not limited to, all Assets to be conveyed to Buyer pursuant to this Agreement.

Subsidiary. The term “Subsidiary” means any Person of which a majority of the outstanding voting securities or other voting equity interests are owned, directly or indirectly, by Seller.

Tangible Seller Properties. The term “Tangible Seller Properties” has the meaning set forth in Section 3.09.

Tax. The term “Tax” means any federal, state, provincial, local or foreign income, alternative minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (*including taxes under Section 59A of the Code or any analogous or similar provision of any state, local or foreign Legal Requirement*), real property, personal property, ad valorem, intangibles, unclaimed property, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other similar tax, duty or other governmental charge or assessment or deficiencies thereof, including any interest, penalty or addition thereto, whether disputed or not, and “Taxes” means any or all of the foregoing collectively.

Trade Secrets. The term “Trade Secrets” means information of Seller including, but not limited to, technical or nontechnical data, formulas, patterns, compilations, programs, financial data, financial plans, product or service plans or lists of actual or potential customers or suppliers which (i.) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other Persons who can obtain economic value from its disclosure or use, and (ii.) is the subject of efforts that are reasonable under the circumstances to maintain its confidentiality.

---

9 | Page

## Schedule 2 – Deliveries by Seller

- a) The Conveyance Documents, in form and substance acceptable to Buyer, including, but not limited to: (i.) assignment of BC’s rights to *BUFFALOED*’s IP and CAMA rights, and assignment of (ii.) the *THIEF* and *SPREAD THE WORD* IP.
- b) An executed copy of the Content Partner agreement outlining the designation of BC as an APHP content development partner and the Parties respective responsibilities thereby.
- c) A certificate of an officer of Seller as to the satisfaction of the conditions set forth in Section 2.02 (a);
- d) Proof that BC will retain assets in a greater value than the BC assets being delivered to the Buyer as per Section 7.16.
- e) A certificate of the secretary of Seller as to: (i.) the incumbency of its officers, (ii.) the resolutions of its board of directors and stockholders approving this Agreement and the transactions contemplated hereby, and (iii.) Seller’s organizational documents; and
- f) Such other documents and agreements as may be reasonably requested by Buyer.

**Schedule 3 – Deliveries by Buyer**

- a) Such documents, in form and substance acceptable to Seller, including, but not limited to: (i.) contingent promissory note, (ii.) certain limited rights to the Preferred Shares, and (iii.) co-producer agreements.
- b) An executed copy of the Content Partner Agreement outlining the designation of BC as an APHP content development partner and the Parties respective responsibilities thereby.
- c) A certificate of an officer of Buyer as to the satisfaction of the conditions set forth in Section 2.03 (a);
- d) A certificate of the secretary of Buyer as to: (i.) the incumbency of its officers, (ii.) the resolutions of its board of directors approving this Agreement and the transactions contemplated hereby, and (iii.) its organizational documents; and
- e) Such other documents and agreements as may be reasonably requested by Seller.



## DEVIL'S HALF ACRE AGREEMENT

This Agreement regarding the screenplay *DEVIL'S HALF ACRE* ("Agreement") is made, effective November 10, 2022, by A. John Luessenhop ("Luessenhop"), an individual residing in Amagansett, NY, and American Picture House Corporation ("APHP"), a Wyoming Corporation.

Whereas, on July 25 and 26, 2021, Luessenhop and Bannor Michael MacGregor ("MacGregor") exchanged emails regarding the financing and production of a screenplay written and to be directed by Dashiell Luessenhop (the, "Writer/Director") entitled, "*DEVIL'S HALF ACRE*", ("DHA");

Whereas, MacGregor acted on behalf of APHP and Luessenhop acted on behalf of himself and as an agent for the Writer/Director;

Whereas, Luessenhop established a special purpose vehicle ("SPV") to produce DHA and Luessenhop is its sole owner/controller;

Whereas, initial principal photography started in in August of 2022 in Southport, Maine, with the balance of the shooting anticipated to take place in Shreveport, Louisiana in Q1 of 2023, with an assumed budget of less than one million dollars (\$1,000,000.00 USD) with Elias Kacavas as the lead;

Whereas, APHP has expended approximately one hundred thousand dollar (\$100,000.00 USD) towards the production of DHA as of the date of this agreement, and

Whereas, the Parties had an initial meeting of the minds and now wish to formalize and expand their initial agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

This Agreement will formalize the agreement between the parties.

1. APHP initially financed a portion of the production of DHA, specifically sixty-five thousand dollars (\$65,000.00 USD) in exchange for the following:
    - i. Return of the sixty-five thousand dollars (\$65,000.00 USD) in principle upon licensing or sale, plus a flat twenty percent (20%) (*For Clarification: for an aggregate return to APHP of seventy-eight thousand dollars (\$78,000.00 USD) from the proceeds of the sales and/or licensing of the film and in accordance with a mutually agreed cash asset management agreement ("CAMA") or as otherwise determined by the parties.*)
    - ii. A five percent (5%) beneficial ownership of equity to be reflected in the CAMA or as otherwise determined by the parties.
    - iii. 1 - "Executive Producer" credit (*at no additional cost to DHA's production budget*);
    - iv. 1 - "Producer" credit (*at no additional cost to DHA's production budget*);
    - v. 1 - "Co-producer" credit (*at no additional cost to DHA's production budget*);
    - vi. 1 - "In Association" credit for APHP (*at no additional cost to DHA's production budget*);
    - vii. Additional right to produce or co-produce on a deal to be mutually determined; and
    - viii. Any additional monies expended by APHP on behalf of DHA will be reimbursed as part of the waterfall;
-



### Addendum to Devil's Half Acre Agreement dated November 10, 2022

This Addendum (the "Addendum") to the Devil's Half Acre Agreement ("DHA Agreement") dated November 10, 2022 ("Agreement"), is entered into by A. John Luessenhop ("Luessenhop"), an individual residing in Amagansett, NY, and American Picture House Corporation ("APHP"), a Wyoming Corporation, effective August 18, 2023 (the "Effective Date"). The DHA Agreement is incorporated into this Addendum by reference as if fully set forth.

Whereas, the Parties hereto, entered into and executed the DHA Agreement on or about November 10, 2022, which set forth the terms and conditions upon which the Parties would finance and produce a motion picture based upon the screenplay "Devil's Half Acre";

Whereas, Luessenhop formed Devil's Half-Acre, LLC, a special purpose vehicle ("SPV"), to produce DHA and Luessenhop is currently the sole member and manager of Devil's Half-Acre, LLC; and

Whereas, due to changed circumstances, the Parties desire to amend the terms of the DHA Agreement as set forth herein.

Now, Therefore, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The DHA Agreement set forth that APHP would provide or has provided funding for the production of DHA in the amount of \$100,000.00 under the terms and conditions set forth in the DHA Agreement.
2. The Parties hereto now desire that APHP shall utilize its best efforts to obtain funding of up to Three Million Dollars (\$3,000,000.00) for the production of DHA with the additional funding above APHP's original funding of \$100,000.00 to be treated pursuant to the terms set forth in subsection 1.viii as modified by section 3 of the DHA Agreement.
3. In return for the full funding of the production of DHA, the Parties agree that section 2 of the DHA Agreement is hereby modified and amended to read as follows:
 

*"The parties agree that immediately upon the execution of the Addendum, Luessenhop shall transfer to APHP one hundred percent (100%) of the membership units of Devil's Half-Acre, LLC, and that Luessenhop and Bannor Michael MacGregor shall be designated and appointed as co-managing members of Devil's Half-Acre, LLC."*
4. Except as specifically modified and amended herein, the remaining terms and conditions set forth in the DHA Agreement shall remain in full force and effect.

In Witness Whereof, the Parties executed this Addendum as of the date and year first above written.

Devil's Half-Acre LLC

E-Signature on file

By A. John Luessenhop, Individually and as the Managing Member of the SPV

American Picture House Corporation

A handwritten signature in black ink, appearing to read 'M. MacGregor', is positioned to the right of the company name.

E-Signature on file

By: Bannor Michael MacGregor, CEO

---

---

## SCREENPLAY OPTION/PURCHASE AGREEMENT

The following sets forth the agreement (“Agreement”), dated as of March 1, 2023, between ASK CHRISTINE PRODUCTIONS LLC, a Wyoming limited liability company, (“Company”), and DANIELLE SILVIE GERSHBERG (“Owner”) with respect to the original unpublished screenplay entitled “Ask Christine” (the “Screenplay”) written by Owner.

### 1. DEFINITIONS.

1.1. Property. As used herein, the term “Property” shall mean and include the Screenplay and any literary, dramatic or other material based on the Screenplay or derived from the Screenplay, or on which the Screenplay is based or derived, created by or under the control of Owner, whether oral, written or otherwise, including, without limitation, the plot, scenes, titles, characters, characterizations and translations and any and all other parts, elements or versions of any and all of the foregoing, and any and all present and future copyrights in and to the foregoing, including, but not limited to, any renewals, extensions or reversions thereof now or hereafter provided.

1.2. Motion Picture. As used herein, the term “Motion Picture” shall mean and include motion pictures, cinematography, television programs of any kind (including, without limitation, pilots, series, mini-series and movies-of-the-week), films and photoplays of every kind and character whatsoever, including the sound records thereof, as well as trailers and clips thereof, produced by means of any photographic, electrical, electronic, mechanical or other processes or devices now or hereafter known, invented, used or contemplated, by which photographs, pictures, images or other visual reproductions or representations are or may be printed, imprinted, recorded or otherwise preserved on material of any description (whether translucent or not) for later projection or exhibition in such manner that the same are, or appear to be, in motion on screen, mirror, tube or other medium or device, whether or not accompanied by sound records and whether now or hereafter known, invented, devised or contemplated. As used herein, the term “Picture” shall mean the first Motion Picture based in whole or in part upon the Property.

2. CONDITIONS PRECEDENT. Company’s obligations under this Agreement are conditioned upon the following:

2.1. Execution of Agreement. Company’s receipt of copies of this Agreement executed by Owner;

2.2. Chain-of-Title. Company’s receipt and approval of all chain-of-title documentation in connection with the Property and Company’s approval of the copyright status of the Property. (Company hereby deems this condition approved upon receipt of a summary of the chain-of-title to the Property in form and substance satisfactory to Company, including a complete list with attached copies of all prior option and attachment agreements entered into by Owner in connection with the Property, such summary and list of documents to be set forth in Schedule 1 attached hereto and incorporated herein by reference.)

3. OPTION. Owner hereby grants to Company the sole, irrevocable and exclusive option (“Option”) to acquire from Owner, forever and throughout the universe and in any and all languages, the Rights (as said term is defined below) in and to the Property.

4. OPTION TERM. The Option shall commence as of the date of this Agreement and, subject to Paragraph 5 below, shall continue for twelve (12) months after the date on which all of the conditions precedent set

forth in Paragraph 2 above are satisfied (the "Initial Option Period"). Company shall have the right, exercisable by written notice to Owner and payment of the Second Option Payment (as defined below) at any time prior to the expiration of the Initial Option Period, to extend the Option for an additional period of twelve (12) months (the "Second Option Period") commencing upon the expiration of the Initial Option Period. The Initial Option Period and the Second Option Period, if any, shall be referred to collectively herein as the "Option Period."

5. AUTOMATIC EXTENSIONS. The Option Period shall be automatically extended:

5.1. Event of Force Majeure. For the duration of any Event of Force Majeure (as said term is defined below) plus such additional time as is reasonably necessary for Company to resume the development of the Picture (but in no event for a period longer than 8 weeks);

5.2. Claim or Litigation. For the duration of any breach or default by Owner of any representation, warranty or agreement made hereunder, or of any claim or litigation asserted against Owner or the Property which interferes with Company's development, financing, production or exploitation of the Picture. In addition to the foregoing, at any time during the pendency of any claim or litigation arising out of any such actual breach by Owner, Company, in addition to all of its legal and equitable remedies, may rescind this Agreement, in which event Owner shall refund any payments received from Company in connection with the Property (provided, however, that the parties' representations, warranties and indemnification obligations survive any such rescission);

5.3. Holiday. If the last day of the Option Period falls on a Saturday, Sunday or holiday (and as used herein, "holiday" means any holiday which is recognized by the State of California and/or the federal government), through and including the next business day following such Saturday, Sunday or holiday; and/or

5.4. Breach. For the period of time equal to the aggregate of any and all time periods (if any) during which Owner is in breach or default under any provision of this Agreement for which Owner is provided written notice thereof.

5.5. Force Majeure Definition. An "Event of Force Majeure" means an event pursuant to which Company is hampered in the development and production of the Picture, including, without limitation, the following: any Act of God, war, accident, fire, strike, lock-out or other labor controversy, riot, civil disturbance, act of public enemy, act of terrorism, law, restraint, order or act of any governmental instrumentality or military authority, failure of technical facilities, failure, delay or reduction in transportation facilities or water, electricity or other public utilities, death, disability, disfigurement (with respect to cast only) or death or disability of the producer or director or other cause not reasonably within Company's control or which Company could not by reasonable diligence have avoided.

6. OPTION PRICE. As consideration for the grant of the Option to Company under this Agreement, Company shall pay Owner the following:

6.1. Initial Option Period. With respect to the Initial Option Period, the sum of Five Thousand U.S. Dollars (\$5,000) (the "Initial Option Payment"), payable upon satisfaction of the conditions precedent set forth in Paragraph 2 above. The Initial Option Payment shall be applicable against the Purchase Price and shall be payable via wire transfer (upon Company's receipt of an invoice from Owner) to the following account:

Bank Name: [REDACTED]  
Beneficiary: [REDACTED]  
Account No.: [REDACTED]

---

Routing No.: [REDACTED]

6.2. Second Option Period. If Company extends the Option for the Second Option Period, the sum of Five Thousand U.S. Dollars (\$5,000) (the "Second Option Payment") payable promptly following Company's notice to Owner of such election. The Second Option Payment shall not be applicable against the Purchase Price.

7. PURCHASE PRICE. Company may exercise the Option at any time prior to the expiration of the Option Period by paying to Owner an amount, less the Initial Option Payment, equal to SEVENTY FIVE THOUSAND DOLLARS (\$75,000) (the "Purchase Price"). If Company commences principal photography of the Picture prior to the expiration of the Option Period, the Option shall be deemed exercised and the applicable Purchase Price shall become payable to Owner immediately following such commencement.

8. SET-UP BONUS. If Company enters into an agreement with a "Major Studio" or a "Mini-Major" (as such terms are customarily understood in the motion picture industry; and for clarity, Lionsgate is a Mini-Major), for the development and/or production of the Picture, Owner shall be entitled to a "set-up bonus" of Twenty Five Thousand U.S. Dollars (\$25,000) if such agreement is with a Major Studio, or Fifteen Thousand U.S. Dollars (\$15,000) if such agreement is with a Mini-Major.

9. CONTINGENT COMPENSATION. Provided Owner is not in default or breach hereunder, Owner shall be entitled to receive the following credits and additional compensation:

9.1. [Omitted]

9.2. Screenwriting Credit. If Owner receives sole or shared "written by" or sole or shared "screenplay by" credit, an amount equal to three and one-half five percent (3.5%) of one hundred percent (100%) of the "net proceeds"; if any, derived from the Picture. For purposes hereof, "net proceeds" shall be defined in accordance with Company's customary definition which shall be no less favorable than any other non-financier participant, subject to such changes as may be agreed to by Company following good faith negotiation within customary parameters. Company makes no representation or warranty that the Picture will be produced, or that if the Picture is produced, that it will generate any, or any particular amount of, net proceeds. Nothing contained herein shall be construed to obligate Company to take any action to maximize revenue or gross receipts derived from the Picture.

9.3. [Omitted]

9.4. Deferment. Provided the Owner receives sole or shared writing credit on the Picture, Company shall pay to Owner a deferment of Fifty Thousand U.S. Dollars (\$50,000). Owner's deferment shall be payable *pari passu* with other deferments in connection with the Picture, and after Company's recoupment of third-party collection fees, Guilds' (i.e., IATSE, DGA, WGA, SAG-AFTRA) fees, distribution fees, financing fees, marketing expenses and the negative cost of production cost of the Picture. There shall be no other deferred fees in a preferred position to Owner's deferment herein.

10. RIGHT OF FIRST NEGOTIATION. For a period ending 7 years after the initial theatrical release of the Picture (if ever), if Company (or its successor, assignee or designee) elects, in its sole discretion, to develop a theatrical sequel or remake, and if: 1) you are accorded Sole Credit as to the Picture; and 2) you are ready, willing and able to render writing services as, when and where reasonably required by Company; then, with respect to the first such sequel, prequel or remake, you shall have a right of first opportunity to render writing services on terms to be negotiated in good faith for a period of 30 business days following

---



notice of commencement of good-faith negotiations within which to negotiate for your writing services for the first such subsequent picture upon financial terms no less favorable than those set forth herein with respect to the Picture; provided, however, that if no agreement is reached or you do not elect to render services within 15 business days of commencement of negotiations, then Company shall have no further obligation to you with respect to any writing services on such first sequel or remake or on any subsequent sequel or remake other than the passive fees set forth in paragraph 11 below. Such right of first negotiation shall continue with respect to subsequent theatrical sequels or remakes so long as you have rendered writing services for the immediately preceding sequel or remake, and so long as the conditions set forth hereinabove continue to be satisfied with respect to each subsequent production (e.g., a 'rolling right').

11. PASSIVES. If Owner does not render writing services in connection with such applicable production (e.g., theatrical remake, theatrical sequel/prequel, MOW, mini-series or TV production), then Owner shall be entitled to receive the following passive payments:

11.1. Theatrical Sequels or Prequel. For each sequel or prequel motion picture based on the Picture ("Sequel"), which Sequel is intended to be initially distributed in the United States for theatrical exhibition and is produced by Company, its assigns or licensees, Owner shall be paid an amount equal to: (i) one-half (1/2) of the Purchase Price paid to Owner in connection with the Picture pursuant to Paragraph 7; and (ii) a percentage of "net proceeds" (if any) derived from the applicable Sequel equal to one-half (1/2) of the percentage of "net proceeds" payable to Owner for the Picture payable to Owner pursuant to Section 9.2 and 9.3 above.

11.2. Theatrical Remakes. For each remake of the Picture ("Remake"), which Remake is intended to be initially distributed in the United States and is produced by Company, its assigns or licensees, Owner shall be paid an amount equal to: (i) one-third (1/3) of the Purchase Price paid to Owner in connection with the Picture pursuant to Paragraph 7; (ii) a percentage of "net proceeds" (if any) derived from the applicable Remake equal to one-third (1/3) of the percentage of "net proceeds" payable to Owner for the Picture payable to Owner pursuant to Paragraph 9.2 and 9.3 above.

11.3. Television Series. For each television series based upon the Picture, Owner shall be entitled to receive a royalty in the amount of Five Thousand Dollars (\$5,000) per episode. If any such television program is rerun on free United States network television, you shall be paid one hundred percent (100%) of the foregoing sum initially paid to you spread over the second, third, fourth, fifth, and sixth runs (100/5). In addition to the foregoing amount, Owner shall receive contingent compensation in an amount equal to Two and One-Half Percent (2.5%) of One Hundred Percent (100%) of the "net profits" derived from exploitation of such television series, as such "net profits" are defined pursuant to the applicable agreement between Company (or its assignee, designee etc) and the applicable Financier, on the definition no less favorable as Company.

11.4. MOW or Mini-Series. For each MOW or mini-series based upon the Picture, Owner shall be paid Ten Thousand Dollars (\$10,000) for each hour thereof, up to a maximum of Eighty Thousand Dollars (\$80,000). Such payment shall be made not later than completion of production of the MOW or Mini-Series.

12. CREDIT. Owner's screenwriting credit shall be determined in accordance with the credit determination standards of the Writers Guild of America Basic Theatrical and Television Agreement ("WGA Agreement"). The casual or inadvertent failure to comply with the credit obligations hereunder shall not constitute a breach of this Agreement.

---



13. PRE-PRODUCTION ACTIVITIES. Company shall have the right during the Option Period to cause to be written revisions, polishes and other material based in whole or in part on the Property, and generally to engage in any and all development and/or pre-production activities in respect of the Property. Whether or not Company exercises the Option, Company shall own any such revisions, polishes or other material created or developed by Company or at Company's request, except to the extent incorporating the underlying Property. Should Company engage a writer for any revisions to the Property, Owner will be offered the first opportunity to write, such compensation to be the minimum permitted under the WGA Agreement; payable 50% upon commencement of the revisions, and 50% upon final delivery and acceptance of the revisions by Company. Owner's writing services in connection with any revisions shall be non-exclusive but first-priority to Company, until commencement of pre-production of the Picture, and Owner shall not render any services for any third party or on Owner's own account that materially interfere with Owner's services hereunder. Company is not obligated to engage any writer.

#### 14. RIGHTS.

14.1. Rights Granted. If the Option is exercised, Company automatically and irrevocably shall own and be vested with, and Owner automatically and irrevocably shall be deemed to have granted, conveyed, assigned, transferred and set over to Company, exclusively and in perpetuity, for the entire universe, in any and all languages, all right, title and interest in, to and with respect to the Property and all rights (now or hereafter known or devised) under any and all copyrights therein and thereto (collectively, the "Rights"). Without limiting the generality of the foregoing, the Rights shall in any and all events include, without limitation, all of the following: (i) the sole and exclusive Motion Picture rights including, without limitation, the sole and exclusive right to produce one (1) or more Motion Pictures or other derivative works (including, without limitation, sequels, prequels, remakes, musicals and/or serials) based, in whole or in part, on the Property and the right to fix, release, distribute, exhibit, perform, transmit, broadcast, advertise, promote and otherwise exploit such Motion Pictures or other derivative works by any and all means and in any and all media whether now known or hereafter devised, including, without limitation, all of the following: theatrical; non-theatrical (including airlines, ships and other carriers, military, educational, industrial and the like); pay-per-view; home video (including videocassettes, digital videodiscs, laserdiscs, CD-ROMs and all other formats); all forms of television (including pay, free, network, syndication, cable, satellite, high definition and digital); video-on-demand and near video-on-demand; and all forms of digital distribution and/or transmission (including, without limitation, the internet), CD-ROMs, fiber optic or other exhibition, broadcast and/or delivery systems; all rights of communication to the public, rights of distribution to the public or other forms of public or private communication and/or distribution; and all forms of dissemination, communication or distribution to one or more identifiable locations or parties; (ii) all ancillary, incidental and subsidiary rights, including, without limitation, all publishing and merchandising (e.g., games; computer, video and other electronic games; toys; coloring books, comic books, so-called "making of" books, picture books, photo-novels, apparel, food, beverages, posters, and other commodities, services or items), commercial tie-ins, music, music publishing, stage rights, soundtrack, interactive media, multi-media, and theme park (or other "themed" or location-based attraction) rights in and to the Property; (iii) the right to make or publish excerpts, synopses or summaries of the Property; (iv) the exclusive right to use the title or titles by which the Property may be now or hereafter known, or any components of any such title or titles, including, without limitation: (a) as the title of Motion Pictures and/or in connection with the advertising, marketing, publicity, promotion and other exploitation thereof, whether such Motion Pictures are based wholly or partially upon the Property or are independent of the Property, (b) in connection with songs, musical compositions, music or lyrics, whether or not included in any such Motion Pictures, and (c) in connection with the publication, recordation, performance, and any other use whatsoever of the foregoing items; and (v) all live stage rights. Owner grants to Company the right throughout the universe, in perpetuity, to use and reproduce the name, sobriquet, likeness and biography of Owner in connection with any Motion Picture or other version of the Property and/or in

---

connection with the advertising, promotion, exhibition, distribution or other exploitation of any Motion Picture or other version of the Property and/or in connection with any so-called "commercial tie-ups," merchandising and/or the advertising or publicizing of any commodities, products or services relating or referring to the Property or any Motion Picture.

14.2. Modification. Company shall further have the right (to be exercised in its sole discretion) to adapt, modify, fictionalize, add to or take from the Property, and to combine the same with any other literary or musical work. In this regard, Owner hereby waives the exercise of any provision of law known as "droit moral" or any similar law which may now or hereafter be recognized in any country or place (including, without limitation, the so-called right of paternity ["droit a la paternite"], right of integrity ["droit au respect de l'oeuvre"], right of withdrawal ["droit de retrait" or "droit de repentir"] and/or right of publication ["droit divulgation"]), and agrees not to institute, support, maintain or permit any action or proceeding on the ground that any Motion Picture or other version of the Property produced or exploited by Company or Company's successors, licensees or assigns in any way constitutes an infringement of any of Owner's droit moral or is in any way a defamation or mutilation of the Property or any part thereof or contains unauthorized variations, alterations, modifications, changes or translations thereof. Owner further hereby irrevocably assigns to Company (or if any applicable law prohibits or limits such assignment, Owner hereby irrevocably licenses to Company), in perpetuity (but in any event for not less than the period of copyright and any renewals and extensions thereof) throughout the universe, all of Owner's rights, if any, to authorize, prohibit and/or control the renting, lending, fixation, reproduction, importation and/or other exploitation of any Motion Picture or other version of the Property by any media and/or means now known or hereafter devised as may be conferred upon Owner under applicable laws, regulations or directives, including, without limitation, any so-called "Rental and Lending Rights" pursuant to any European Union ("EU") directives and/or enabling or implementing legislation, laws or regulations enacted by the member nations of the EU.

## 15. REVERSION

15.1 Motion Picture. In the event that Company exercises the Option hereunder and principal photography of the Picture (or of any television series) has not commenced, subject to force majeure extensions, within seven (7) years from the date of Company's exercise of the Option, then the rights granted by Owner to Company hereunder shall be subject to reversion to Owner upon the payment by Owner (or a third party on Owner's behalf) to Company in an amount equal to the Purchase Price, plus interest at the rate of Prime Interest Rate plus one percent (1%). The reversion right set forth in this paragraph shall terminate upon the date eight (8) years from the date of the Company's exercise of the Purchase Price.

## 15.2 [Omitted]

16. REPRESENTATIONS AND WARRANTIES. Owner hereby represents and warrants (which representations and warranties shall survive the termination of this Agreement whether Company exercises the Option or not) that:

16.1. Owner is the sole owner of all Rights herein sold, transferred, granted, assigned and conveyed and purported to be sold, transferred, granted, assigned or conveyed to Company and has the full and sole right and authority to sell, transfer, grant, assign and convey such Rights;

16.2. The Property has not been published or registered for copyright in the United States or elsewhere but may be validly copyrighted or registered for copyright in the United States of America and likewise may be protected elsewhere so far as the laws of other countries provide for such protection;

---

16.3. The Property and all characters depicted therein are wholly original with Owner in all respects and Owner is the sole author of the Property and all characters depicted therein;

16.4. The Property is not in the public domain;

16.5. Except as specifically set forth in the agreements listed in Schedule I attached hereto and incorporated herein by reference, no part of the Rights herein conveyed has in any way been encumbered, conveyed, granted or otherwise disposed of and all such Rights are therefore free and clear of any and all liens, claims, charges or encumbrances whatsoever in favor of any party whatsoever, and said rights and the full right to exercise the same have not been in any way prejudiced, limited, diminished or impaired;

16.6. The rights granted pursuant to the agreements set forth in Schedule I have expired or lapsed without being exercised and none of the parties contracting with Owner has any right, title or interest in or to the Property or any right to acquire any right, title or interest in or to the Property;

16.7. To the best of Owner's knowledge in the exercise of reasonable prudence, the use, reproduction, performance or exhibition of the Property or any part thereof, or the exercise of any of the Rights herein granted or conveyed, or agreed to be conveyed, will not in any way infringe upon any copyright of any person or entity whatsoever, nor any common law, literary, dramatic, or motion picture rights or any other rights of any person or entity whatsoever, nor constitute a libel or defamation of, or invasion of any rights (including, without limitation, the right of privacy or publicity) of any person or entity;

16.8. Owner has not done, nor will do, any act or thing that will in any way prevent or interfere in any manner with the full and exclusive enjoyment by Company of any of the Rights herein granted, conveyed or agreed to be granted or conveyed or which will, or may, impair, impede, invalidate or encumber any such Rights;

16.9. There are no claims or litigations pending, outstanding or threatened that adversely affect, or that may in any way prejudice, Owner's exclusive rights in the Property or any of the Rights herein granted, conveyed or agreed to be granted or conveyed, or the copyrights therein; and

16.10. The Rights herein granted, conveyed or agreed to be granted or conveyed have never been exercised by Owner or any third party.

17. INDEMNITY. Owner hereby indemnifies and holds Company and its licensees, officers, agents and employees harmless from and against any third party claims, charges, damages, costs, expenses (including reasonable outside attorneys' fees), judgments, settlements, penalties, liabilities or losses of any kind or nature whatsoever (collectively, "Expenses") which may be made, asserted, maintained, sustained or suffered by or secured against or imposed upon Company, or any of its licensees, officers, agents, or employees, by reason of the breach of any of Owner's warranties, representations, agreements or undertakings under any provision of this Agreement. Company shall indemnify, hold harmless and defend Owner against any and all Expenses related to any third party claim or action (other than those arising out of a breach of Owner's representations, warranties, agreements or undertakings hereunder) arising from Company's breach of any representation, warranty, undertaking, agreement or certification hereunder; and/or the development, production, distribution or exploitation of the Picture (including the exploitation of ancillary rights therein).

18. COPYRIGHT PROTECTION; FURTHER DOCUMENTS. Owner covenants that:

---

18.1. Enforcement of Rights. Company shall have the benefit of all copyrights in the Property and all remedies for enforcing such copyrights with respect to the Rights. In Company's sole judgment Company may join Owner as a party plaintiff or defendant in any action or proceeding relating to the Rights. All damages, penalties, settlements, and profits relating to or arising from any interference with or infringement of any of the Rights are hereby assigned to Company. Owner shall fully and reasonably cooperate with Company in connection with any suit or action threatened or instituted by or against Company relating to any Rights.

18.2. Further Documents. Owner agrees to duly execute, acknowledge, and deliver, or cause to be duly executed, acknowledged, and delivered to Company any instruments consistent herewith that may be necessary, proper or expedient in the opinion of Company to carry out and effectuate the purposes and intent of this Agreement. In the event of Owner's failure to execute any such instruments after a reasonable opportunity to review, Owner hereby irrevocably nominates, constitutes, and appoints Company Owner's true and lawful attorney-in-fact, which constitutes a power coupled with an interest, with the right to execute and file all such documents and to do any and all acts and things necessary with respect to such documentation. Company shall provide owner with copies of any documents so executed. Without limiting the generality of the foregoing, concurrently with the execution of this Agreement, Owner shall execute and deliver to Company a Short Form Option Agreement and a Short Form Assignment in the forms attached hereto as Exhibits "A" and "B", respectively. Owner further agrees that Company may, upon receipt of the executed Short Form Option Agreement, immediately record the same with the U.S. Copyright Office and/or with the copyright office of any other country. The Short Form Assignment shall not be recorded unless and until Company has exercised the Option, at which time, but not before, Company shall have the right to insert therein as the effective date thereof the date on which the Option was exercised.

19. RIGHTS AND REMEDIES. The rights and remedies of Owner in connection with this Agreement including, without limitation, in the event of Company's breach of this Agreement, shall be limited to Owner's right to recover damages, if any, in an action at law and in no event shall Owner be entitled to terminate this Agreement or enjoin or restrain the development, production, distribution or exploitation of any Motion Picture and/or other derivative production based in whole, or in part, on the Property, or the use, publication or dissemination of any advertising issued in connection therewith. No waiver by either party of any breach of this Agreement shall be deemed a waiver of any preceding or succeeding breach hereof.

20. ASSIGNMENT. Company shall be free to assign this Agreement and its rights hereunder, and to delegate its duties at any time and from time to time, in whole or in part, to any person or entity, provided that Company shall remain secondarily liable hereunder. Owner may not assign this Agreement or Owner's rights hereunder or delegate Owner's duties under this Agreement in whole or in part.

21. NOTICES. All notices required hereunder shall be in writing and shall be given either by personal delivery, telecopy/facsimile or by United States mail (postage prepaid), and shall be deemed given hereunder on the date personally delivered or telecopied, or the date three (3) business days after the date mailed if mailed in the United States, and five (5) business days after the date mailed if mailed outside of the United States. Until further notice, the addresses of the parties shall be as follows:

For Owner: Danielle Silvie Gershberg

1833 12<sup>th</sup> St  
Apt D  
Santa Monica 90404

---

For Company:  
Ask Christine Productions LLC  
c/o John Luessenhop  
PO Box 2028  
Amagansett, NY 11930

22. **LIMITATION ON PUBLICITY/CONFIDENTIALITY.** Owner may not issue, release, authorize or in any way participate in any publicity, press releases, interviews, advertisements, internet publications (including weblog posts) or promotional activities relating to Company or any Motion Picture or other version of the Property without the prior written consent of Company. No publicity issued by Owner, whether personal publicity or otherwise, shall contain derogatory mention of Company, any Motion Picture or other version of the Property, or the services of any person in connection with any Motion Picture or other version of the Property. Owner may not disclose to any third party the terms of this Agreement, including, but not limited to, the financial terms of this Agreement without the prior written consent of Company, or any confidential information with respect to Company or any Motion Picture or other version of the Property. Owner further agrees that Owner will not divulge or make known to any person or entity any matters of a confidential nature pertaining to Company's business.

23. **MEMBER OF THE PUBLIC.** The rights granted by Owner to Company hereunder are in addition to, and this Agreement shall in no way limit, the rights with respect to the Property or the subject matter thereof which Company may now or hereafter enjoy as a member of the general public.

24. **NO OBLIGATION.** Nothing contained in this Agreement shall be construed as requiring Company to produce, complete, release, distribute, advertise, or exploit the Picture or to exercise or exploit, or continue to exercise or exploit, any of the Rights granted hereunder.

25. **PREMIERE/SCREENINGS:** Upon condition that Owner shall fully perform all services and obligations required to be performed by Owner hereunder, and provided that Owner is not in material, uncured default hereunder, Company shall invite Owner and one (1) guest to attend the initial premiere or screening, if any, of the Picture that takes place within fifty (50) miles from Owner's then current place of residence. Company shall notify Owner of any initial premiere or screening that takes place more than fifty (50) miles from Owner's current place of residence (an "Out-of-Town Premiere"). Should Owner wish to attend an Out-of-Town Premiere, Company shall provide Owner and one (1) guest passes to such event. All travel related expenses for Owner and guest to attend an Out-of-Town Premiere shall be the responsibility of Owner.

26. **DVD/BLU-RAY/DIGITAL:** Upon condition that Owner shall fully perform all of the services and obligations required to be performed by Owner hereunder and that Owner is not in material, uncured default hereunder, Owner shall be entitled to one (1) DVD, one (1) Blu-Ray, or one digital copy of the Picture, upon commercial availability of the same.

27. **GENERAL LIABILITY/ERRORS & OMISSIONS INSURANCE:** Company shall cause Owner to be added as an additional insured under the general liability and errors and omissions policy in connection with the Property, if any, subject to the terms and conditions of said policy, including any deductible or policy limits; provided, however, the inclusion of Owner on such policy will not relieve Owner from Owner's representations, warranties and indemnities contained herein.

278. **INTERPRETATION.** The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party hereto. Each of the parties have participated in drafting this agreement, which is the result of negotiations between the parties, all of which have been represented,

---

or had the opportunity to be represented, by counsel during such negotiations. Accordingly, for purposes of interpreting this Agreement, it shall be considered that this agreement was jointly drafted by all of the parties. All references to the WGA and/or WGA Agreement are included herein solely to clarify the obligations of the parties with respect to the particular provision. The parties understand and agree the Owner is not currently a member of the WGA, and the Company is not currently a signatory to the WGA, nor does the Company make any representation that it intends to become such a signatory. As such, this Agreement is not subject to the WGA Basic Agreement in any form and neither party is bound by such agreement.

29. **EFFECT OF INVALIDITY.** Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any material statute, law, ordinance, order or regulation contrary to which the parties hereto have no legal right to contract, the latter shall prevail, but in such event any provision of this Agreement so affected shall be curtailed and limited only to the extent necessary to bring it within legal requirements.

30. **GOVERNING LAW.** This Agreement and all matters collateral thereto shall be governed by California law applicable to contracts executed and performed entirely therein, without regards to conflict of laws. Any controversy, dispute or claim arising out of or relating to this agreement, or its interpretation, application, implementation, breach, or enforcement which the parties are unable to resolve by mutual agreement, shall be settled by submission by either party of the controversy, claim or dispute to binding arbitration in accordance with the rules of the American Arbitration Association then in effect. The decision and award made by the arbitrators shall be final, binding, and conclusive on all parties hereto for all purposes, and judgment may be entered thereon in any court having jurisdiction thereof. All arbitration hearings shall be held in Los Angeles, California. Each party shall bear their own legal fees and other costs incurred in connection with presenting their respective cases. The costs and expenses of the arbitrators shall be shared equally by the parties. In fulfilling their duties, the arbitrators shall be bound by the terms of this Agreement and may consider other matters which, in the opinion of the arbitrators, are necessary or helpful to make a proper decision. Without limiting the generality of the foregoing, the parties expressly agree that any and all questions as to whether or not an issue constitutes a dispute or other matter arbitrable under this paragraph shall themselves be settled by arbitration in accordance with this paragraph. By agreeing to arbitration hereunder, Company and Owner are waiving a right to trial in a court and by a jury.

31. **ENTIRE AGREEMENT.** This Agreement expresses the entire understanding of the parties hereto and replaces any and all former agreements, understandings and representations relating in any way to the subject matter hereof. No modification, alteration or amendment of this Agreement shall be valid or binding unless it is in writing and signed by both parties. No officer, employee or representative of Company has any authority to make any representation or promise not contained in this Agreement and Owner acknowledges that Owner has not executed this Agreement in reliance upon any promise or representation not expressly set forth in this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors, and assigns. Nothing herein contained shall constitute a partnership between, or joint venture by, the parties hereto or constitute either party the agent of the other. This Agreement is not for the benefit of any third party and shall not be deemed to give any right or remedy to any third party whether referred to herein or not. This Agreement may be executed in one or more counterparts, and when executed by each of the parties signatory hereto, said counterparts shall constitute a valid, binding agreement. An executed counterpart returned by facsimile or transmitted electronically in PDF form shall be deemed an original.

---

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AGREED TO AND ACCEPTED:

ASK CHRISTINE PRODUCTIONS LLC.



By: John Luessenhop

Title: Authorized Representative

AGREED TO AND ACCEPTED:



By: [Danielle Gershberg \(Sep 7, 2023 21:39 PDT\)](#)

Danielle Silvie Gershberg

---

SCHEDULE 1

The Property has never been sold or transferred to any party and has always been the owned exclusively by Owner.

All prior options, if any, have long expired and no claims exist or have ever been made in connection with any option of the Property.





THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND IT MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR STATE LAW OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS; AND THE BORROWER MAY REQUIRE AN OPINION OF COUNSEL AS TO THE AVAILABILITY OF SUCH EXEMPTION.

Durham, NC  
March 1<sup>st</sup>, 2023

## MASTER LOAN AGREEMENT

This Master Loan Agreement is established as of March 1<sup>st</sup>, 2023, between BANNOR MICHAEL MACGREGOR an individual residing at 13304 Boyce Mill Road, Durham, NC 27703, his assigns, and/or designees, ("Lender") and AMERICAN PICTURE HOUSE CORPORATION. ("Borrower"). This Agreement shall remain in effect until all Indebtedness is paid in full and the Agreement is terminated in writing by Lender.

**MASTER LOAN AGREEMENT.** On this date, and from time-to-time hereafter, Lender may make Loans to Borrower. Borrower and Lender (collectively, the "Parties") enter into this Master Loan Agreement which, together with the applicable Supplement(s) and other Loan Documents, shall govern each separate Loan and all Indebtedness between the Parties. Unless stated to the contrary elsewhere, the provisions of all Loan Documents are incorporated by reference herein as if stated in full. For value received, Borrower promises to pay to order of Lender all Indebtedness governed by this Agreement. Nothing herein shall be construed to obligate Lender to restructure or renew any unpaid balance, any part thereof, or to make any additional or future loans or financial accommodations to Borrower.

**SUPPLEMENTS.** Loans made on and after the date of this Agreement will be evidenced by a "Promissory Note and Supplement to Master Loan Agreement" ("Supplement"). Each Supplement shall set forth the terms and conditions applicable to each Loan. All Supplements and attachments thereto, including all amendments, renewals, and restatements thereof, are incorporated by reference and made a part of this Agreement unless the contrary is stated in any Loan Document. In any conflict of terms between this Master Loan Agreement and any Supplement, the Supplement shall control, unless the contrary is specifically stated in the Supplement. Any amendment to this Master Loan Agreement shall control all Supplements, unless the contrary is stated in the amendment.

**FUTURE CREDIT ACCOMMODATIONS.** Borrower may apply for future loans, renewals of unpaid balances, re-financings, re-schedulings, or other credit facilities or accommodations. Each loan application Borrower submits will be evaluated for eligibility and creditworthiness at the time of its submission. Nothing in this Agreement or any other agreement between Borrower and Lender shall be construed to obligate Lender to restructure or renew any unpaid balance, any part thereof, or to make any additional or future loans or financial accommodations to Borrower.

**DEFINED TERMS.** "Indebtedness" means all Loans, advances, obligations, covenants and duties of any kind owing by Borrower to Lender under this Agreement whether now existing or hereafter arising, absolute or contingent, due or to become due, and whether or not evidenced by any writing, this Agreement or any other Loan Document, and including all interest, charges, fees, attorney's fees, expenses, and any other sum(s) chargeable to Borrower under this or any other related agreement. "Loan" or "Account" means each loan, credit facility or other obligation evidenced by any Supplement. "Agreement" means this Master Loan Agreement, including all Supplements, attachments and other agreements incorporated by reference and all amendments, modifications, and restatements thereof. "Loan Document" means this Agreement, and any Supplement, guaranty, Security Instrument, and any and all other documents or agreements executed in connection with this Agreement, any Loan or the Indebtedness, and all amendments, modifications, and restatements thereof.

**OTHER LOANS WITH LENDER.** Unless specifically stated to the contrary in writing by Lender, in this or any other document, this Master Loan Agreement shall not supersede or govern other notes,

loan agreements, loans, and obligations by Borrower to Lender not contained in Supplements hereto. Such other loans shall continue to be governed by the applicable loan documents.

TERMS TO GOVERN THIS AGREEMENT AND LOANS:

**ARTICLE 1.**

Events of Default and Acceleration

- (a) Events of Default Defined. The entire unpaid principal amount of any notes issued by Lender to Borrower ("Loans") issued under this Agreement shall forthwith become and be due and payable if any one or more the following events ("Events of Default") shall have occurred and be continuing. An Event of Default shall occur:
- (i) If failure shall be made in the payment of the principal of any Loans when and as the same shall become due and such failure shall continue for a period of ten (10) days after such payment is due;
  - (ii) If the Borrower shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or an answer seeking reorganization in a proceeding under any bankruptcy law (as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against the Borrower in any such proceeding, or shall by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding up of corporations, or an arrangement, composition, extension or adjustment with its creditors, or shall, in a petition in bankruptcy filed against it be adjudicated a bankrupt, or the Borrower or its directors or a majority of its stockholders shall vote to dissolve or liquidate the Borrower; or
  - (iii) If an involuntary petition shall be filed against the Borrower seeking relief against the Borrower under any now existing or future bankruptcy, insolvency or other similar law providing for the reorganization or winding up of corporations, or an arrangement, composition, extension or adjustment with its or their creditors, and such petition shall not be stayed or vacated or set aside within ninety (90) days from the filing thereof; or
  - (iv) If a court of competent jurisdiction shall enter an order, judgment or decree appointing, without consent of the Borrower, a receiver, trustee or liquidator of the Borrower or of all or any substantial part of the property of the Borrower, or approving a petition filed against the Borrower seeking a reorganization or arrangement of the Borrower under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any State thereof, or any substantial part of the property of the Borrower shall be sequestered; and such order, judgment or decree shall not be stayed or vacated or set aside within ninety (90) days from the date of the entry thereof.
- (b) Rights of the Lender. Nothing in this Agreement shall be construed to modify, amend or limit in any way the right of the Lender to bring an action against the Borrower.

**ARTICLE 2.**

Use of Proceeds

- (a) Funds Utilization. Shall be utilized as per the Borrowers Officer's discretion unless otherwise specified in the "Funds Utilization" in subsequent Loans between the Parties.
-

**ARTICLE 3.**  
Miscellaneous

- (a) Prepayment. The Borrower may prepay any Loans in whole without penalty or premium along with all interest then due.
  - (b) Interest. The Lender will be entitled to receive a four and four tenths' percent (4.4%) annualized interest rate payment, due and payable in a lump sum payment at the Maturity.
  - (c) Convertibility. N/A.
  - (d) Transferability. Loans shall not be transferred except in a transaction exempt from registration pursuant to the Securities Act and applicable state securities law. The Borrower shall treat as the owner of these Loans the person shown as the owner on its books and records. The term "Lender" shall include the initial Lender named on the first page of this Agreement and any subsequent Lender(s) of this Agreement.
  - (d) Waiver of Trial by Jury. In any legal proceeding to enforce this Agreement and/or payment of the Loans, the Borrower waives trial by jury.
  - (e) Limitation of Borrower Liability. Borrower's liability to Lender shall not exceed the outstanding principal amount of the Loans any accrued interest plus reasonable attorney's fees.
  - (f) Usury Saving Provision. All payment obligations arising under this Agreement, or the subsequent Loans are subject to the express condition that at no time shall the Borrower be obligated or required to pay interest at a rate which could subject the Lender of these Loans to either civil or criminal liability as a result of being in excess of the maximum rate which the Borrower is permitted by law to contract or agree to pay. If by the terms of this Agreement, the Borrower is at any time required or obligated to pay interest at a rate in excess of such maximum rate, the applicable rate of interest shall be deemed to be immediately reduced to such maximum rate, and interest thus payable shall be computed at such maximum rate, and the portion of all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of principal.
  - (g) Notice to Borrower. Notice to the Borrower shall be given to the Borrower at his address provided above or to such other address or person as the Borrower may, from time to time, advise the Lender of the Loans or to the Lender of the Loans at the address set forth on the Borrower's records. Notice shall be given by hand delivery, certified or registered mail, return receipt requested, overnight courier service which provides evidence of delivery, or by telecopier if confirmation of receipt is given or of confirmation of transmission is sent as herein provided.
  - (h) Pre-signed Confession of Judgement. The Borrower will agree to sign a Confession of Judgment in a form acceptable to the courts of North Carolina and provide such additional documentation as required to effect said Confession of Judgement. Failure by the Lender to deliver such timely shall constitute a breach which Lender may utilize to call the Loans and/or subsequent Loans.
  - (i) Governing Law. This Agreement has been executed in the State of North Carolina and shall be governed by, construed and interpreted in accordance with the laws of the State of North Carolina.
  - (j) Successors and Assigns. This Agreement shall be binding upon the Borrower's successors and assigns and shall inure to the benefit of the Lender's successors, legal representatives and permitted assigns; specifically, as per the attached assignment.
-

- (k) Expenses. In the event that the Lender commences a legal proceeding in order to enforce its rights under this Agreement, the Borrower shall pay all reasonable legal fees and expenses incurred by the Lender with respect thereto, if the Lender is successful in enforcing such action.

**ARTICLE 4.**  
Additional Rights

- a) All Notes are for a One Year-Term. Lender may extend said Notes month-to-month; however, such Notes are due and payable upon their respective anniversaries. Any month-to-month extensions are at the sole discretion of the Lender. Furthermore, the Borrower will grant, at any time as requested by the Lender, a first position lien on all the Borrower's assets and will deliver a UCC-1 establishing such timely.

**Signatures**

In Witness Whereof, the Borrower has executed this Agreement as of the date and year first aforesaid.

AMERICAN PICTURE HOUSE CORPORATION (THE "BORROWER")

By: 

Bannor Michael MacGregor, CEO/President

03/01/2023

Date

---

### **Addendum 1**

Additional loans may be made to Borrower by the Lender from time to time and this Master Loan Agreement shall serve as a basis for such loans. If Borrower and/or Lender fail to execute any formal loan(s) between the Parties and Lender provides funds to the Borrower this Master Loan Agreement shall serve as the agreement with regard to such transaction between the Parties unless otherwise so written. Any other such promissory notes (or Loans as in defined in the primary agreement to this Addendum), specific in purpose may also be attached hereto.

*(Attach additional notes "Loans" as necessary)*

---

**AMERICAN PICTURE HOUSE CORPORATION**  
**CODE OF ETHICS AND BUSINESS CONDUCT**  
(Effective December 2021)

**Introduction**

The Board of Directors (the “Board”) of American Picture House Corporation (together with its subsidiaries, the “Company”) has adopted this Code of Ethics and Business Conduct (the “Code”) in order to:

- (a) Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- (b) Promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by the Company;
- (c) Promote compliance with applicable governmental laws, rules and regulations;
- (d) Promote the protection of Company assets, including corporate opportunities and confidential information;
- (e) Promote fair dealing practices;
- (f) Deter wrongdoing; and
- (g) Ensure accountability for adherence to the Code.

All directors, officers and employees are required to be familiar with the Code, comply with its provisions and report any suspected violations as described below in the section titled “Reporting and Enforcement.”

**Honest and Ethical Conduct**

The Company’s policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

Each director, officer and employee must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company’s customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job.

**Conflicts of Interest**

A conflict of interest occurs when an individual’s private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

Loans by the Company to, or guarantees by the Company of obligations of, employees or their family members are of special concern and could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. Loans by the Company to, or guarantees by the Company of obligations of, any director or executive officer or their family members are expressly prohibited.

1 | Page

Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest should be avoided unless specifically authorized as described immediately below.

Persons other than directors and executive officers who have questions about a potential conflict of interest or who become aware of an actual or potential conflict should discuss the matter with, and seek a determination and prior authorization or approval from, the Company’s general counsel (the “General Counsel”). A supervisor may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first providing the General Counsel with a written description of the activity and seeking the General Counsel’s written approval. If the supervisor is himself or herself involved in the potential or actual conflict, the matter should instead be discussed directly with the General Counsel.

Directors and executive officers must seek determinations and prior authorizations or approvals of potential conflicts of interest exclusively from the Audit Committee (the “Audit Committee”) of the Board.

**Compliance**

Employees, officers and directors should comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states and countries in which the Company operates.

Although not all employees, officers and directors are expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the Company’s legal department.

No director, officer or employee may purchase or sell any Company securities while in possession of material non-public information regarding the Company, nor may any director, officer or employee purchase or sell another company’s securities while in possession of material non-public information regarding that company. It is against Company policies and illegal for any director, officer or employee to use material non-public information regarding the Company or any other company to:

- (a) Obtain profit for himself or herself; or
- (b) directly or indirectly “tip” others who might make an investment decision on the basis of that information.

**Disclosure**

The Company’s periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules.

Each director, officer and employee who contributes in any way to the preparation or verification of the Company’s financial statements and other financial information must

ensure that the Company's books, records and accounts are accurately maintained. Each director, officer and employee must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and counsel.

Each director, officer and employee who is involved in the Company's disclosure process must:

- (a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and

---

2 | Page

- (b) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

### **Protection and Proper Use of Company Assets**

All directors, officers and employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited.

All Company assets should be used only for legitimate business purposes. Any suspected incident of fraud or theft should be reported to the General Counsel and/or Board for investigation immediately.

The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records and any non-public financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

### **Corporate Opportunities**

All directors, officers and employees owe a duty to the Company to advance its interests when the opportunity arises. Directors, officers and employees are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company assets, property, information or position. Directors, officers and employees may not use Company assets, property, information or position for personal gain (including gain of friends or family members). In addition, no director, officer or employee may compete with the Company.

### **Confidentiality**

Directors, officers and employees should maintain the confidentiality of information entrusted to them by the Company or by its customers, suppliers or partners, except when disclosure is expressly authorized or is required or permitted by law. Confidential information includes all non-public information (regardless of its source) that might be of use to the Company's competitors or harmful to the Company or its customers, suppliers or partners if disclosed.

### **Fair Dealing**

Each director, officer and employee must deal fairly with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. No director, officer or employee may take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of facts or any other unfair dealing practice.

### **Reporting and Enforcement**

#### **Reporting and Investigation of Violations**

- (a) Actions prohibited by this code involving directors or executive officers must be reported to the Audit Committee.
- (b) Actions prohibited by this code involving anyone other than a director or executive officer must be reported to the General Counsel.

---

3 | Page

- (c) After receiving a report of an alleged prohibited action, the Audit Committee or the General Counsel (as the case may be) must promptly take all appropriate actions necessary to investigate.
- (d) All directors, officers and employees are expected to cooperate in any internal investigation of misconduct.

### **Enforcement**

- (a) The Company must ensure prompt and consistent action against violations of this Code.
- (b) If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board.
- (c) If, after investigating a report of an alleged prohibited action by any other person, the General Counsel determines that a violation of this Code has occurred, the General Counsel will report such determination to the Audit Committee.
- (d) Upon receipt of a determination that there has been a violation of this Code, the Board or the Audit Committee will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

### **Waivers**

- (a) Each of the Board (in the case of a violation by a director or executive officer) and the Audit Committee (in the case of a violation by any other person) may, in its discretion, waive any violation of this Code.
- (b) Any waiver for a director or an executive officer shall be disclosed as required by SEC and applicable exchange listing rules.

### **Prohibition on Retaliation**

**ACKNOWLEDGMENT OF RECEIPT AND REVIEW**  
(To be signed and returned to the General Counsel)

I, \_\_\_\_\_, acknowledge that I have received and read a copy of the American Picture Hose Corporation. Code of Ethics and Business Conduct. I understand the contents of the Code and I agree to comply with the policies and procedures set out in the Code.

I understand that I should approach the General Counsel if I have any questions about the Code generally or any questions about reporting a suspected conflict of interest or other violation of the Code.

x

*Date*

\_\_\_\_\_  
[Print name and sign above]



**AMERICAN PICTURE HOUSE CORPORATION**  
**CODE OF ETHICS**  
**FOR THE CHIEF EXECUTIVE OFFICER AND SENIOR FINANCIAL OFFICERS**

American Picture House Corporation (together with its subsidiaries, the “Company”) has developed and adopted this Code of Ethics (this “Code of Ethics”) applicable to its Chief Executive Officer and senior financial officers to promote honest and ethical conduct; full, fair, accurate, timely and understandable disclosure; and compliance with applicable laws, rules and regulations.

As used herein, “senior financial officers” means the Company’s principal financial officer and principal accounting officer or controller, or persons performing similar functions. The Company’s Chief Executive Officer and senior financial officers are also subject to the following specific polices (Code of Ethics referred to in Item 406 of Regulation S-K promulgated by the United States Securities and Exchange Commission (the “SEC”):

1. The Chief Executive Officer and each senior financial officer shall, at all times, conduct himself or herself in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
2. The Chief Executive Officer and each senior financial officer are responsible for full, fair, accurate, timely and understandable disclosure in: (a) the reports and documents that the Company files with, or submits to, the SEC, and; (b) the Company’s other communications with the public, including both written and oral disclosures, statements and presentations. It shall be the responsibility of the Chief Executive Officer and each senior financial officer to promptly bring to the attention of the Company’s Board of Directors (the “Board”) or Audit Committee of the Board (the “Audit Committee”) any material information of which he or she may become aware that may render the disclosures made by the Company in its public filings or other public communications materially misleading, and to assist the Company’s Board and Audit Committee in fulfilling their responsibilities.
3. The Chief Executive Officer and all senior financial officers shall not, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence any independent, public or certified public accountant engaged in the performance of any audit or review of the financial statements of the Company that are required to be filed with the SEC if such person knew (or was unreasonable in not knowing) that such action, if successful, could result in rendering such financial statements materially misleading. For purposes of this Code of Ethics, actions that “if successful, could result in rendering such financial statements materially misleading” include, but are not limited to, actions taken at any time with respect to the professional engagement period to coerce, manipulate, mislead or fraudulently influence, an auditor:
  - To issue a report on the Company’s financial statements that is not warranted in the circumstances (due to material violations of generally accepted accounting principles, generally accepted auditing standards or other applicable standards);
  - Not to perform audit, review or other procedures required by generally accepted auditing standards or other applicable professional standards;
  - Not to withdraw an issued report; or
  - Not to communicate matters to the Company’s Audit Committee.
4. The Chief Executive Officer and each senior financial officer shall promptly bring to the attention of the Company’s Audit Committee any information he or she may have concerning:
  - Significant deficiencies or control weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; or
  - Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.
5. The Chief Executive Officer and each senior financial officer shall promptly bring to the attention of the Company’s General Counsel or the Chief Executive Officer or, where he or she deems it appropriate, directly to the Company’s Board or Audit Committee, any information he or she may have concerning any violations of this Code of Ethics.
6. The Company intends to prevent the occurrence of conduct not in compliance with this Code of Ethics and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Allegations of non-compliance will be investigated whenever necessary and evaluated at the proper level(s). Those found to be in violation of this Code of Ethics are subject to appropriate disciplinary action, up to and including termination of employment. Criminal misconduct may be referred to the appropriate legal authorities for prosecution.

## Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of American Picture House Corporation

### Opinion on the Financial Statements

We have audited the accompanying balance sheet of American Picture House Corporation (the "Company") as of December 31, 2022, the related statement of operations, stockholders' equity (deficit), and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

### Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company's significant operating losses raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ BF Borgers CPA PC  
**BF Borgers CPA PC (PCAOB ID 5041)**

We have served as the Company's auditor since 2022  
Lakewood, CO  
March 31, 2023

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation in this Registration Statement on Form 10-A2 of our report dated August 14, 2023 (except for the effects on the financial statements of the restatement described in Note 2, as to which the date is October 12, 2023), relating to the consolidated financial statements American Picture House Corporation for the years ended December 31, 2022 and 2021 and to all references to our firm included in this Registration Statement.

B F Benym CPA PC

Certified Public Accountants  
Lakewood, CO  
October 12, 2023

---