



THE BUSINESS OPPORTUNITY

Website:

www.talentdiscovery.com

Beta site launched January 2010

Management:

CEO – Steve Stith

CTO – Mitch Fillmore

CFO – Dusty Ostrowsky

Industry: *Media Entertainment*

Number of Employees: *10-15*

Locations:

Los Angeles

Denver – Corporate Office

New York City - Future

Corporate Website:

www.ugcmediagroup.com

Law Firm(s):

- *Greenberg Glusker Fields Claman & Machtinger LLP (Los Angeles, CA)*
- *Cohen Silverman Rowan LLP*

Funding Support

Michael Bissonnette

Amount of Financing Sought:

Current round \$250k

Equity Investment to Date:

- *\$472k*

Use of Funds:

Continued site development, advertising/social media campaign, distribution, etc...

Contact Information:

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UGC Media has designed and constructed a business that takes advantage of the 100 million Internet users who create videos and upload them online in hopes of being seen and discovered. We will start with a site that will revolutionize the new talent industry with twenty categories such as Best Singer, Best Comedian, Best Dancer and Best Band. A participant may upload up to five videos in each category within a six-month contest time period. They will be charged \$3.99 for each submission. This will serve as one of our five revenue streams. We will add new categories, such as “Best Extreme Sports” video, to capture more content and even more unique visitors.

Based on the popularity of the television programs “American Idol”, “Last Comic Standing”, “America’s Got Talent” and the literally hundreds of thousands of amateur performers who audition for an opportunity to appear on these and other programs, we believe that there are millions of hopeful candidates who believe they have the talent to become a big hit in the entertainment industry – if only they were given a chance. Finally, someone is giving them their chance; and for a very modest fee of only \$3.99 per video.

We plan to target the teen and young adult demographic; which is a \$208 billion market in the US alone. Research demonstrates that this demographic is obsessed with seeking opportunities to demonstrate their talent as performers in the entertainment industry. The \$3.99 fee will be viewed as a bargain to seize this opportunity; particularly since this demographic has a significant amount of disposable income.

“In 2008, an estimated 37 million kids and teens purchased 2.8 ring tones per month at an average of \$.99 per download totaling \$1,243,200,000” Source: NPD Group, New York

This Executive Summary describes the various factors which the executive team believes will cause it to be successful.

We have negotiated and contracted the services of a distinct panel of judges, including Executive Producers, Directors and Top Casting Agents in the entertainment industry who will determine finalists in each category every six months. America will go to the site and vote to help determine the ultimate winners.

We will award the winners with sought after prizes (recording contracts, comedy tours, cash and other prizes) but the principal enticement to submit videos to the website is the prospect of being discovered and starting a career in the entertainment industry.

TECHNOLOGY / INTELLECTUAL PROPERTY

UGC Media has designed, developed and deployed a unique website that has the ability to process hundreds of thousands of videos simultaneously submitted by participants. Our technology allows the participants to upload videos in many different formats and we normalize the videos for viewing on the internet. The website has been designed to be highly scalable so that a large influx of participants will have minimal impact on the stability and experience on the site. We have conducted load tests on the application and performed invasive security tests to ensure the best possible user experience. Our framework is extremely flexible allowing us to quickly modify categories and make changes to the web presence allowing us respond to changes in the market and customer preferences

More importantly, we have conceptualized and developed a proprietary administration website which permits our judges to use a computer anywhere where internet access is available and rank the videos with specific criteria, using our proprietary judging software. The judging procedure has been simplified to the extent that on average it will take approximately 2 minutes to evaluate a video. We are in the process of applying for a patent, covering the technology and intellectual property used in the administrative website. We plan to license this technology to other companies in the future.

MARKETS AND DRIVERS

UGC Media's initial focus is on creators; people who have generated user content in the past. The primary market for us will be the teen market (ages 12-17), with Generation Y (ages 18-25) as the secondary market. American teenagers are obsessed with fame. This is a generation that has been raised on reality TV, iPods and YouTube. By specifically targeting the teen and post-teen market, we will be feeding directly into their psychographic: the need for constant validation, attention and feedback and their overwhelming desire to be rich and famous.

“Eighty-one percent of 18 – 25 year olds surveyed in a Pew Research poll released last year said ‘Getting Rich’ is their generation’s most important or second most important life goal. Fifty-one percent said the same about ‘Being Famous’. Source: USA Today. Generation Y's Goal

Apart from the desire of amateur performers to achieve instant recognition and success and the anticipated impetus of targeted advertising expenditures, other factors will contribute to the popularity of the site and stimulate participation.

In addition to the items mentioned above, UGC Media has identified significant market opportunities that will grow out of our organization. This includes:

- Resale and licensing of video content, across many genres and categories
- Rich content across multiple video categories including modeling videos, extreme sports videos, and typical video content seen and shared on other sites
- An entertainment news portal that our visitors can utilize to not only view up and coming talent, but catch up on recent entertainment news and happenings
- Our framework is extremely flexible allowing us to quickly modify categories and make changes to the web presence allowing us respond to changes in the market and customer preferences
- Promotional offers and VIP Ticket giveaways provided by our entertainment partners

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- We will become an “online portfolio” site for talent to feature their songs, films, biographies and more. They will pay a monthly fee to have their portfolios maintained.
- A place to purchase exclusive apparel of our bands, comedians, and Extreme Sports Stars.

Reputation of the Judges

We have already engaged several judges who are influential in the entertainment industry, including celebrities, professional entertainers, producers and talent agents. The potential that the judges, themselves, may contract with performers, the caliber of the judges, the strong ties that the judges will have to the entertainment industry and the multiple awards given to the contest winners will make the website a more alluring opportunity than a site which simply permits uploading by an amateur entertainer with the hope he or she will be “discovered” by someone who happens to view the video. One example is our recent contract with Barry Katz, Executive Producer for Last Comic Standing and broker of over 75 television shows and movies.

An Entertainment Medium

Videos submitted by contestants who are deemed meritorious by the judges will be shown on the website. In this manner, the website will become a constant source of entertainment for the viewing public. An increasingly larger segment of our population views the equivalent of television programs on the computer. This segment consists primarily of the younger viewing public which is precisely the demographic from which we expect to attract its contestants.

Transferability

A viewer may transfer a performance segment on the site which he finds especially entertaining to an unlimited number of friends, further enhancing the popularity of the site exponentially within the targeted demographic.

COMPETITION BARRIERS

There is nothing proprietary regarding talent contests per se. However, UGC Media believes that a number of factors will discourage and deter potential competitors:

- Our specialized and proprietary administrative website provides us with a competitive advantage and intellectual property that other entrants would have to develop end to end, taking considerable time and expenditure.
- Since we will initially be a private company, the volume of traffic on our site and the revenues generated from the submission of videos will remain confidential until management determines that it is in the Company's best interest to disclose such information. This is particularly the case since the \$3.99 fee for submission of a single video is, in itself, relatively insignificant. We strongly believe that the absence of such information will enable us to operate under the radar without attracting the attention of potential competitors.
- We believe that the time and effort expended in developing our primary website and particularly its capacity to upload multiple videos submitted from members of the public will take time (and financial resources) to duplicate and provides us with a competitive advantage over potential imitators.

COMPANY AND MANAGER BACKGROUND

UGC Media is a limited liability company, formed in the state of Colorado in April, 2009. Our principle office is located in Denver, CO. All administrative and development functions occur at this facility or at third-party companies within the Denver metro area.

UGC Media is run by its three Executives; Steve Stith, Mitch Fillmore and Dusty Ostrowsky. Each of us brings unique experience to the enterprise which enables us to perform and assume principal responsibility for key functions. Please refer to our corporate website for full bios and additional information on our executive team www.ugcmediagroup.com.

UNAUDITED FINANCIAL PROJECTIONS

(Dollars in thousands)

	2010	2011	2012	2013	2014
Revenue:	\$430	\$7,423	\$23,790	\$44,657	\$70,250
EBITDA:	(\$2,510)	\$1,611	\$13,538	\$28,497	\$46,678

CAPITAL REQUIREMENTS

We are seeking to raise a minimum of \$3.0m and a maximum of \$5.0m in equity. The principal use of the proceeds will be for advertising and marketing. We anticipate that traffic to the site will increase exponentially as a result of the impact of targeted advertising and viral marketing. We have already commissioned specialized companies to determine the most cost effective outlets to reach the demographic sector which will be attracted to the format. Although we believe the minimum raise of \$3.0m will permit the Company to advertise to the extent necessary for sufficient participation to ensure eventual profitability, we believe that \$5.0m in equity would permit larger expenditures for advertising which would accelerate achieving positive cash flow.

We are confident that the Company will achieve positive cash flow in a relatively short period of time.

THIS IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF AN OFFER TO PURCHASE SECURITIES. ANY SUCH OFFER OR SOLICITATION WILL ONLY BE MADE IN A DEFINITIVE DOCUMENT WHICH SETS FORTH THE TERMS AND CONDITIONS OF AN INVESTMENT AND DESCRIBES THE PROPOSED BUSINESS OF THE COMPANY IN DETAIL, INCLUDING THE RISK FACTORS WHICH MAY ADVERSELY IMPACT ITS PROPOSED BUSINESS.