

With a Blueprint to Transform the Current Theatrical Experience Into one that is Interactive, Allowing the Audience to Use Their Laptops and Web-Enabled smartphones to Connect with Gaming, Texting, Contests and Additional Content, Mass Hysteria Entertainment Company, Inc. is Producing the Next Generation of Filmed Entertainment



Motion Pictures
Communications
Multi-Media Entertainment
Technology
(MHYS-OTCBB)



Daniel Grodnik
Chairman, President and CEO
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BIO:

Daniel Grodnik is one of the driving forces behind the independent film business. His career spans three

decades and his choices in film projects display a dynamic ability to stay on top of current market demands in creative content and finance. Having produced more than 40 motion pictures; Mr. Grodnik is well versed in all aspects of the business of making films. He has worked with every major studio as well as many of the better-known independent companies. He maintains strong relationships with some of Hollywood's top actors, writers and directors and enjoys a global reputation for his ability to bring quality projects to screens of all sizes.

Currently, Mr. Grodnik is Chairman of the Board and CEO of Mass Hysteria Entertainment. The Company's mandate is to alter the motion picture landscape by producing films with an interactive component for theatrical release. Pat Proft (Police Academy, Naked Gun, Scary Movie) has written the initial project. Additionally, the company recently finished, "Car-jacked" starring Maria Bello and Stephen Dorff.

Currently, Mr. Grodnik is preparing four new movies: An untitled action film which he is producing with Albert S. Ruddy, the two-time Academy Award winning producer of "The Godfather" and "Million Dollar Baby," "End Of The Gun" starring Stone Cold Steve Austin, "Sleeping Together," starring Diane Kruger, and "The Boiling Point."

As a teenager in Minneapolis, Mr. Grodnik put on high school dances and organized ski trips through his

company, Hysteria Productions. By the age of nineteen, he had evolved into a local concert promoter producing a BB King concert at the Minneapolis Auditorium. Music, however, didn't hold enough interest for Mr. Grodnik and he applied to the University of Southern California's Film School to produce movies. One of Dan's professors, Joe Casper, remembers Dan always credited himself as the producer instead of the director, which was always good for a laugh from the other film students. Fact is, Dan simply knew what he wanted to do.

Dan produced his first feature film at age twenty-four. He remembers fondly the advice given him by Fred Weintraub who had just produced "Enter The Dragon." 'To be able to stay on budget and schedule, the producer needs to know everyone's job on the crew better than they know it themselves.' Mr. Grodnik has lived by these words and believes there cannot be any aspect in the creation of a film that are outside the producer's area of expertise.

One of Mr. Grodnik's strengths as a producer is being able to identify new directors. He has launched or help jump start the careers of numerous directors including; Roger Spottiswoode ("Tomorrow Never Dies"), Phillip Noyce ("Salt"), Victor Salva, ("Powder" and "Jeeper's Creepers"), and Joey Lauren Adams ("Come Early Morning") starring Ashley Judd).

In the late 1980's and early nineties, Mr. Grodnik was the Chairman and CEO of The National Lampoon, a publicly traded entertainment company that published a humor magazine called The National Lampoon. During his watch, he took the company's stock from under \$2 to \$6. Additionally, the company produced National Lampoon's Christmas Vacation and Loaded Weapon with Emilio Estevez and Sam Jackson. Mr. Grodnik also produced The National Lampoon Comedy Playoffs starring Leslie Neilson for Showtime.

For the past 20 years, Mr. Grodnik has been an oral panelist at his alma mater USC grading the Masters Thesis on Producing in their Peter Stark Program.

Mr. Grodnik has two girls and is happily married to his second wife, Nancy, who ironically is also his first wife.

Company Profile:

Mass Hysteria Entertainment is a multi-media entertainment company created to produce feature films with an interactive component for theatrical motion pictures.

For more than a century, movies have been the premier form of entertainment, but the basic experience has not changed much over the years. Although movie grosses are currently at record levels due to increased ticket prices, attendance is down by 3%. Movie stars, the great insurance policy of the past, are not delivering today's young audience. 3D, a significant reason for the increased ticket prices, is fun but quickly becoming commonplace. At Mass Hysteria Entertainment, we believe our proprietary technical innovations to the theatrical experience could herald the next iteration of cinema for the 21st Century.

Today's young moviegoers have insatiable viewing habits. Laptops and Smartphone's are their "always on" portals into social inter-connectivity, gaming, and movies. These devices make movies available anytime and anywhere, rendering the theatre-going experience nearly obsolete. Event

films, like "Avatar," and "The Hunger Games" are certainly worth a trip to the multiplex, but the time and money needed produce those blockbusters are not practical as a scalable business model.

Mass Hysteria Entertainment plans to change the theatrical paradigm by producing an experience that is inexpensive to create and more fun in the theater than on a laptop. The first stage of Mass Hysteria's blueprint is to transform the theatrical experience, from passive to engaged, by encouraging the audience to interact with the film through web-enabled smart phones offering a dynamic range of proprietary in-movie features including gaming, texting, contests and additional content. Our goal is to fully immerse the audience in our movie.

Mass Hysteria's core business will be built upon a suite of in-theatre innovations that will forever change the way an audience experiences movies. These game changers will become the baseline for Mass Hysteria Cinema – the platform upon which we add, with each theatrical release, an array of new innovations, assuring a fresh, exciting experience for the audience every time they venture into a Mass Hysteria movie.

Mass Hysteria Entertainment has combined seasoned management with cutting-edge technology in the belief it can cause an entertainment revolution. Just as the Barnum and Bailey Circus gave way to Circ de Soleil, and your morning cup of coffee grew into Starbucks... Mass Hysteria hopes to lead a radical transformation in the cinema.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOFCO Magazine**

CEOFCO: Mr. Grodnik, your website shows that Mass Hysteria Entertainment is a destination experience; what is the vision?

Mr. Grodnik: To change the movie going experience from passive to engaged. Going to the movies today isn't that much different than the way past generations have done it. If my grandfather went to a movie today, he

wouldn't feel out of place. I submit that he should. No business should remain the same indefinitely and as we move further into the 21st century, I don't see any evidence suggesting that hanging on the past is the road to the future. When I grew up in Minneapolis, I went to the Shrine Circus. When I speak about the circus to my kids, they think of Cirque de Soleil. My point is, Mass Hysteria is not trying to make the argument that traditional movies are on the way out. All we are saying is that there is room for a different kind of experience at the multiplex.

CEOFCO: What is the experience that you are looking to provide?

Mr. Grodnik: Interactive. When you go to the movies, the rule is you turn off your cell phone off. When you tell people to do that today, you're essentially telling them to turn off their entertainment. In a Mass Hysteria movie, it's a dedicated experience. That means everybody in the theater knows that engaging with the movie using your handset is not only integral to the experience, but expected. Years ago I was chairman of the National Lampoon. I got into that company because I wanted the name The National Lampoon Presents as a way to drive people into my movies. In contrast, Mass Hysteria is not so much an imprimatur as a sub-genre of movie entertainment. Specifically, it means you will engage on an opt-in basis with your movie in real time through an App on your handset. Having produced more than forty movies, I see Mass Hysteria as movies for the next generation.

CEOFCO: Where are you in the development process?

Mr. Grodnik: We've been in the thick of it for the past two years.

CEOFCO: Would you give us an example of how your concept works and the subject matter?

Mr. Grodnik: We've developed our first original Mass Hysteria movie. It was written by Pat Proft, who has written the Police Academy movies, the Naked Gun movies and the Scary movies. Cumulatively, his movies have grossed over \$1.5 billion. We decided the first Mass Hysteria movie

would be a comedy but it works just as well with any other type of movie. We can literally take any film already produced and repurpose it to be interactive because the engagement happens on the audience member's handset. In other words, we wouldn't have to alter the movie up on the screen. An original Mass Hysteria movie is different because by design we'll be able to create opportunities for audience engagement at inception. At the moment, we're also researching offering Mass Hysteria engagement in the educational space. If you're watching a movie in school and if the movie is Mass Hysteria enabled, then you'll have opportunities on your handset to access additional content and information in sync with the film.

CEO CFO: How will you get theaters to grasp the concept and be willing?

Mr. Grodnik: Every theater chain we've approached has been very interested. After all, the Mass Hysteria experience was created to bring people to the theaters.

CEO CFO: How does your background help in advancing Mass Hysteria?

Mr. Grodnik: As a long time movie producer, I have a lot of experience across many of the Hollywood disciplines needed to accomplish our goals. I'm very conversant with the development process all the way through to the delivery of the finished picture. Add to that my depth of relationships and access and the road, albeit not easy, starts to become less a start-up and more of a continuation. On top of that, I've surrounded myself with an advisory board that all have world-class careers. That includes Al Ruddy who has won two Academy Awards for best picture including The Godfather, John Landis, who has directed some of the greatest film comedies of our generation and, Oren Aviv, who was president of Walt Disney Productions and is now currently president of Twentieth Century Fox Marketing.

CEO CFO: Has a similar concept been tried before?

Mr. Grodnik: I've seen a few instances but nothing substantive. A German producer made a horror film where the bad guy made a call on his cell phone that rang on people's phones in the audience. Universal did a promotion a year ago with Best Buy for their film "Despicable Me" whereby audience members could download an App and during the final credits hear what the minions (characters in the film) were saying. That was add-on and not an integral part of the film. In contrast, the Mass Hysteria experience starts before the audience member arrives at the theater and its' creative content is central to the story and enjoyment of the movie. In my opinion, Mass Hysteria is transformative. It changes the way you'll engage with your filmed entertainment and that is why I am involved in it. There are very few things you can do in your life that could actually change the culture in some way.

If we can get this right, I think Mass Hysteria could be the Standard Oil for the next generation of filmed entertainment. - Daniel Grodnik

CEO CFO: You mentioned earlier that you are in the middle of development process, when do we expect to see product available?

Mr. Grodnik: If everything were to go according to plan, we hope to be beta testing by the end of the summer. I came up with this concept in the year 2000 because it felt to me that movies were not matriculating. I looked at what were the most successful movies that were ever made and the one that stood out to me because it was a bit different from everything else was the Rocky Horror Picture Show. Thirty seven years after its release, it is still in release. The reason, I believe, is because people can engage with it. They dress up, sing along and throw toast at the screen. I wondered if with today's technology we could create that kind of immersive engagement with an audience. It took until 2008 for the technology to catch up with the idea. And in 2009, I finally found an avenue to begin to put this company into the works. It is been very interesting and one of the greatest challenges

of my professional career to try and create a business that does not yet exist. We are pushing through everyday and hope to see some daylight in the near future.

CEO CFO: What is the financial picture like for Mass Hysteria Entertainment today?

Mr. Grodnik: We spend too much time raising money. As a development-stage company, we still need to continue down that road. However, in terms of our technology, we are in the process of outsourcing that so that the limited capital we have is not an impediment to getting our technology created.

CEO CFO: Is the industry aware that this is in the works and does it lead to competition trying to get the same concept going?

Mr. Grodnik: I am not naïve enough to think that we're the only Company

going down this road. From day one, I always thought there are probably many others on the same track. I believe what will ultimately separate Mass Hysteria and

make it successful are the proprietary creative ideas that we have for the engagement.

CEO CFO: Why should investors pay attention to Mass Hysteria Entertainment Company today?

Mr. Grodnik: This is like being in Dallas at the turn of the century looking at a big empty field with oil in the ground and no derricks on the horizon. If we can get this right, I think Mass Hysteria could be the Standard Oil for the next generation of filmed entertainment. Some Company is going to be successful with interactive movies. In other words, if we don't put up the derricks, somebody else will. Today, there is only one way you can engage with the movies and that's passively. Sitting quietly and eating your popcorn is your only option. Mass Hysteria says there may be another way to enjoy the movies.



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