

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

DOLPHIN DIGITAL MEDIA INC

Form: 10-K/A

Date Filed: 2015-05-26

Corporate Issuer CIK: 1282224

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

Form 10-K/A
(Amendment #1)

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 000-50621

DOLPHIN DIGITAL MEDIA, INC.

(Exact name of registrant as specified in its charter)

<u>Florida</u> (State or other jurisdiction of incorporation or organization)	<u>86-0787790</u> (I.R.S. Employer Identification No.)
-------------------------------------------------------------------------------------	-----------------------------------------------------------

<u>2151 LeJeune Road, Suite 150-Mezzanine, Coral Gables, FL</u> (Address of principal executive offices)	<u>33134</u> (Zip Code)
-----------------------------------------------------------------------------------------------------------------	----------------------------

Registrant's telephone number (305) 774-0407

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

Title of each class	Name of each exchange on which registered
<u>Common Stock, \$0.015 par value per share</u>	<u>None</u>

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

None

Indicate by a check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by a check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by a check mark if the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller

reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.) ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, as of the last business day of the registrant’s most recently completed second fiscal quarter: \$2,866,232

Indicate the number of shares outstanding of the registrant’s common stock as of **May 22, 2015**: 81,892,352.

DOCUMENTS INCORPORATED BY REFERENCE

NONE

EXPLANATORY NOTE

Dolphin Digital Media, Inc. (“Dolphin” or the “Company”) is filing Amendment No. 1 to its Annual Report on Form 10-K for the year ended December 31, 2014, which was originally filed with the Securities and Exchange Commission (“SEC”) on April 15, 2015 (the “Original Filing”) solely to include Exhibits 10.2, 10.3, 10.4, 10.6 and 21.1 required by Part IV Item 15 that were inadvertently omitted from the Original Filing.

No changes have been made in this Amendment to modify or update the other disclosures presented in the Form 10-K. This Amendment does not reflect events occurring after the filing of the original Form 10-K or modify or update those disclosures that may be affected by subsequent events. This Amendment should be read in conjunction with the Form 10-K and the Company’s other filings with the SEC.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(3) Exhibits

Exhibit No.	Description	Incorporated by Reference
2.1	Preferred Stock Purchase Agreement between Logica Holdings Inc., T Squared Partners LLC and T Squared Investments LLC., dated October 4, 2007.	Incorporated herein by reference to Exhibit 2.1 in the Company's Current Report on Form 8-K, filed on October 15, 2007.
3.1	Articles of Incorporation of Dolphin Digital Media, Inc. dated December 3, 2014.	Incorporated herein by reference to Exhibit 3.1 in the Company's Current Report on Form 8-K, filed on December 9, 2014.
3.2	Bylaws of Dolphin Digital Media, Inc. dated December 3, 2014.	Incorporated herein by reference to Exhibit 3.2 in the Company's Current Report on Form 8-K, filed on December 9, 2014.
4.1	Registration Rights Agreement dated October 4, 2007, between Logica Holdings and T Squared Partners LLC, and T Squared Investments LLC.	Incorporated herein by reference to Exhibit 4.5 in the Company's Current Report on Form 8-K, filed on October 15, 2007.
4.2	Letter Agreement with T Squared Investments LLC, dated July 29, 2009.	Incorporated herein by reference to Exhibit 4.6 in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, (the "2009 Form 10-K").
4.3	Subscription Agreement with T Squared Investments LLC, dated July 29, 2009.	Incorporated herein by reference to Exhibit 4.7 in the Company's 2009 Form 10-K.
4.4	Common Stock Purchase Warrant "D" with T Squared Investments, LLC, dated July 29, 2009.	Incorporated herein by reference to Exhibit 4.8 in the Company's 2009 Form 10-K.
10.1	Amendment to Preferred Stock Purchase Agreement, dated December 30, 2010.	Incorporated herein by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed on January 5, 2011.
10.2	Revolving Promissory Note in favor of William O'Dowd, dated December 31, 2011.	Filed herewith.
10.3	Service Agreement between the Company and Dolphin Films, Inc. dated April 1, 2013.	Filed herewith.
10.4	Employment Agreement between the Company and William O'Dowd dated December 31, 2014.	Filed herewith.
10.5	Form of Loan and Security Agreement.	Incorporated herein by reference to Exhibit 10.1 in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.
10.6	Form of Equity Purchase Agreement.	Filed herewith.
14.1	Amended and Restated Code of Ethics for Senior Financial Officers.	Incorporated herein by reference to Exhibit 14.1 in the Company's Current Report on Form 8-K, filed on October 30, 2014.
21.1	List of Subsidiaries of the Company.	Filed herewith.
31.1	Certification of Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.
32.1	Certification of Chief Executive Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Incorporated herein by reference to Exhibit 32.1 in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.
32.2	Certification of Chief Financial Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Incorporated herein by reference to Exhibit 32.2 in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.
101.INS	XBRL Instance Document.	Incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

101.SCH	XBRL Taxonomy Extension Schema Document.	Incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOLPHIN DIGITAL MEDIA, INC.

Date: May 22, 2015

By: /s/ William O'Dowd IV

William O'Dowd IV
Chief Executive Officer

CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO SECTION 302

I, William O'Dowd IV, Chief Executive Officer of Dolphin Digital Media, Inc. (the "Registrant"), certify that:

1. I have reviewed this Amendment No. 1 to Form 10-K of the Registrant; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report.

Date: May 22, 2015

By: /s/ William O'Dowd IV

William O'Dowd IV
Chief Executive Officer

CHIEF FINANCIAL OFFICER
CERTIFICATION PURSUANT TO SECTION 302

I, Mirta A Negrini, Chief Financial Officer of Dolphin Digital Media, Inc. (the "Registrant"), certify that:

1. I have reviewed this Amendment No. 1 to Form 10-K of the Registrant; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report.

Date: May 22, 2015

By: /s/ Mirta A Negrini

Mirta A Negrini
Chief Financial Officer

List of subsidiaries of Dolphin Digital Media, Inc. ("Dolphin").

NAME OF ENTITY	STATE OF INCORPORATION	EMPLOYER IDENTIFICATION NUMBER	PERCENTAGE OWNED BY DOLPHIN
HIDING DIGITAL PRODUCTIONS LLC	FLORIDA	N/A	100%
RED BOOK DIGITAL PRODUCTIONS LLC	FLORIDA	N/A	100%
CYBERGEDDON PRODUCTIONS LLC	FLORIDA	45-4716072	100%
HANK PRODUCTIONS LLC	FLORIDA	N/A	100%
BOTR PRODUCTIONS LLC	FLORIDA	46-2375665	100%
MILLENIUM KISS PRODUCTIONS LLC	FLORIDA	46-2599979	100%
DOLPHIN SB PRODUCTIONS LLC	FLORIDA	47-2546805	100%
DOLPHIN KIDS CLUBS LLC	FLORIDA	46-2527415	75%
CLUB CONNECT LLC	FLORIDA	46-3543314	100% owned by Dolphin Kids Clubs LLC

REVOLVING PROMISSORY NOTE

December 31, 2011

1. **Amount of Obligation to Pay.** FOR VALUE RECEIVED, as hereinafter set forth and at times hereinafter stated, Dolphin Digital Media, Inc., a Nevada corporation (The "Maker"), whose address is 2151 Le Jeune Road, Suite 150, Mezzanine, Coral Gables, FL 33134, promises to pay to the order of William O'Dowd (the "Payee"), whose address is [omitted] in immediately available funds the principal amount of Two Million One Hundred Twenty Thousand Five Hundred Seventy One Dollars and 22/100 (\$2,120,571.22) or, if different, the unpaid principal amount of all loans made by the Payee to the Maker from time to time, and as endorsed on the schedule hereto attached, subject to the provisions set forth below.
2. **Interest Rate.** Interest shall accrue on the outstanding principal balance under this Promissory Note, from the date of issuance hereof until paid in full at the rate of 10% per annum.
3. **Terms.**
 - (a) **Payment of Interest.** All accrued and outstanding interest hereunder shall be paid upon maturity, while this Promissory Note remains outstanding.
 - (b) **Demand Payment.** Payee shall have the right, exercisable at any time after the date of this Promissory Note, to require Maker to pay all outstanding principal and any accrued and outstanding interest hereunder in full, or any portion thereof, by providing Maker with written notice of said election (a "Demand Notice"). Maker shall have ten days after receipt of the Demand Notice to pay said amounts in full.
 - (c) **Prepayment by Maker.** Maker may prepay all or a percentage of the amount due under this Promissory Note or any accrued and outstanding interest at any time without penalty.
4. **Security.** The Promissory Note is unsecured.
5. **Place of Payment.** All payments on this Promissory Note shall be made to Payee at the address stated above or at such other address as Payee shall designate in writing.
6. **Events of Default and Acceleration.** Maker's failure to pay timely any amount due hereunder shall constitute an "Event of Default." At any time an Event of Default has occurred and is continuing, Payee may, at its option, upon written notice to Maker, accelerate maturity and cause the entire unpaid principal balance of this Promissory Note, with interest, fees and charges accrued hereon, to become immediately due and payable.
7. **Parties in Interest.** This Promissory Note may not be assigned by Maker without the written consent of Payee, but shall be freely assignable, in whole or in part, by Payee without the consent of Maker. This Promissory Note will be binding in all respects upon Maker and inure to the benefit of Payee and its permitted successors and assigns.
8. **Choice of Law; Venue.** All questions concerning the construction, validity, enforcement and interpretation of this Promissory Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Promissory Note (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Miami-Dade County, Florida. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal

courts sitting in Miami-Dade County, Florida for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Promissory Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Promissory Note or the transactions contemplated hereby.

9. **Notice.** All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (1) business day after receipt, or, if sent by facsimile, upon receipt of a confirmation of delivery.
10. **Payment of Collection, Enforcement and Other Costs.** If an Event of Default occurs and this Promissory Note is placed in the hands of an attorney for collection or enforcement while such Event of Default is ongoing, then the Maker shall pay the reasonable attorney fees incurred by Payee for such collection and/or enforcement.

THIS NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NOT UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Maker has executed this Promissory Note effective as of the date first set forth above.

MAKER:

Dolphin Digital Media, Inc.

By: 

Name: William O'Dowd

Title: CEO

PAYEE:

William O'Dowd



THIS SERVICE AGREEMENT ("Agreement") is made effective as of April 1, 2013, by and between, Dolphin Films, Inc. ("Dolphin Films"), a Florida corporation and Dolphin Digital Media, Inc. (DDM), a Nevada corporation.

RECITALS

WHEREAS, Dolphin Films is in the business of producing theatrical motion pictures, primarily aimed at family, tween and teen audiences; and

WHEREAS, Dolphin Films has requested the services of DDM (as listed in Exhibit A to this Agreement) to assist in the management of its business and,

WHEREAS, DDM is willing and qualified to render the services as listed in Exhibit A to this Agreement and upon the terms and conditions herein contained and in consideration of the agreements, representations and warranties of Dolphin Films hereinafter set forth.

1. Term. DDM agrees to provide the services listed in Exhibit A to this Agreement for the period beginning on April 1, 2013 and ending December 31, 2014 ("Services Period"). Upon completion of the initial twelve months, either party may terminate this Agreement with 30 days prior written notice to the other party.

2. Services. DDM's duties during the Services Period shall be specified in the Exhibit A hereto (the "Services"), which is expressly incorporated by reference here.

3. Service Fee. In exchange for the Services, Dolphin Films agrees to pay an annual fee of \$2,000,000, plus out of pocket expenses, to DDM.

4. Results and Proceeds. DDM acknowledges that all of the results and proceeds of DDM's engagement hereunder shall be considered a "work-made-for-hire" specially ordered or commissioned by Dolphin Films with Dolphin Films being deemed the sole author of such work and owner of all such results and proceeds. Dolphin Films entering into this Agreement shall be full and complete consideration for such results and proceeds. In the event such results and proceeds are determined not to be a "work-made-for-hire," then DDM hereby irrevocably and exclusively assigns to Dolphin Films, in perpetuity, throughout the Universe, all rights (including, without limitation, all copyrights and renewals and extensions thereof) in and to all such results and proceeds.

5. Notices. All notices, demands, and other communications provided for by this Agreement shall be in writing and shall be deemed to have been given at the time the same is delivered in person, sent by facsimile with confirmation of receipt or is mailed by registered or certified mail to the following addresses:

If DDM,
Dolphin Digital Media, Inc.
2151 S. Le Jeune Road, Suite 150
Coral Gables, Florida 33134

If Dolphin Films,
Dolphin Films, Inc.
10866 Wilshire Boulevard
Suite 800
Los Angeles, California 90024

6. Governing Law; Jurisdiction; Dispute Resolution. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to Florida conflict of law provisions or to constructive presumptions favoring either party. The parties to this Agreement hereby irrevocably consent to, for the purposes of any proceeding arising out of this Agreement, the exclusive jurisdiction of the courts of the State of Florida and the United States District Court located in Miami-Dade County. In the event of a disagreement relating to the provisions or enforcement of this Agreement, the parties agree to appoint a mutually acceptable private mediator prior to the institution of any legal action. Such mediation shall take place without prejudice to either party's position and nothing presented, stated, etc. in that mediation shall be admissible as evidence in any subsequent legal proceeding.

7. Severability. Each provision of this Agreement shall be interpreted where possible in a manner necessary to sustain its legality and enforceability. The enforceability of any provision of this Agreement in a specific situation or the unenforceability of any portion of any provision of the Agreement in a specific situation, shall not affect the enforceability of (i) that provision or portion of provision in another situation, or (ii) the other provisions or portions of provision of this Agreement if such other provisions or portions of provisions could then continue to conform with the purposes of the Agreement and the terms and requirements of applicable law.

8. Assignment. This Agreement shall inure to the benefit of and bind the parties and their respective successors and permitted assigns. A "permitted assignee" is any entity in which Dolphin Films, DDM or any affiliated entity or related party directly or indirectly beneficially owns at least 51% of all classes of the voting equity interests.

9. Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter set forth here and supersedes all prior written and oral agreements and understandings between the DDM and Dolphin Films relating to the subject matter hereof. This Agreement shall not be amended orally, but only by a written instrument executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

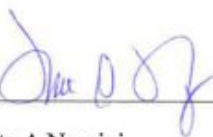
[SIGNATURE PAGE FOLLOWS]

DOLPHIN FILMS, INC.

By 

William O'Dowd
President

DOLPHIN DIGITAL MEDIA, INC.

By 

Mirta A Negrini
CFO/COO

Exhibit A

Services to be Provided by DDM

1. DDM will provide Dolphin Films with script development and pre-production services, including sourcing and covering source material and scripts and securing any physical production partners.
2. For any Dolphin Films motion picture, DDM will be responsible for hiring a “below-the-line” production and post-production team including a line producer, production accountant, post production supervisor, post production accountant, etc.
3. For any Dolphin Films motion picture, DDM will be responsible for supervising the preparation of the production budget, and securing any completion bond, if required.
4. For any Dolphin Films motion picture, DDM will be responsible for monitoring the weekly cost reports during the production period and reporting to Dolphin Films any variances from the production budget.
5. DDM will keep the Accounting books of Dolphin Films, Inc., preparing monthly reconciliations of pertinent balance sheet accounts, providing management with financial information as necessary, maintaining contracts, and be in contact with the production accountants hired for the theatrical motion picture productions.
6. DDM will make all payments to vendors of Dolphin Films, Inc. and maintain the vendor files.
7. DDM will provide offices in Los Angeles, California for Dolphin Films, including furniture and fixtures and office equipment, as well as access to a conference room in Miami, Florida, as needed.
8. DDM will provide Dolphin Films with public relation services through a third party and draft any press releases, as necessary. Specific film press releases will be part of the P&A budget and will not be the responsibility of DDM.
9. DDM will provide domestic and international sales support services for theatrical motion pictures produced by Dolphin Films.
10. DDM will assist Dolphin Films in negotiating any financing needed to produce a theatrical motion picture.

-
11. DDM will be responsible for subsequent collections of any of the minimum guarantees secured through international sales of a theatrical motion picture.

***WILLIAM H O'DOWD
2151 S LEJEUNE ROAD
SUITE 150
CORAL GABLES, FLORIDA 33134***

December 31, 2014

Members of the Board of Directors
Dolphin Digital Media, Inc.
2151 S Le Jeune Road
Suite 150
Coral Gables, Florida 33134

Dear Members of the Board of Directors of Dolphin Digital Media, Inc.:

Pursuant to the terms of my employment agreement with Dolphin Digital Media, Inc. dated September 7, 2012, I hereby notify you that I will extend said agreement for a term of two years effective January 1, 2015.

Best regards,


William H O'Dowd

EQUITY FINANCE AGREEMENT

between

[Investor]

and

DOLPHIN DIGITAL STUDIOS, INC.

[Date]

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EQUITY FINANCE AGREEMENT

This agreement is made as of the [Date].

Between: [Investor]
Form of incorporation and State of Incorporation
("Investor")

and: DOLPHIN DIGITAL STUDIOS, INC.
A corporation formed under the laws of Florida
("Producer")

RECITALS:

Producer intends to produce digital web series for initial exploitation on-line, and with ancillary distribution to other sales windows, including television and home video, on a worldwide basis (individually, a "Production," and collectively, the "Productions");

Producer has presented to Investor an opportunity to participate in the co-financing of the Productions, and share in the Productions' revenues in accordance with the terms and subject to the conditions of this Agreement; and

Investor wishes to participate in the sharing of the Productions' revenues in accordance with the terms and conditions of this Agreement.

FOR VALUE RECEIVED the Parties agree as follows:

ARTICLE ONE INTERPRETATION

In this Agreement:

"Agreement" means this agreement;

"Party" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "Parties" means every Party; and

"Producer's Gross Receipts" means all revenues, of any kind or nature, paid to Producer from the distribution and exploitation of the Productions in perpetuity on a worldwide basis. For the purposes of clarity, Producer's Gross Receipts shall not include any revenues related to the physical production of the Productions, including any producer's fees paid to Producer.

**ARTICLE TWO
EQUITY INVESTMENT AND EQUITY INTEREST**

2.1 Equity Investment

Upon and subject to the terms of this Agreement, Investor shall make an equity investment in the Productions in the amount of [dollar amount of investment] (the "Investor's Equity Investment"). Investor's Equity Investment represents [X%] percentage of the total equity investment being sold in the Productions of \$1,000,000 (the "Total Equity Investment") (collectively, Investor and the other parties purchasing the Total Equity investment shall be referred to as the "Total Equity Investment Group").

2.2 Payment Schedule

Upon and subject to the terms of this Agreement, the Investor's Equity Investment is due and payable to Producer by [date of agreement].

All payments to Producer shall be made by check or wire transfer to:

Account Number:	200-004-428-2332
ABA Number:	063-000-021
Name of Account:	Dolphin Digital Media
Name of Bank:	Wachovia
Address of Bank:	2555 Ponce De Leon Blvd. Coral Gables, FL 33134

**ARTICLE THREE
PRODUCTION MANAGEMENT AND CYCLE**

3.1 Production Management

Producer shall produce no less than one (1) and no more than eight (8) Productions hereunder before December 31, 2012. The total equity commitment necessary from Producer for any individual production budget of any Production shall not exceed the Total Equity Investment. The selection of any Production shall be at the sole discretion of Producer.

Producer shall be entitled to a producer's fee within the production budget of any Production to cover Producer's personnel and overhead costs related to the management and execution of the production and distribution of the Productions. Such producer's fee shall not exceed \$250,000 for any single Production.

3.2 "Cycle" of Revenues

Prior to December 31, 2012, Producer may utilize all, or any portion, of the Total Equity Investment to fund any Production. Furthermore, prior to December 31, 2012, Producer may utilize any of Producer's Gross Receipts which represent the return to Producer of any equity commitment provided for any Production to fund any equity commitment necessary for any subsequent Production.

On January 1, 2013, the "cycle" of Productions will cease, and all of Producer's Gross Receipts will be distributed as described below (including any currently unallocated portion of the Total Equity Investment as of that date).

ARTICLE FOUR RECOUPMENT, PROFIT PARTICIPATION AND DISTRIBUTION

4.1 Gross Receipts

Producer shall pay and distribute, on a pro rata basis, one hundred percent (100%) of Producer's Gross Receipts to the Total Equity Investment Group, until such time as the Total Equity Investment Group has received one hundred and fifteen percent (115%) of the Total Equity Investment. Thereafter, Producer shall pay to the Total Equity Investment Group, on a pro rata basis, a percentage of Producer's Gross Receipts in the amount of fifty percent (50%).

For the purposes of clarity, Investor shall receive [Investors % of total equity investment] of Producer's Gross Receipts until such time as Investor has received one hundred and fifteen percent (115%) of Investor's Equity Investment. Thereafter, Producer shall pay to Investor [50% of investors % of total equity investment] of Producer's Gross Receipts from the Productions.

For the further purposes of clarity, notwithstanding the previous two paragraphs, Producer shall not distribute the principal of the Total Equity Investment (\$1,000,000) any earlier than January 1, 2013.

4.2 Statements of Receipts; Payments

Producer shall remit any payments due to Investor, along with an accounting report of Producer's Gross Receipts and the calculation of Investor's share of Producer's Gross Receipts, on a quarterly basis, and within thirty days of the immediately preceding calendar quarter. The accounting shall be certified by Producer's CFO to be true and correct.

All payments to Investor shall be paid by check or wire transfer as follows:

If by Check:

Name	Name of Investor
Address	Address of Investor
Special Instructions	

If by Wire Transfer:

Name of Account: _____
Name of Bank: _____
Address of Bank: _____

Account Number: _____
ABA Number: _____
Special Instructions: _____

4.3 Books and Records; Audit

Producer shall keep and maintain, at its offices, complete and accurate books of account and other records covering all transactions relating to the Productions. Stephen L. Perrone and/or a certified public accountant acting on Investor's behalf, or any person who is mutually acceptable to the Parties, will have the right after reasonable notice to Producer and during normal business hours to inspect the books and records of Producer as the same may relate to the calculation of Producer's Gross Receipts payable to Investor. Producer will promptly pay to Investor all unpaid amounts owed and, if the results of such audit disclose a discrepancy in favor of Investor of 5% or more, then all costs of such audit shall be borne by Producer, provided that such disclosed discrepancy is at least \$5,000.

4.4 Other Information

Producer shall promptly deliver to Investor any other information or reports relating to the Productions reasonably requested by Investor.

**ARTICLE FIVE
REPRESENTATIONS AND WARRANTIES**

5.1 Producer's Representations and Warranties

Producer represents and warrants to Investor as stated below and acknowledges that Investor is relying on the accuracy of each such representation and warranty in entering into this Agreement and making the Equity Investment:

5.1(a) Corporate Standing. Producer is a corporation duly incorporated and organized, and is a subsisting corporation in good standing under the laws of Florida;

5.1(b) Corporate Authority. Producer has been duly and validly authorized, by all necessary corporate action on the part of Producer, to execute and deliver this Agreement, to carry out the terms hereof and to grant Investor the rights herein granted to Investor.

5.1(c) Enforceability. This Agreement has been duly and validly executed and delivered by Producer and is a legally binding obligation of Producer enforceable against Producer in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency and other law affecting creditors' rights generally and to general principles of equity.

5.1(d) Exhibit A. The pro formas supplied to investor attached as Exhibit A were prepared in good faith to the best of Producer's knowledge based upon Producer's past experience in the feature movie and TV Series business. However those "financial estimates" are not a guaranty of that financial performance especially in view of the fact that the Warner Bros. Agreement involves "web series" which are new to the Producer and new to the industry.

5.2 Investor's Representations and Warranties

Investor warrants and represents to Producer as stated below and acknowledges that Producer is relying on the accuracy of each such representation and warranty in entering into this Agreement and accepting Investor's Equity investment.

5.2(a) LLC Standing. Investor is a limited liability company duly formed and organized, and is in good standing under the laws of Florida;

5.2(b) LLC Authority. Investor has been duly and validly authorized, by all necessary company action on the part of Investor, to execute and deliver this Agreement, to carry out the terms hereof and to grant Producer the rights herein granted to Producer;

5.2(c) Enforceability. This Agreement has been duly and validly executed and delivered by Investor and is a legally binding obligation of Investor enforceable against Investor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency and other law affecting creditors' rights generally and to general principles of equity.

ARTICLE SIX COVENANTS AND CONDITIONS

6.1 Producer's Covenants

Producer covenants as follows:

Representations and Warranties. Producer shall cause all of the representations and warranties given by it under this Agreement to remain true and correct;

Separate Bank Account. Producer shall deposit any and all of Producer's Gross Receipts in a separate bank account, under only Producer's control and relating only to the Productions (the "Dedicated Bank Account"). Producer shall not make any payments from the Dedicated Bank Account other than for the disbursement of Producer's Gross Receipts pursuant to this Agreement; and,

Sale of Interest. Producer shall not sell, assign, convey or otherwise transfer any of its interest in and to the Productions to any third party if such sale, assignment, conveyance or other transfer diminishes or impairs Investor's rights, including any rights to receive Investor's share of Producer's Gross Receipts.

6.2 Investor's Covenants

Investor covenants as follows:

Representations and Warranties. Investor shall cause all of the representations and warranties given by it under this Agreement to remain true and correct; and

Sale of Interest. Investor shall not sell, assign, convey or otherwise transfer any of its interest in and to the Productions to any third party if such sale, assignment, conveyance or other transfer diminishes or impairs Producer's rights, including any rights to receive Producer's share of Producer's Gross Receipts.

ARTICLE SEVEN INDEMNIFICATION

Indemnification

Producer shall indemnify, defend and hold harmless Investor and its employees, agents, officers and directors from and against all claims, actions, suits, costs, liabilities, judgments, obligations, losses, penalties, expenses (including any legal fees and expenses) and damages of any kind or nature, imposed upon, incurred by or asserted against Investor and its employees, agents, officers and directors arising out of: (a) any breach or alleged breach of any representation, warranty, covenant or agreement made by Producer herein; or (b) the assignment, transfer, grant, and conveyance to Investor of the rights herein, provided that Producer's liability to Investor hereunder shall be limited to direct damages and shall not include any damage or loss which Investor may suffer or claim to suffer by reason of any loss of profits, revenue or any similar loss or damage.

Investor shall indemnify, defend and hold harmless Producer and its employees, agents, officers and directors from and against all claims, actions, suits, costs, liabilities, judgments, obligations, losses, penalties, expenses (including any legal fees and expenses) and damages of any kind or nature, imposed upon, incurred by or asserted against Producer and its employees, agents, officers and directors arising out of any breach or alleged breach of any representation, warranty, covenant or agreement made by Investor herein, provided that Investor's liability to Producer hereunder shall be limited to direct damages and shall not include any damage or loss which Producer may suffer or claim to suffer by reason of any loss of profits, revenue or any similar loss or damage.

To seek or receive indemnification hereunder, the Party seeking indemnification must have:

promptly notified the other Party of any claim or litigation to which the indemnification relates; and

afforded the other Party the opportunity to participate at the expense of the other Party in any compromise, settlement, litigation or other resolution or disposition of such claim or litigation.

**ARTICLE TEN
GENERAL**

10.1 Notice

Any notice to Producer or to Investor required or permitted hereunder shall be in writing and delivered personally, by same day or overnight courier or by facsimile:

to Investor at:

Contract information for Investor

to Producer at:

804 Douglas Road, Suite 385
Coral Gables, FL 33134
United States

Attention: William O Dowd
Facsimile: (305) 774-0405

or to such address of which either Party may subsequently give notice. Notices shall be deemed to have been given on the day after they are sent by overnight courier, or on the day they are sent by e-mail or facsimile transmission or personal delivery or same day courier provided Sender has proof of receipt by recipient.

10.2 Assignment

Producer shall have the right to assign this Agreement to any parent, subsidiary or affiliated corporation, or to any entity with or which Producer merges or consolidates, or which succeeds to all or a substantial portion of its assets provided that Producer either retains control of such entity or provides financial assurances acceptable to Investor assuring compliance by such successor with the terms of this Agreement. Either Producer or Investor may assign this Agreement with the prior written consent of the other Party.

10.3 No Partnership or Joint Venture

Nothing in this Agreement shall be construed as creating a partnership or joint venture between Producer and Investor.

10.4 Enurement

This Agreement shall enure to the benefit of and bind the Parties and their respective successors and permitted assigns.

10.5 Entire Agreement

This Agreement contains the entire understanding of the Parties relating to its subject matter and replaces all prior representations or agreements, either written or oral, between the Parties in connection with its subject.

10.6 Amendments

No amendment, supplement, modification or restatement of, or to, this Agreement is binding unless it is in writing and signed by a duly authorized representative of each Party to this Agreement.

10.7 Jurisdiction & Dispute Resolution

This Agreement is governed by and construed using Florida law, without giving effect to Florida conflict of law provisions or to constructive presumptions favoring either Party. The Parties consent to venue and the exclusive jurisdiction of the state and federal courts located in Miami Dade County, Florida. In the event of a disagreement relating to the provisions or enforcement of this agreement, the parties agree to appoint a mutually acceptable private mediator prior to institution of any legal action. Such mediation shall take place without prejudice to either Party's position and nothing presented, stated, etc. in that mediation shall be admissible as evidence in any subsequent legal proceeding. If the Parties cannot agree on an acceptable Mediator within 20 days after a Party requests such Mediation, either Party may proceed without being subject to this prior Mediation provision.

10.8 Waiver

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the Parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

10.9 Further Assurances

Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary to give effect to the provisions and intent of this Agreement.

10.10 Time of the Essence

Time shall be of the essence in this Agreement.

10.11 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement.

10.12 Counterparts

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by facsimile or electronic transmission and such transmissions shall constitute delivery of an executed copy of this Agreement to the receiving Party.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement, as of the day and year first above written.

By: Investor - Signature and title

By: Company - Signature and title