

Exhibit "1"

UCC-1 FINANCING STATEMENT

COLLATERAL DESCRIPTION

Debtor(s): Independent Films LLC ("Producer"), a California limited liability company ("Producer")

Secured Party: UniFi Completion Guaranty Insurance Solutions, Inc. d/b/a UniFi Completion Guarantors, a California corporation ("UniFi"), acting in its capacity as agent and attorney-in-fact for Atlantic Specialty Insurance Company, a New York insurance company ("Completion Guarantor")

Item 4: All of Producer's assets, whether now owned or hereafter acquired or arising and regardless of where located or whether or not in possession of Producer, including all right, title and interest of Producer now owned or hereafter acquired by Producer including, without limitation, all of Producer's right, title and interest in and to the following personal property, whether now owned or hereafter acquired or arising and regardless of where located and whether or not in possession, custody or control of Producer (but in each case (including each asset detailed in items (1) through (22) below), expressly excluding the Excluded Collateral (as defined herein), if any (collectively referred to herein as the "Collateral"): the feature-length motion picture tentatively entitled "Independent Spirit" (by whatever name such motion picture is now or may hereafter become known, the "Film") and all accounts, deposit accounts, equipment, general intangibles, intellectual property rights, inventory, investment property, letter of credit rights, chattel paper, documents, instruments and other negotiable collateral, supporting obligations, and all other personal property of Producer and the proceeds of the foregoing, and each and all of the following particular rights and properties of the Film:

1. All rights of every kind and nature (including, without limitation, copyrights) in and to (a) the screenplay entitled *Independent Spirit*, written by Jackson Johns, U.S. Copyright Office registration number (pending) (including any and all drafts, versions and variations of such screenplay, the "Screenplay"), and (b) any other literary, musical, dramatic or other literary material of any kind or nature upon which, in whole or in part, the Film is or may be based, or from which it is or may be adapted or inspired, or which may be or has been used or included in the Film, including, without limitation, the Screenplay and all other scripts, scenarios, screenplays, bibles, stories, treatments, novels, outlines, books, titles, concepts, manuscripts or other properties or materials of any kind or nature, in whatever state of completion, and all drafts, versions and variations thereof (all of the foregoing is collectively referred to as the "Literary Property");

2. All physical properties of every kind or nature of or relating to the Film and all versions thereof, including, without limitation, all physical properties relating to the development, production, completion, delivery, exhibition, distribution or other exploitation of the Film, and all versions thereof or any part thereof, including, without limitation, the Literary Property, and all Pre-Print Materials (as defined herein) (all of the foregoing is collectively referred to as the "Physical Properties");

3. All physical elements of the Film, including all negatives, duplicate negatives, fine grain prints, soundtracks, positive prints (cutouts and trims excepted), the digital cinema package, all other digital files and masters, and sound, all video formats (including PAL/NTSC), and other physical properties in connection with the Film and the trailer for the Film, exposed film, developed film, positives, negatives, prints, answer prints, special effects, pre-print materials (including interpositives, negatives, duplicate negatives, internegatives, color reversals, intermediates, lavenders, fine grain master prints and matrices and all other forms of pre-print elements which may be necessary or useful to produce prints or other copies or additional pre-print elements, whether now known or hereafter devised) soundtracks, recordings, audio and video tapes and discs of all types and gauges, cutouts, trims, non-analog recordings and tapes, including without limitation, any video digital recordings and HDTV format recordings, and any and all other physical properties of every kind and nature relating to the Film in whatever state of completion, and all duplicates, drafts, versions, variations and copies of each thereof (all of the foregoing is collectively referred to as the "Pre-Print Materials");

4. All rights of every kind or nature in and to any and all music and musical compositions created for, used in or to be used in connection with the Film including, without limitation, all copyrights therein and all rights to perform, copy, record, re-record, produce, publish, reproduce or synchronize any or all of said music and musical compositions as well as all other rights to exploit such music including record, soundtrack recording, and music publishing rights;

5. All collateral, allied, ancillary, subsidiary, publishing and merchandising rights and all properties and things of value, whether now in existence or hereafter made, acquired or produced of every kind and nature, without limitation, pertaining to or derived from, appurtenant to, or related to the Film or the Literary Property, including, without limitation, all production, exploitation, reissue, remake, sequel, serial or series production rights by use of film, tape or any other recording devices now known or hereafter devised, whether based upon, derived from or inspired by the Film, the Literary Property or any part thereof; all rights to use, exploit and license

others to use or exploit any and all novelization, publishing, commercial tie-ups and merchandising rights of every kind and nature, including, without limitation, all novelization, publishing, merchandising rights and commercial tie-ups arising out of or connected with or inspired by the Film or the Literary Property, the title or titles of the Film, the characters appearing in the Film or said Literary Property and/or the names or characteristics of said characters, and including further, without limitation, any and all commercial exploitation in connection with or related to the Film, all remakes or sequels thereof and/or said Literary Property;

6. To the extent necessary or desirable to complete the Film, all rights of every kind or nature, present and future, in and to all agreements relating to the development, production, completion, delivery and exploitation of the Film, including, without limitation, all agreements for personal services, including the services of writers, directors, cast, producers, special effects personnel, personnel, animators, cameramen and other creative, artistic and technical staff and agreements for the use of studio space, equipment, facilities, locations, animation services, special effects services and laboratory contracts;

7. All insurance and insurance policies heretofore or hereafter placed upon the Film or the insurable properties thereof and/or any person engaged in the development, production, completion, delivery or exploitation of the Film and the proceeds thereof;

8. All copyrights, rights in copyrights, interests in copyrights and renewals and extensions of copyrights, domestic and foreign, heretofore or hereafter obtained upon the Film or the Literary Property or any part thereof, and the right (but not the obligation) to make publication thereof for copyright purposes, to register a claim under copyright, and the right (but not the obligation) to renew and extend such copyrights, and the right (but not the obligation) to sue in the name of Producer or in the name of the Secured Party for past, present and future infringements of copyright;

9. All rights to produce, acquire, release, sell, distribute, subdistribute, lease, sublease, market, license, sublicense, exhibit, broadcast, transmit, reproduce, publicize or otherwise exploit, use or dispose of the Film, the Literary Property and any and all rights therein (including, without limitation, the rights referred to in item 4 above) in perpetuity, without limitation, in any manner and in any media whatsoever throughout the universe, including, without limitation, by projection, radio, all forms of television (including, without limitation, free, pay, toll, cable, sustaining subscription, sponsored and direct satellite broadcast), in theaters, non-theatrically, on cassettes, cartridges and discs and by any and all other scientific, mechanical or electronic means, methods, processes or devices now known or hereafter conceived, devised or created;

10. All rights of Producer of any kind or nature, direct or indirect, to acquire, produce, develop, reacquire, finance, release, sell, distribute, sub-distribute, lease, sublease, market, license, sublicense, exhibit, broadcast, transmit, reproduce, publicize, or otherwise exploit, use or dispose of the Film, or any rights in the Film, including, without limitation, pursuant to agreements between Producer and any affiliate of Producer which relate to the ownership, production or financing of the Film;

11. All contract rights and general intangibles which may arise in connection with the creation, production, completion, delivery, financing, ownership, possession or exploitation of the Film or which grant to any Person any right to acquire, produce, develop, reacquire, finance, release, sell, distribute, subdistribute, lease, sublease, market, license, sublicense, exhibit, broadcast, transmit, reproduce, publicize, or otherwise exploit, use or dispose of the Film or any rights in the Film and all collateral, allied, ancillary, subsidiary and merchandising rights therein, and all properties and things of value pertaining thereto and all products and proceeds thereof whether now in existence or hereafter made, acquired or produced and the rights and property set forth herein, including, without limitation, all such rights pursuant to agreements between Producer and any affiliate of Producer which relate to the ownership, production or financing of the Film;

12. All rent, revenues, income, compensation, products, increases, proceeds (including the proceeds of letters of credit), benefits, credits, rebates, incentives and profits or other property, or rights therein or thereto, obtained or to be obtained from the creation, production, completion, delivery, release, sale, distribution, subdistribution, lease, sublease, marketing, licensing, sublicensing, exhibition, broadcast, transmission, reproduction, publication, ownership, exploitation or other uses or disposition of the Film and the Literary Property (or any rights therein or part thereof), in any and all media, without limitation, the properties thereof and of any collateral, allied, ancillary, merchandising and subsidiary rights therein and thereto, and amounts recovered as damages by reason of unfair competition, the infringement of copyright, breach of any contract or infringement of any rights, or derived therefrom in any manner whatsoever;

13. Any and all documents, receipts or books, and records, including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee with respect to the Film and any element thereof;

14. All accounts, contract rights and general intangibles (as such terms are defined in the UCC) in connection with or relating to the Film and to the Physical Properties, including all rights to receive the payment of money under present or future contracts or agreements (whether or not earned by performance) from the creation, production, completion, release, sale, distribution, exhibition, leasing, subleasing, licensing, sublicensing and other exploitation, use or disposition of the Film or the Literary Property or any part

thereof or any rights therein in any medium, whether now known or hereafter developed, by any means, method, process or device in any market;

15. All of Producer's right, title and interest in, to and under the Distribution Agreements, any licensing intermediary license agreements, the agreements between Producer and any affiliate(s) of Producer which relate to the Film and all other agreements relating to the Film under which Producer has any rights, including without limitation, Producer's rights to receive payments thereunder, and all other rights to receive film rentals, license fees, distribution fees, producer's shares, royalties and other amounts of every description including, without limitation, from: (a) theatrical exhibitors, non-theatrical exhibitors, television networks and stations and airlines, cable television systems, pay television operators, whether on a subscription, per program charge basis or otherwise, and other exhibitors; (b) distributors, subdistributors, lessees, sublessees, licensees and sublicensees (including any subsidiary of Producer); and (c) any other Person that distributes, exhibits or otherwise exploits, uses or disposes of the Film or the Literary Property or elements or components of the Film or the Literary Property or rights relating thereto;

16. All machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, implements and other tangible personal property of every kind and description used or useful in connection with the Film (including, without limitation, all wardrobe, props, mikes, scenery, sound stages, movable, permanent or vehicular dressing rooms, sets, lighting equipment, cameras and other photographic, sound recording and editing equipment, projectors, film developing equipment and machinery) and all goods of like kind or type hereafter acquired by Producer in substitution or replacement thereof, and all additions and accessions thereto, wherever any of the foregoing is located (all of the foregoing is collectively referred to as the "Equipment");

17. All title or titles of the Film and all of Producer's rights to the exclusive use thereof including rights protected pursuant to trademark, service mark, unfair competition and/or other laws, rules or principles of law or equity;

18. All inventions, processes, formulae, licenses, patents, patent rights, trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, logos, indicia, corporate and Producer names, business source or business identifiers and renewals and extensions thereof, domestic and foreign, whether now owned or hereafter acquired, and the accompanying good will and other like business property rights relating to the Film, and the right (but not the obligation) to register claim under trademark or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in the name of Producer or in the name of the Secured Party for past, present or future infringement of trademark or patent;

19. All of Producer's rights to any film production tax credits, rebates, grants, or other similar benefits or incentives obtained or to be obtained from the creation, production, completion, delivery, release, sale, distribution, subdistribution, lease, sublease, marketing, licensing, sublicensing, exhibition, broadcast, transmission, reproduction, publication, ownership, exploitation or other uses or disposition of the Film;

20. The Production Account and all other deposit accounts relating to the Film, including all funds in or to be credited to any such account;

21. Any other property of any kind of Producer in the possession or under the control of the Secured Party or a bailee of the Secured Party or any of its respective affiliates; and

22. All accessions to, substitution for, and replacements, proceeds, and proceeds of proceeds of any of the foregoing, including, without limitation, proceeds of any insurance policies, claims against third persons, with respect to the foregoing.

All initially capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the Completion Agreement (as amended, modified, supplemented or restated from time to time) between Producer and Completion Guarantor with respect to the Film and in the Interparty Agreement (as defined in the Completion Agreement).

"Excluded Collateral" collectively means: NONE