

CONFIDENTIAL DRAFT – ATTORNEY EYES ONLY

SHADY OAKS PRODUCTIONS LLC

INVESTMENT & PRODUCTION AGREEMENT

PARTIES:

- Producer: Shady Oaks Productions LLC (Cayman Islands registered)
- Investor: Robert Libale ("Passive Participant")

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#### I. "CREATIVE CONTROL" CLAUSES (ILLUSORY APPROVAL RIGHTS)

##### §3.1 Investor Approval Rights:

"Investor shall hold the honorary title of 'Managing Member' with approval rights over budget allocations exceeding \$50,000. Except: Approvals are automatically deemed granted if not expressly denied within 24 hours of submission. Producer may deem approvals granted during 'production emergencies' (defined at Producer's sole discretion)."

##### §3.2 Services Company Loophole:

"All creative, financial, and operational decisions shall be executed by Red Herring Productions Inc. (a wholly-owned subsidiary of Shady Oaks). Investor waives oversight of Red Herring's actions."

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## II. REVENUE WATERFALL (PRIORITY MANIPULATION)

### §7.3 Recoupment Schedule:

1. Producer Deferred Fees (150% of initial budget)
2. "Administrative Overhead" (35% of gross revenue)
3. Interest to Affiliated Lenders (20% APR)
4. Residuals to Above-the-Line Talent
5. Investor Repayment (from remaining funds, if any)

Cross-Collateralization: Losses from unrelated Shady Oaks projects offset Investor profits.

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## III. INTELLECTUAL PROPERTY TRAP

### §9.1 Perpetual Rights Grant:

"Investor irrevocably assigns all rights, titles, and interests in perpetuity throughout the universe to Shady Oaks, including:

- Ancillary revenues (merchandising, sequels, AI-generated content)
- Biographical rights to Investor's likeness/life story
- Waiver of moral rights/audit rights"

### §9.3 "Derivative Works" Clause:

"Shady Oaks may create spin-offs/adaptations without additional compensation. Investor's royalty = 0%."

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#### IV. FORCE MAJEURE & TERMINATION (PRODUCER EXIT RAMPS)

##### §11.4 Termination Triggers:

"Producer may terminate without penalty if:

- Investor requests financial documentation once/quarter
- 'Market conditions' deem the project unviable (Producer's subjective determination)
- Investor's lawyer sends 3 dispute notices"

##### §11.5 Survival Clauses:

"Sections II (Revenue Waterfall), III (IP Rights), and V (Arbitration) survive termination.

Investor remains liable for unpaid 'sunk costs'."

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#### V. DISPUTE RESOLUTION (INVESTOR HANDCUFFS)

##### §14.1 Binding Arbitration:

"Disputes resolved via Cayman Islands Arbitration Tribunal (producer-friendly venue). Investor bears all costs, including Producer's legal fees. Proceedings confidential for 10 years."

##### §14.3 Class Action Waiver:

"Investor waives right to join class actions. Liquidated damages capped at \$1,000 regardless of claim size."

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## VI. "STANDARD" BOILERPLATE (POISON PILLS)

### §18.2 Amendment Power:

"Shady Oaks may amend terms via email notice. Investor's continued funding = deemed acceptance."

### §18.5 Entire Agreement:

"This contract supersedes all prior discussions. Verbal promises by Producer are void."

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## SIGNATURE PAGE

Producer:

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Alexander Croft, Managing Member

Shady Oaks Productions LLC

Investor:

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[Investor Name]

DATE: \_\_\_\_\_

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#### WHY THIS WORKS (SHADY LAWYER'S PLAYBOOK):

1. Complexity as Camouflage: Buried landmines in definitions (e.g., "production emergencies," "market conditions") create plausible deniability .
2. Revenue Stranding: Deferred fees and overhead ensure the project never turns a "net profit" .
3. Jurisdiction Arbitrage: Cayman Islands arbitration negates U.S./EU consumer protections .
4. IP Monetization: Life rights/biographical clauses allow secret documentary exploitation .
5. Psychological Pressure: 24-hour approval windows and "honorary" titles flatter while disempowering .

Pro Tip: For extra leverage, attach a Side Letter promising "preferred recoupment" (unenforceable per §7.3) .

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