

**OTC DISCLOSURE AND NEWS SERVICE**  
**COMPANY INFORMATION AND DISCLOSURE STATEMENT**

(March 18, 2011)

**TARGET DEVELOPMENT GROUP, INC.**

**WYOMING**  
(State of Incorporation)

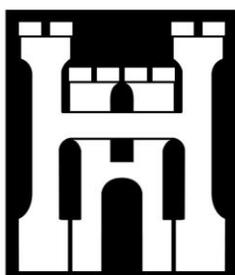
**91-1906973**  
(IRS Employer Identification No.)

**1428 CHESTER STREET**  
**SPRINGDALE, AR 72764**  
(Address of Principal Executive Offices)

**479-751-4500**  
(Issuer's Telephone Number)

**FINANCIAL REPORT COVERING THE HANNOVER HOUSE**  
**FILM LIBRARY VALUATION**

**MARCH 18, 2011**



**HANNOVER**  
**HOUSE**

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### **FORWARD-LOOKING STATEMENTS**

This disclosure statement contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases you can identify forward-looking statements by terms such as “may”, “intend”, “will”, “could”, “would”, “expects”, “believe”, “estimate”, or the negative of these terms, and similar expressions intended to identify forward-looking statements.

These forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Also, these forward-looking statements present our estimates and assumptions only as of the date of this disclosure statement. Except for our ongoing obligation to disclose material information as required by federal securities laws, we do not intend to update you concerning any future revisions to any forward-looking statements to reflect events or circumstances occurring after the date of this disclosure statement.

Actual results in the future could differ materially and adversely from those described in the forward-looking statements as a result of various important factors, including the substantial investment of capital required to produce and market films and television series, increased costs for producing and marketing feature films, budget overruns, limitations imposed by our credit facilities, unpredictability of the commercial success of our motion pictures and television programming, the cost of defending our intellectual property, difficulties in integrating acquired businesses, and technological changes and other trends affecting the entertainment industry.

**ITEM I      Exact Name of Issuer and Address of Issuer’s Principal Executive Offices**

The name of our Company, also referred to the “Issuer” or “TDGI”, is TARGET DEVELOPMENT GROUP, INC. The Company’s principal executive offices and related contact information is as follows:

Our Contact Information:

Target Development Group, Inc.  
Hannover House  
1428 Chester St.  
Springdale, AR 72764  
Tel. 479-751-4500  
Fax: 479-751-4999  
[www.TargetDevelopmentGroup.com](http://www.TargetDevelopmentGroup.com)

Contact Person:

D. Frederick Shefte, President  
TDGI-Hannover House  
1428 Chester St.  
Springdale, AR 72764  
Tel. 479-751-4500  
Fax.: 479-751-4999  
[www.HannoverHouse.com](http://www.HannoverHouse.com)  
[dfs.HannoverHouse@sbcglobal.net](mailto:dfs.HannoverHouse@sbcglobal.net)

**ITEM II      Number of Authorized and Outstanding Securities**

The following is true and correct, per our transfer agent, as of and at the period ending on March 11, 2011:

a.	Total shares in issue as of 3-11-11:	473,495,139
b.	Above Shares Restricted From Sale:	192,592,478
	<b><u>TOTAL SHARES IN ISSUE:</u></b>	<b><u>473,495,139</u></b>
c.	Series “A” Preferred Shares (voting only, no par value):	1,000,000
d.	Addl. Shares reserved for Corporate Financing Venture but not yet issued:	15,000,000

### **ITEM III      Film Library Valuation Report**

As previously approved by the Board of Directors of Target Development Group, Inc., Szwak Consulting Group was engaged to review and report on the Valuation of the Hannover House film, television, international, books and video library properties. The opinion and cover letter and Methodologies addendum from Szwak Consulting Group is included with this disclosure filing.

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### **ITEM IV      Certifications**

I, ERIC F. PARKINSON, hereby certify that;

- (1) I have reviewed the Film Library Valuation report from Szwak Consulting Group, covering the Hannover House properties;
- (2) Based on my knowledge, this Disclosure Statement 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 Disclosure Statement;
- (3) Based on my knowledge, the financial information included or incorporated by reference in this Disclosure Statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the Issuer as of, and for, the periods presented in this Disclosure Statement.

Dated: 18 March 2011

/s/\_\_\_\_\_

By: Eric F. Parkinson

Title: Chairman and Chief Executive Officer



358 Walter Avenue, Newbury Park, CA 91320

March 18, 2011

## **Film Library Valuation Opinion**

On behalf of Target Development Group, Inc., Szwak Consulting Group has reviewed the title listings, reports and forecasts comprising the Film Library owned or controlled by Truman Press, Inc. d/b/a “Hannover House” and have determined the reasonable value of this Film Library utilizing the Income Approach (*as more specifically described in the attached Methodologies Addendum “A”*), and by following valuation guidelines as established within the motion picture and filmed entertainment industry. Truman Press, Inc. d/b/a “Hannover House” is wholly-owned by Target Development Group, Inc.

Based upon the management supplied sales histories for each catalog item, we have verified the five year sales forecasts as reflecting reasonable decay rates, and have validated management projections for the new media formats of Blu-ray Video and Video-On-Demand as falling within the revenue ranges for comparable level titles. For new or unreleased titles in the Film Library, verification that said forecasts are reasonable and obtainable has been determined through a comparison of results now being generated by similar-stature titles being released with a comparable level of marketing support.

We concur with management’s sales forecasts of gross and net revenues likely to be derived from the titles detailed on Addendum “B” and confirm that the reasonable valuation of the Hannover House / Target Development Group, Inc. film library is **\$24,276,709**.

This Film Library Valuation Opinion refers to the detailed title listings and five-year forecasts as itemized in the attached Addendum “B” reflecting titles owned or controlled by Truman Press, Inc., d/b/a “Hannover House” as of 12-31-2010. Titles acquired since that date, or not yet delivered to the company were excluded from this report. In determining our Film Library Valuation Opinion, Szwak Consulting Group has relied upon management representations, including sales histories, new release marketing plans and corporate strategies for entering new media markets such as Blu-ray and Video-On-Demand, as well as current and upcoming activities to exploit applicable rights from the Television and International markets.

Sincerely,

Tom Szwak  
Managing Director



358 Walter Avenue, Newbury Park, CA 91320

March 18, 2011

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Sincerely,

A handwritten signature in cursive script that reads 'Tom Szwak'.

Tom Szwak  
Managing Director

## Addendum “A”

### METHODOLOGIES FOR FILM LIBRARY VALUATION

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#### **SZWAK CONSULTING GROUP ANALYSIS OF THE HANNOVER HOUSE FILM & VIDEO LIBRARY**

**INCOME APPROACH** – The Library Valuation Opinion for the film and video properties comprising the Truman Press, Inc., d/b/a “Hannover House” Library listings (as of Dec. 31, 2010), was evaluated using industry standard “Income Approach” for the review of sales histories on a per-title basis, with the forecasting of future sales over a five year period determined using established and / or reasonable decay rates. With respect to new and emerging media platforms (specifically Blu-ray video and Video-On-Demand formats), historic sales were not established, and accordingly, sales forecasts were projected by company management utilizing current sales for comparable titles as well as decay rates that were factored for the general growth in these, emerging markets. With respect to North American sales revenues to be derived from titles sales within the existing DVD format, company management has applied a twenty-five percent (25%) reduction across-the-board from the sales forecasts as detailed on the previous library valuation report (of 12-31-2008) in order to more accurately reflect the current trend of declining revenues for the DVD format.

**DECAY RATES – Catalog Titles.** The methodology utilized in the determination of an applicable decay rate forecast of future sales on a per title basis was based on both historical sales results (for catalog titles) as well as current revenue achievement levels for comparable stature new releases in establishing a baseline and initial release year forecast. Decay rates for catalog DVD and Blu-ray unit sales have been adjusted to accommodate industry statistics for specific genres and stars. Decay rates applied in determining future value of titles range from an aggressive sales drop off of sixty percent (60%) from 2011 to 2012 (on a less sell-thru friendly title, such as the six-year-old comedy video “Hilarious Saints of Comedy” ) to a far more gradual decline of 16.7% from 2011 to 2012 for certain higher-profile, star-driven or sell-thru friendly titles (such as for “Grand Champion” featuring Bruce Willis, Julia Roberts, George Strait and Emma Roberts).

**New Release Titles (2011 and 2012).** DVD and Blu-ray decay rates for new release titles launching during 2011 and 2012 typically reflect a more aggressive decline than those future rates projected for catalog titles, primarily due to the initial release year sales revenues that comprise a significant percentage of the total title performances. From the initial release year to the first year of catalog sales, decay rates for these new releases range from an aggressive drop off of approximately 89% for a genre title such as “ShadowVision” to a more gradual decay rate of 16.7% for the sell-thru friendly “Edgar Allen Poe’s Requiem for the Damned” video. Decay rates from year two to year three of these new release titles fall more in line with the decay rates for catalog titles.

**SALES HISTORIES AND MARKETING PLANS** – In evaluating and determining the Valuation of this Library, Szwak Consulting Group has relied upon prior title sales histories and new release marketing plans to support sales forecasts for calendar years 2011 and 2012 that

were provided by Hannover House Management. Szwak Consulting Group makes no representation, warranty or guarantee as to the accuracy of the sales histories provided by Hannover House Management.

**THEATRICAL RELEASES** – The Library Report contains sales forecasts (both “Box Office Gross” and “Net Theatrical Fees”) for six (6) titles to be released by Hannover House during 2011, and six (6) titles to be released by Hannover House during 2012. The cumulative Box Office Gross for the six titles to be released to theaters during 2011 is \$7,250,000, with fees to Hannover House of \$698,250. The cumulative Box Office Gross for the six titles to be released to theaters during 2012 is \$40,500,000 with fees to Hannover House of \$4,180,000.

**DVD REVENUES** – New Release DVD Revenues were reflected for a total of forty-five (45) titles that will debut on DVD during 2011 and 2012. The gross revenue forecast from New Release DVD for 2011 is \$7,777,011 with net fees and income to Hannover House of approximately \$1,965,761. Over the following four years (2012 – 2015), these forty-five (45) titles are projected to gross approximately \$20,566,554 in additional, cumulative revenues, with net fees and income to Hannover House of approximately \$5,391,054. Catalog DVD Revenues were reflected for a total of one-hundred-ten (110) titles that are already available on DVD. The gross revenue forecast for 2011 from these catalog DVD releases is projected at \$1,291,722 with new fees and income to Hannover House of approximately \$364,162. Over the following four years (2012 – 2015), these one-hundred-ten (110) catalog DVD titles are projected to cumulatively gross approximately \$2,557,508 with net fees and income to Hannover House of approximately \$726,898.

**BLU-RAY REVENUES** – New Release Blu-ray Revenues were reflected for a total of forty-one (41) titles that will debut on the Blu-ray format during 2011 and 2012. The gross revenue forecast from New Release Blu-ray sales for 2011 is \$1,467,000 with net fees and income to Hannover House of approximately \$353,350. Over the following four years (2012 – 2015), these forty-one (41) Blu-ray titles are projected to cumulatively gross approximately \$4,803,500 with net fees and income to Hannover House of approximately \$1,186,525.

**VIDEO-ON-DEMAND REVENUES** – V.O.D. Revenues were reflected for a total of one-hundred-twenty-seven (127) titles that will be launched initially through various streaming media during 2011 and 2012. The gross revenue forecast from V.O.D. titles during 2011 is \$4,869,633 with net fees and income to Hannover House of approximately \$1,264,528. Over the next four years (2012 – 2015) these one-hundred-twenty-seven (127) V.O.D. titles are projected to cumulatively gross approximately \$2,458,787 with net fees and income to Hannover House of approximately \$667,658.

**BOOKS & E-BOOK REVENUES** – Publishing Revenues for all formats of printed and E-Books were reflected for six (6) new release titles that will be published in print format and eleven (11) titles that will be made available in E-Book formats during 2011 and 2012. Book revenues also include forecasts from five (5) catalog titles already in release. The gross revenue forecast from all book publishing activities during 2011 is \$982,500 with net fees and income to Hannover House of approximately \$491,250. Over the next four years (2012 – 2015) these eleven (11) titles are projected to cumulatively gross approximately \$1,184,500 with net fees and income to Hannover House of approximately \$592,375.

**TELEVISION REVENUES** – Revenues from all forms of television within the United States and Canada were reflected for forty-one (41) titles that will be made available to TV during 2011 and 2012. The gross revenue forecast from all television media formats in this territory during 2011 is \$2,339,00 with net fees and income to Hannover House of approximately \$601,600. Over the next four years (2012 – 2015) these forty-one (41) titles are projected to cumulatively gross approximately \$6,975,500 with net fees and income to Hannover House of approximately \$1,899,713.

**INTERNATIONAL REVENUES** – Income from the sales and licensing of titles to territories and media outside of North America was reflected for fifteen (15) titles. The gross revenue forecast from all international sales during 2011 is \$5,120,000 with net fees and income to Hannover House of approximately \$1,336,000. Over the next four years (2012 – 2015) these fifteen (15) titles are projected to cumulatively gross approximately \$2,667,500 with net fees and income to Hannover House of approximately \$747,125.

**2011 LIBRARY SUMMARY** – During 2011, Hannover House is slated to release six (6) titles to theaters from the Library listings as of 12-31-2010 (note: additional titles have been acquired during 2011 which may also be released during 2011 by Hannover House; but for the purpose of this Library Valuation Report, only properties licensed as of 12-31-2010 are included). The company also plans to release from the listings thirty-six (36) titles to DVD, thirty-two (32) titles onto Blu-ray, ninety-eight (98) through V.O.D., eleven (11) through book formats, thirty-two (32) to domestic (North American) television and fifteen (15) to International markets. The gross revenues anticipated from all titles and applicable media for 2011 is forecast at \$31,957,877 with net fees and income to Hannover House of approximately \$7,308,812. The titles from this Library listing that are anticipated to be top revenue generators for Hannover House during 2011 are (in descending order): “TURTLE: THE INCREDIBLE JOURNEY”, “THRU THE MOEBIUS STRIP” and “ALL’S FAIRE IN LOVE.”

**2012 LIBRARY SUMMARY** – During 2012, Hannover House is slated to release six (6) titles to theaters from the Library listings as of 12-31-2010 (note: additional titles have been acquired during 2011 which may also be released during 2012 by Hannover House; but for the purpose of this Library Valuation Report, only properties licensed as of 12-31-2010 are included). During 2012, the company also plans to release from the listings nine (9) titles to DVD, nine (9) titles onto Blu-ray and twenty-nine (29) through V.O.D. The gross revenues anticipated from all titles and applicable media for 2012 is forecast at \$66,931,884 with net fees and income to Hannover House of approximately \$11,296,272. The titles from this Library listing that are anticipated to be top revenue generators for Hannover House during 2012 are (in descending order): “WILD OATS”, “SHADOWVISION” and “DANCES WITH WEREWOLVES.”

**SPECIFIC TITLE UPDATES** – The Library report reflects titles under license to Hannover House as of Dec. 31, 2010. Since that date, the company has completed agreements for the acquisition of two film libraries consisting of a total of ninety-five (95) additional titles for release to the USA home video market (including DVD, Blu-ray and Video-On-Demand rights), which acquisitions have not yet been announced and the value for which are not included in this library report. Also, since Dec. 31, 2010, the company has also acquired two additional theatrical release titles and two additional book release titles, also excluded from this report. As of March 1, 2011, the company discontinued its releasing plans for one title previously slated for theatrical release (“Wild Hunt”) due to concerns over grey-goods shipments of videos from Canada which

the company felt were severely compromising the ability to launch an effective theatrical release in the U.S. market. Future revenues previously anticipated to be derived from revenues streams of "Wild Hunt" are included in the Library Valuation report of 12-31-2010 and merit notation as potentially reducing the overall valuation by \$280,375.

### **STATEMENT ON FORECASTS AND LIMITATIONS**

This valuation has been prepared pursuant to the following general assumptions and general limiting conditions:

1. Szwak Consulting Group assumes no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets and properties are assumed to be good and marketable unless otherwise stated.
2. The subject assets and properties are valued as if free and clear of any or all liens or encumbrances unless otherwise stated.
3. Szwak Consulting Group assumes responsible ownership and competent management with respect to the subject assets and properties and assumes that the business will continue to operate during the valuation timeframe.
4. The information furnished by Management is believed to be reliable. However, Szwak Consulting Group makes no warranty or other form of assurance regarding its accuracy.
5. Szwak Consulting Group assumes that there is full compliance with all applicable Federal, state, and local regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
6. Szwak Consulting Group assumes that all required licenses, consents, or legislative or administrative authority from any local, state, or national government, private entity or organization have been or can be obtained or renewed for any use on which the valuation opinion contained in this report is based.
7. Possession of this valuation report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without our written consent and, in any event, only with proper written qualifications and only in its entirety.
8. Szwak Consulting Group, by reason of this valuation, is not required to give testimony, or to be in attendance in court with reference to the assets, properties, or business interests in question unless arrangements have been previously made.

9. Industry Standard Practices for the Film, Television and Motion Picture Industries have been followed with respect to the preparation and evaluation of this Library reporting, including, but not limited to, comparative projections per title and media, and applicable sales decay rates over time; considerations as to the projected value of emerging formats (Blu-Ray and Video-On-Demand) have been factored, as have reductions in value and projections for revenues to be derived from the current DVD format.
  
10. This report was reviewed by Tom Szwak, a thirty-year veteran of the film and video distribution industry. During his entertainment career, Szwak has held senior executive positions in the retail sector (Blockbuster Entertainment), the studio sector (Republic Pictures Home Entertainment) and as a new media consultant for Video-On-Demand and Kiosk technologies (with major media clients including NCR and Warner Home Video).