

**OTC DISCLOSURE AND NEWS SERVICE**

**COMPANY INFORMATION AND DISCLOSURE STATEMENT**

(January 12, 2011)

**TARGET DEVELOPMENT GROUP, INC.**

**Wyoming**  
(State of Incorporation)

**91-1906973**  
(I.R.S. Employer Identification Number)

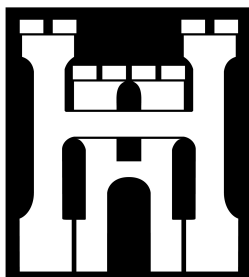
**1428 CHESTER STREET**  
**SPRINGDALE, AR 72764**  
(Address of Principal Executive Offices)

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

**Q3 FINANCIAL REPORTS**

**FOR THE 3-MONTH PERIOD ENDING SEPTEMBER 30, 2010**

**TARGET DEVELOPMENT GROUP, INC. (TDGI)**  
**d/b/a "HANNOVER HOUSE"**



**HANNOVER**  
**HOUSE**

# TARGET DEVELOPMENT GROUP, INC.

## CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2010 (UNAUDITED AND UNREVIEWED)

### ASSETS

#### CURRENT ASSETS

Cash (see "1-c" below)	\$	1,435
Accounts Receivable, Net (see "2" below)		824,190
Prepaid wages		10,330
Merchandise Inventory (See "4" below)		244,563
Prepaid Advertising		845,000
Prepaid Producer Royalties		1,220,700
Producer Recoupment		1,525,824
Film Distribution Rights		1,280,000
Film Production Investments		48,000
Notes Receivable and Net Recoupment		<u>0</u>
Total Current Assets		<u>6,000,042</u>

#### PROPERTY AND EQUIPMENT

Office Furniture, Fixtures and Equipment		171,170
Less Accumulated depreciation		(\$38,513)
Vehicles		22,500
Less Accumulated depreciation		<u>(5,625)</u>
Total Property and Equipment		<u>149,532</u>

#### OTHER ASSETS

Contracts Receivable (see "1-a" and "1-b" below)		0
Film and Television program library		<u>22,315,337</u>
Total Other Assets	\$	<u>22,315,337</u>

28,464,911

# TARGET DEVELOPMENT GROUP, INC.

## CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2010 (UNAUDITED AND UNREVIEWED)

### Liabilities and Stockholders' Equity

#### CURRENT LIABILITIES

Accounts Payable (includes "Twelve" P&A balances)	\$	711,496
Accrued Royalties		96,150
Producer Acquisition Advances Due		1,579,500
Accrued Wages		15,400
Payroll Taxes Payable		11,705
Hounddog P and A Payable (Weinreb)		740,997
Bank Note		18,209

Total Current Liabilities 3,173,457

#### LONG-TERM LIABILITIES

Long Term Payables		1,012,664
"Twelve" Advance Debt		500,000
"Twelve" Additional P&A Loans		312,500
Executive Salary Deferrals		729,124

Total Long-Term Liabilities 2,554,288

5,727,745

#### SHAREHOLDERS' EQUITY

Common Stock (461,206,692 shares issued and outstanding)		22,018,428
Retained Earnings		718,738

Total Shareholders' Equity 22,737,166

28,464,911

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# TARGET DEVELOPMENT GROUP, INC.

## CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2010 (UNAUDITED AND UNREVIEWED)

### **MANAGEMENT FOOTNOTES TO BALANCE SHEET / SEPTEMBER 30, 2010**

- 1). CONTRACTS RECEIVABLE -- (a). Management has reserved \$500,000 in production services fees until earned; (b). Company has fully reserved \$1,000,000 from the Stock Purchase Option funds pending determination of collectibility by auditors and counsel.
- 2). ACCOUNTS RECEIVABLE -- Management has elected to hold back or reserve approximately \$1,094,766 in Accounts Receivable and / or Contracts Receivable from Anderson Merchandisers, Allumination FilmWorks ("Peace Arch"), Gravitas Ventures and Starlight Home Video due to collection issues or disputes still pending resolution. Hogan Taylor (auditors) will determine the reasonable amounts to reserve or write-off pending completion of their audit review of Accounts Receivable, which may result in a greater or lesser holdback than Company has reserved.
- 3). FILM & TELEVISION LIBRARY VALUATION -- Management has excluded any titles or libraries acquired during 2010 from inclusion in the Library Valuation, until such time that Hogan Taylor can complete its review of the library. It is management's belief that newly emerging revenue streams from Blu-Ray and Video-On-Demand will more than offset an industry-wide decrease in traditional DVD revenues, and that this could increase the overall library valuation. Titles acquired during 2010 will not be capitalized until full delivery and initial release, to protect against possible delays or disputes, including the multi-title "Elite" and "FocusFilms" libraries, "Twelve" and the current production of "Edgar Allen Poe's Requiem for the Dead."
- 4). MERCHANDISE INVENTORY -- At the recommendation of Hogan Taylor, Company has made adjustments to the valuation of some of the Merchandise Inventory to better reflect liquidation value as well as cost-of-goods.
- 5). LEGAL JUDGMENTS IN FAVOR OF COMPANY -- At the recommendation of Hogan Taylor, Company has removed asset listings of legal lawsuits and judgments in Company's favor with the plan to realize the revenues only if, as and when collected. The face value of these two, primary judgements (against UMS-Expedia and Blue Steel Releasing), total over \$1-million.

**TARGET DEVELOPMENT GROUP, INC.**

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010  
(UNAUDITED AND UNREVIEWED)**

REVENUES	
Product Sales	\$217,176
Television Licenses	\$70,000
TOTAL REVENUES	287,176
COST OF SALES	
Commissions	0
Sales and Marketing	0
Production	2,132
Freight	6,181
Other Expense	274
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TOTAL COST OF SALES	\$8,587
GROSS PROFIT	\$278,589
GENERAL AND ADMINISTRATIVE EXPENSES	\$92,611
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INCOME (LOSS) FROM OPERATIONS	\$185,978
OTHER INCOME (EXPENSE)	\$0
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INCOME OR LOSS BEFORE INCOME TAXES	\$185,978
PROVISION FOR INCOME TAXES	
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NET INCOME OR LOSS	\$185,978
RETAINED EARNINGS, BEGINNING OF PERIOD	\$532,760
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RETAINED EARNINGS, END OF PERIOD	\$718,738
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**TARGET DEVELOPMENT GROUP, INC.**

**CONSOLIDATED GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE THREE MONTHS ENDED JUNE 30, 2010  
(UNAUDITED AND UNREVIEWED)**

**GENERAL AND ADMINISTRATIVE EXPENSES**

Bank Charges	\$	1,672
Employees		62,003
Entertainment		0
Equipment		0
Fees		0
Insurance		0
Labor		1,118
Legal and Accounting		1,500
Miscellaneous		1,998
Office		532
Rent		17,050
Taxes		0
Telephone		1,583
Travel		4,375
Utilities		<u>780</u>
Total general and administrative expenses	\$	<u><u>92,611</u></u>