

**OTC DISCLOSURE AND NEWS SERVICE**

**COMPANY INFORMATION AND DISCLOSURE STATEMENT**

(January 15, 2011)

**TARGET DEVELOPMENT GROUP, INC.**

**Wyoming**  
(State of Incorporation)

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

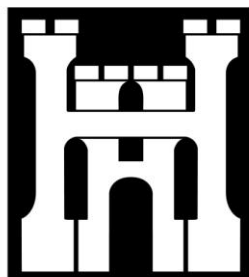
**1428 CHESTER STREET**  
**SPRINGDALE, AR 72764**  
(Address of Principal Executive Offices)

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

**2010 FINANCIAL REPORTS**

**FOR THE 12-MONTH PERIOD ENDING DECEMBER 31, 2010**

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



**HANNOVER**  
**HOUSE**

# TARGET DEVELOPMENT GROUP, INC.

## CONSOLIDATED BALANCE SHEET DECEMBER 31, 2010 (UNAUDITED AND UNREVIEWED)

### ASSETS

#### CURRENT ASSETS

Cash (see "1-c" below)	\$	4,886
Accounts Receivable, Net (see "2" below)		862,665
Prepaid wages		11,080
Merchandise Inventory (See "4" below)		130,134
Prepaid Advertising		845,000
Prepaid Producer Royalties		1,229,200
Producer Recoupment		1,325,824
Film Distribution Rights		2,030,000
Film Production Investments		50,500
Notes Receivable and Net Recoupment		<u>0</u>

Total Current Assets 6,489,289

#### 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 149,532

#### OTHER ASSETS

Film and Television program library (see "3" below)		<u>24,276,709</u>
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Total Other Assets \$ 24,276,709

30,915,530

**TARGET DEVELOPMENT GROUP, INC.**

**CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2010  
(UNAUDITED AND UNREVIEWED)**

**Liabilities and Stockholders' Equity**

**CURRENT LIABILITIES**

Accounts Payable	\$	627,996
Accrued Royalties		96,150
Producer Acquisition Advances Due		1,696,000
Accrued Wages		15,400
Payroll Taxes Payable		14,983
Hounddog P and A Payable (Weinreb)		753,964
Bank Note		18,528

Total Current Liabilities 3,223,021

**LONG-TERM LIABILITIES**

Long Term Payables		1,012,664
"Twelve" Advance Debt		500,000
"Twelve" Additional P&A Loans		312,500
Executive Salary Deferrals		758,724

Total Long-Term Liabilities 2,583,888

5,806,909

**SHAREHOLDERS' EQUITY**

Common Stock (471,958,775 shares issued and outstanding)		24,243,955
Retained Earnings		864,666

Total Shareholders' Equity 25,108,621

30,915,530

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# TARGET DEVELOPMENT GROUP, INC.

## CONSOLIDATED BALANCE SHEET DECEMBER 31, 2010 (UNAUDITED AND UNREVIEWED)

### MANAGEMENT FOOTNOTES TO BALANCE SHEET / DECEMBER 31, 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. (c). Company continues to reinvest cash flow into new projects or for payables management, thus maintaining a low cash position.
- 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 TWELVE MONTHS ENDED DECEMBER 31, 2010  
(UNAUDITED AND UNREVIEWED)**

REVENUES	
Total Sales	\$911,422
TOTAL REVENUES	911,422
COST OF SALES	
Commissions	5,970
Sales and Marketing	0
Production	0
Freight	8,993
Other Expense	14,735
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TOTAL COST OF SALES	<u>\$29,698</u>
GROSS PROFIT	\$881,724
GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$477,165</u>
INCOME (LOSS) FROM OPERATIONS	\$404,559
OTHER INCOME (EXPENSE)	<u>\$0</u>
INCOME OR LOSS BEFORE INCOME TAXES	\$404,559
PROVISION FOR INCOME TAXES	<hr/>
NET INCOME OR LOSS	\$404,559
RETAINED EARNINGS, BEGINNING OF PERIOD	<u>\$460,107</u>
RETAINED EARNINGS, END OF PERIOD	<u><u>\$864,666</u></u>