

OTC DISCLOSURE AND NEWS SERVICE

COMPANY INFORMATION AND DISCLOSURE STATEMENT

(May 31, 2011)

TARGET DEVELOPMENT GROUP, INC.

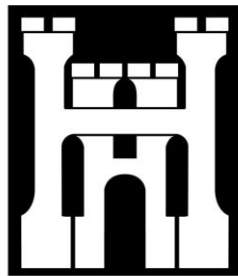
WYOMING
(State of Incorporation)

91-1906973
(IRS Employer Identification No.)

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

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

**MANAGEMENT DISCUSSION CONCERNING VARIOUS CORPORATE,
OPERATIONAL AND GENERAL BUSINESS ACTIVITIES**



**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.
d/b/a “Hannover House”
1428 Chester St.
Springdale, AR 72764
Tel. 479-751-4500
Fax: 479-751-4999

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
Fred@HannoverHouse.com

ITEM II Number of Authorized and Outstanding Securities

The following is true and correct, per our transfer agent (Standard Registrar), as of and at the period ending on 27 May 2011:

a.	Total shares in issue as of 12-31-09:	301,870,610
b.	Shares issued for Hannover House acquisition	<u>159,336,082</u>
	<u>TOTAL SHARES IN ISSUE as of 01-01-2010:</u>	<u>461,206,692</u>
c.	Shares issued since HH / TDGI Merger:	25,288,447
	<u>TOTAL SHARES IN ISSUE as of 05-27-2011:</u>	<u>486,495,139</u>
d.	Number of “Restricted” Shares from above total:	160,325,186
e.	Series “A” Preferred Shares:	1,000,000

ITEM III

Management Discussion concerning various Corporate, Operational and General Business Activities

In response to multiple shareholder requests for updates on key issues, the following is a status summary and general update of information on some of the company's current activities and projects as submitted by D. Frederick Shefte, President, and Eric Parkinson, C.E.O. of Target Development Group, Inc., d/b/a Hannover House:

- a) **PINKSHEETS "ATTORNEY COMPLIANCE LETTER"** – Company has been informed that the "Yield" sign currently associated with the TDGI listings on the OTC Markets information site will be removed at such time that a properly formatted "Attorney Compliance Letter" is submitted. This is normally considered a relatively simple and routine filing, and all of the information and back-up to facilitate the review and drafting of the letter was supplied to attorney Charles Kester over a month ago. However, due to scheduling conflicts, and a need to review each of the documents referenced in the compliance letter, Mr. Kester has taken considerably more time to verify not only the representations of the compliance letter, but the accuracy of the underlying documents referenced. While most attorneys for Pinksheets listed companies would not take this additional step, Mr. Kester felt that this additional due diligence would be required in any event soon as part of the formal registration statement and application for uplisting of the company onto the OTC.BB exchange. Based on communications with Mr. Kester's office last week, Shefte and Parkinson believe that the compliance letter is likely to be posted by Friday, June 3rd.
- b) **HOGAN TAYLOR AUDIT STATUS** – Fred Shefte, Eric Parkinson, and in-house controller / CPA Eduardo Suarez-Moreno had a lengthy meeting with Hogan Taylor on April 25 to review the documents and files and discuss the timeline and procedures for the audit of activities covering the calendar years ending 12-31-2009 and 12-31-2010. A list of back-up materials was provided at this meeting, and these additional items are being assembled for Hogan Taylor, with the expectation of delivery to them by Friday, June 3rd. It is possible that the actual "audit" by Hogan Taylor may not be a lengthy, time-consuming process due to the extensive detail and organization of the materials prepared by HH / TDGI for Hogan Taylor. However, Company cannot yet predict a date for completion and filing of the audit until after all requested materials have been delivered to Hogan Taylor.
- c) **Q1-2011 FILING** – As discussed at the Shareholder's Meeting of January 15, 2011, it has been the intention of HH / TDGI to meet all quarterly filing deadlines, as a precursor to the company's efforts to file a registration and seek uplisting. Although there are no financial reporting requirements or deadlines for Pinksheet listed companies, the self-imposed goal by the HH / TDGI management to meet quarterly filing deadlines was intended to increase shareholder transparency to the company's financial activities and to differentiate the company from non-reporting entities. On the OTC-Bulletin Board, the Nasdaq and the NYSE exchanges, quarterly reports are customarily due for release within 45 days following the close of each calendar quarter. Accordingly, HH / TDGI set a target date for the release of the Q1-2011 results at May 15, 2011. The company continues to operate profitably each quarter from film library sales. However, due to the

large quantities of DVD and Blu-Ray video units shipped by 20th Century Fox on Dec. 28, 2010 (for the film “Twelve”), the expectation of record sales and profits for Q1 have fueled tremendous enthusiasm and impatience in some shareholders. In mid-April, Parkinson sent an email to the company’s principal executive contact at 20th Century Fox Home Entertainment, to inquire about the forthcoming sales report. The response back stated that “all was on schedule” for the report. On May 15, 2011, when the Fox statement still had not arrived, Parkinson reached out again to Fox, at which time it was revealed by Fox that they do not report sales on a “calendar quarterly” basis, but instead, on a three-month basis, the first of which for “Twelve” ended on April 30, 2011. The 45 day reporting delay based on an April 30 reporting period end date, suggests June 15, 2011 as the statement date. A review of the Fox agreement with HH / TDGI revealed that the reporting period term of “quarterly” was not specified as being on a “calendar quarterly” basis. Furthermore, the Fox explanation of an April 30 reporting date does not address the absence of a statement for the period that ostensibly would have ended on Jan. 31, 2011. Regardless, company management has decided to preserve the relationship with Fox by remaining patient at this time, and to wait until the April 30 period statement is received from Fox. With respect to the Q1 filings, the company currently has two options: 1). File the Q1 results based solely on the library catalog sales, with the notation that the Q1 filings are inaccurate and will need to be replaced once the 20th Century Fox results are added; or 2). Wait for the 20th Century Fox results to incorporate into the existing (but unfiled) Q1 results. As the self-imposed deadline of May 15 to post the Q1 reports has already passed – and as it was self-imposed to begin with – the decision has been made that the wiser course of action is to wait and file fully accurate Q1 results in June, that include the significant video performance generated by Fox for the company’s film, “Twelve.” Company feels that the activities for Q1, and those that have already transpired during Q2 are at a level equal to, or greater than, the company’s previously stated revenue and profit goals for calendar year 2011.

- d) **CLARIFICATION OF “MOEBIUS STRIP” DISPUTE** – Throughout most of 2010, HH / TDGI had been pressuring the sales agent / licensor of the animated feature, “Thru The Moebius Strip” (Fantastic Films International) to deliver better quality film and video elements “*sufficient to enable the distribution of the film to occur through theaters, on television and onto home video devices.*” The requirements for a licensor or sales agent to make proper “delivery” of elements to a distributor is basic in the entertainment industry, and is rarely the subject of a dispute. However, Fantastic Films refused or was unable to provide broadcast quality materials, or a high-definition film / video master at a resolution quality sufficient to create Digital Cinema Print drives, and their refusal fueled great concern at HH / TDGI. As the relationship with Fantastic Films continued to deteriorate, HH / TDGI were informed by the copyright owner and producer of the film (CDG Entertainment) that Fantastic Films was no longer authorized to license the film, and that this was a core reason why substandard elements were the best that were available to Fantastic Films. Now, realizing both that the quality of the elements were insufficient, and that the underling rights were in question, HH / TDGI was preparing a termination notice at the same time that Fantastic Films (FFI) had filed a notice of IFTA arbitration in the matter. The FFI arbitration notice claimed, among other exaggerations, that “sufficient” delivery of the film and video elements had been completed, and that HH / TDGI simply was refusing to pay the advance without cause. The Arbitration notice failed to disclose that FFI had lost the rights to sell the film, and that any new distribution by HH / TDGI under a questionable FFI license could constitute a copyright violation if

so pursued by the producers / copyright owners of the film. In the meeting with the arbitrator, Fred Shefte presented the HH / TDGI case that FFI had failed to make delivery suitable for the rights granted to HH / TDGI to be exploited. Furthermore, that FFI may not have the authority to engage sublicensors such as HH / TDGI and that the release of the “advance” funds to FFI knowing that their rights had expired was unreasonably risky. Surprisingly, the arbitrator ruled against both of the HH / TDGI positions, stating that a), the contract was sufficiently ambiguous in the specificity of delivery elements to not be a valid reason to withhold the advance, and b). that the contract signed by HH / TDGI with FFI for the distribution rights to the film occurred several weeks prior to FFI’s loss of the film, and that the sublicense to HH / TDGI has a right of survivorship. There was no consideration made by the arbitrator with respect to the bad faith of FFI in not disclosing both their loss of rights and their inability to obtain elements from the owners of the film (due to their poor relationship with the film’s actual owner and supplier). The arbitrator ruled that the contract stands and that HH / TDGI should pay the advance. HH / TDGI voluntarily accepted the arbitrator’s decision without appeal, and agreed to a stipulated judgment for the payment of the advance, which occurred in November, 2010. Subsequent to the arbitration, HH / TDGI was informed of a pending action by the owners of the film against FFI, and that payment of the advance should be withheld pending a judicial declaration of the appropriate recipient (i.e., the former sales agency, or the film’s actual owners). As of May 27, 2011, HH / TDGI is unaware that any such action has yet been filed. In respect of the arbitrator’s decision and the voluntary stipulated judgment, HH / TDGI will release the advance funds to FFI within the next 60 days unless ordered to interplead same with the court hearing a new dispute against FFI by the film’s owners. Meanwhile, HH / TDGI is considering its own options and remedies that may be available against FFI and their attorney, Lincoln Bandlow, for the inaccurate and self-serving posting of a “press release” in which they make statements about working to intentionally interfere with the business of HH / TDGI. Actions to interfere with HH / TDGI’s business activities (such as trying to “ban” the company from buying films from legitimate and professional sellers) is not within the scope of rights for any judgment creditor, and may constitute an action for interference. The Company will evaluate all of its options and remedies in this matter and will take definitive action either way within sixty days. To be clear, HH / TDGI did not “lose the rights” to release “Thru The Moebius Strip.” The company lost its case that the licensor had made insufficient delivery, and the arbitrator ruled that the payment of the advance was still required. HH / TDGI intends to pay the advance, and will wait as long as reasonably possible for the copyright owners / producers to file their suit against FFI, failing which, HH / TDGI will release the funds to FFI and rely upon the precedent of “survivorship” rights. In respect of both the technical and legal issues surrounding FFI and this film, HH / TDGI has delayed the film’s theatrical release until Sept. 30, 2011, which date was previously announced at ShoWest in March.

- e) **T3K UPDATE** – All of the intellectual property and franchise rights owned by Pacificor in the “Terminator” franchise were purchased on May 12 by Megan Ellison as the prevailing bidder in a rights auction organized by the Creative Artists Agency on behalf of Pacificor. During the past 9-months, HH / TDGI has continued to “develop” its concept for a 3D format, animated feature based on the “Terminator” license, ostensibly titled “T3K” or “Terminator 3000.” HH / TDGI has engaged a writer, director and concept artist for the preparation of a development package, and has assembled various craftsmen, animators and suppliers for the production and financing of this proposed film.

In response to shareholder inquiries, it should be known that the HH / TDGI project does not depend upon the participation of Arnold Schwarzenegger. It should also be known that HH / TDGI continues to develop this project and pursue the licensing authority to proceed, which rights now reside within Annapurna Productions / Megan Ellison. There can be no assurance that HH / TDGI will be granted the licensing authorization to proceed with this proposed feature film project.

- f) **“TURTLE” RELEASE UPDATE** – Company reports that enthusiasm and momentum for the upcoming release of “Turtle: The Incredible Journey” continues to build. Approximately two weeks ago, it was jointly announced that the release of the film would occur via a sponsorship venture between Hannover House and SeaWorld Parks and Entertainment, Inc., through their newly formed division, SeaWorld Pictures. The terms of the sponsorship arrangement with SeaWorld are confidential, but the Company is authorized to disclose that the value of the cash, media and promotions provided by SeaWorld is approximately four-million dollars, and will enable the Company to significantly expand the release of the film, and its marketing reach. The relationship with SeaWorld is moving towards an expanded partnership for additional film and video releases, details of which are still in flux and subject to change. From a consumer media standpoint, “national print ads” for the “Turtle” release have already started, with the back cover of the June edition of National Geographic Kids, and the July issue of Discover Magazine. The national television spot for the film will be seen through broadcast and cable beginning June 17, with the wave-one markets (NY, LA, Orlando, San Diego, San Antonio) receiving a peak of TV spots in support of the June 24 launch, and the remainder of the country seeing more spots following the Fourth of July weekend (in support of the national expansion of the film). The TV Spot is also scheduled to be seen “on screen” as part of the pre-show reel via NCM Marketing at AMC, Regal and Cinemark Locations (beginning June 10), and on other national theatre chains via ScreenVision beginning in July. NCM Marketing has also been contracted to place the lobby Standees of “Turtle” into high traffic theatres across the country. Major publicity placements are scheduled through MPRM Public Relations, including a media tour with narrator Miranda Richardson and director Nick Stringer, built around a VIP red-carpet premiere event to be held June 21st at the large format theatre at SeaWorld, San Diego. The Company’s goal for the June 24th opening is modest in total box office and print count, but is designed to elevate the film’s per-screen average performance to a respectable level, and enable the Company to build on the film’s launch for a more aggressive national expansion throughout July. The DVD / Blu-Ray and Video-On-Demand date for the film is set at November 15, 2011.
- g) **CANNES FILM MARKET UPDATE** – The Company has already closed deals for the North American rights to three, “international-origin” films screened at Cannes, and is in documentation stages for the acquisition of four additional (higher-profile, mainstream theatrical) titles. In respect of these ongoing negotiations, the Company has decided to refrain from discussing the specifics of any of the proposed title until the terms are fully agreed and documents are properly executed. The international films already fully executed are: “Toys in the Attic” (Czech Republic, from Eurocine International), “Asalto Al Cine” (Mexico, from Shoreline Pictures), and “The Weather Station” (Russia, from Shoreline Pictures). All three of these international-origin films will be launched with a limited, art-house-type theatrical release, for evaluation as to the merits of an expanded theatrical release, prior to their eventual release onto DVD, Blu-Ray and VOD formats.

