UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the three-month period ended: March 31, 2017

Hannover House, Inc.

(Exact name of registrant as specified in its charter)

Wyoming	**000-28723**	**91-1906973**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

300 North College Ave., Suite 311, Fayetteville, AR 72701
(Address of Principal Executive Offices) (Zip Code)

479-521-5774
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☑

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☑

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The Company's stock is traded on the OTC "Pinksheets" Markets under the trading symbol: HHSE. The Cusip number for the Company is: 410686 101. The following is true and correct, per our transfer agent, as of and at the period ending on March 31, 2017:

a. Total Common Stock Shares in issue as of Mar. 31, 2017: 799,929,996 *
b. Above Shares Restricted from Sale: 100,860,595 *

TOTAL COMMON STOCK SHARES IN MARKET: 699,069,401

c. Series "A" Preferred Shares: 4,000,000

Shareholders of Record: 2,023 *(Standard Registrar count)*

Total Beneficial Shareholders: 330 *(Broadridge, ICS count)*

Total Authorized Common Stock Shares: 800,000,000

Total Authorized Series "A" Preferred Shares: 10,000,000

** Share count includes 1.2-mm shares of common stock that were purchased by the Company during Q-4, 2016, from private, non-affiliated shareholders. Above share count also includes certificate # 1530 for ten-million (10,000,000) issued on June 13, 2013 on behalf of TCA Global Master Fund as part of an investment advisory agreement and credit line facility*

The Transfer Agent for the Company's stock is:

Standard Registrar & Transfer Company, Inc.
12528 South 1840 East
Draper, UT 84020
Tel. 801-571-8844 / Fax 801-571-2551

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.

PART I — FINANCIAL INFORMATION

The Company's Financial Statements for the three-month period ending September 30, 2016 are contained within the following pages. In compliance with regulations governing the reporting and disclosure requirements for Current Reporting Status for the OTC Markets, the information contained within these financial statements is currently unaudited.

HANNOVER HOUSE, INC.

CONSOLIDATED STATEMENT OF INCOME & RETAINED EARNINGS
FOR THE THREE-MONTHS ENDING MAR. 31, 2017 (UNAUDITED)

		Q4 2016		Q1 2017
REVENUES *(all media, fees & licenses)*		$ 584,810		$ 283,479
Net, Collected Revenues		181,459		122,286
Additional Invoiced Shipments		403,351		161,193
Reserve for Potential Returns	(1)	(130,896)		(70,870)
ADJUSTED REVENUES FOR PERIOD		**453,914**		**212,609**
COST OF SALES				
Commissions		-		-
Sales and Marketing		10,309		4,400
Video Manufacturing		35,210		26,506
Film & Book Royalties		88,160		-
Freight		9,821		3,828
Other Expenses		10,000	(2)	17,600
TOTAL COST OF SALES		153,500		52,334
GROSS PROFIT		300,414		160,275
GENERAL AND ADMINISTRATIVE EXP.		73,837	(3)	70,450
INCOME FROM OPERATIONS		226,577		89,825
OTHER INCOME (EXPENSE)		5,500		-
INCOME BEFORE TAXES		232,077		89,825
			0	
PROVISION FOR INCOME TAXES		81,227	(4)	22,456
NET INCOME		**$ 150,850**		**$ 67,369**
RETAINED EARNINGS (Beginning of Period)				3,640,919
RETAINED EARNINGS (End of Period)				3,708,288

FOOTNOTES

(1) Company is how holding a 25% returns reserve for all physical home video shipments.

(2) "Other Expense" of $17,600 is a capitalized costs for the English-Adaptation re-recording of the $20-mm animated feature, "WHERE'S THE DRAGON" - which is expected to be released to theatres July 14, 2017.

(3) Significant G&A expenses during Q1, 2017 included increased travel costs related to the Crimson Forest Merger, as well as increased costs in Accounting and Legal; however Q1, 2017 also showed a decrease in some costs, including staff, taxes and miscellaneous costs that in Q4, 2016 were office-move related.

(4) Company has adjusted the reserve for income taxes payable to 25% of pretax earnings.

HANNOVER HOUSE, INC.
CONSOLIDATED GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE THREE MONTHS ENDING 3-31-2017

GENERAL AND ADMINISTRATIVE EXPENSES

CATEGORY	3-Months Ending 12/31/2016	3-Months Ending 3/31/2017	Difference In G&A Q4 -vs- Q1
Auto	$ -	$ -	$ -
Bank Charges	$ 325	$ -	$ (325)
Consulting	$ -	$ -	$ -
Employees and Labor	$ 31,452	$ 27,241	$ (4,211)
Entertainment	$ -	$ -	$ -
Equipment	$ -	$ -	$ -
Fees	$ -	$ -	$ -
Insurance	$ -	$ -	$ -
Labor	$ 80	$ -	$ (80)
Legal and Accounting	$ 11,900	$ 21,500	$ 9,600
Miscellaneous	$ 8,336	$ 1,310	$ (7,026)
Office	$ 2,994	$ 455	$ (2,539)
Rent	$ 6,690	$ 6,615	$ (75)
Taxes	$ 9,212	$ 6,032	$ (3,180)
Telephone	$ 1,969	$ 1,315	$ (654)
Travel	$ -	$ 5,982	$ 5,982
Utilities	$ 879	$ -	$ (879)
TOTAL OF GENERAL AND ADMINISTRATIVE EXPENSES	**$ 73,837**	**$ 70,450**	**$ (3,387)**

Footnotes: Officer Salaries for Parkinson and Shefte (the majority of which are deferred income) appear on the income statement as accrued (but deferred) payables, as well as on the Company's balance sheets. Significant increase in TRAVEL and Legal / Accounting for Q1, 2017 as compared to Q4 of 2016 is related to travel, accounting costs and review for the Crimson Forest merger.

HANNOVER HOUSE, INC.

Consolidated Balance Sheet / As of March 31, 2017 (Unaudited)

	12/31/2016		3/31/2017
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	6,898		42,391
Accounts Receivable, Net	5,625,775	*(1)*	5,786,968
Prepaid Wages			
Merchandise Inventory	56,959	*(2)*	63,481
Prepaid Advertising	765,000		765,000
Prepaid Producer Royalties	2,335,645		2,335,645
Producer Marketing Recoupment	2,490,756		2,521,090
Film Distribution Rights	1,996,379		1,996,379
Film Production Investments	423,259		440,859
Notes Receivable and Net Recoupment	-		-
TOTAL CURRENT ASSETS	13,700,671		13,951,813
PROPERTY & EQUIPMENT			
Office Furnishings, Equip. & Film Gear	154,331		154,331
Less Accumulated Depreciation	(37,164)		(37,164)
Vehicles	22,500		22,500
Less Accumulated Depreciation	(35,200)		(35,200)
Real Property	-		-
TOTAL PROPERTY & EQUIPMENT	104,467		104,467
OTHER ASSETS			
FILM & TV LIBRARY (incl. VODWIZ)*	23,565,337		23,565,337
TOTAL OTHER ASSETS	23,565,337		23,565,337
	37,370,475		**37,621,617**

** HHSE Film Library Valuation is currently being updated to include over 145 DVD titles previously not listed in the 2010 report, along with 23 titles since expired or discontinued. No value has yet been assessed on the 2,215 titles under license for the VODWIZ streaming portal other than those capitalized and otherwise recoupable amounts due to Company for mastering and preparation costs on titles.*

HANNOVER HOUSE, INC.

Consolidated Balance Sheet / As of March 31, 2017 (Unaudited) / continued

LIABILITIES & SHAREHOLDER'S EQUITY

	12/31/2016		3/31/2017
CURRENT LIABILITIES			
Accounts payable	120,636		119,436
Accrued Royalties	126,254		107,854
Acquisition Advances Due	317,584	*(3)*	312,584
Accrued Wages	126,254	*(4)*	107,854
Payroll Taxes Payable	20,698	*(5)*	36,640
Deferred Income Tax Payable	1,629,007	*(6)*	1,651,463
NB Cal AFIL P&A Loan	80,000		80,000
Hounddog P&A Note (Weinreb)	731,025		731,025
Interest on Weinreb Note	303,013		315,956
Graham Financial Services Note	80,000		80,000
Interest on Graham Note	14,468		15,868
Short Term Notes (Various)	188,330	*(7)*	182,330
Interest on Short Term Notes	31,782		34,973
Bank of Fayetteville Note	15,000		15,000
Interest on B.O.F. Note	-		-
TOTAL CURRENT LIABILITIES	3,784,051		3,790,983
LONG-TERM LIABILITIES			
Long-Term Payables	1,657,946		1,646,846
Executive Salary Deferrals	708,747		708,747
Officer Notes Payable	151,455		151,455
TOTAL LONG-TERM LIABILITIES	2,518,148		2,507,048
TOTAL OF ALL LIABILITIES	6,302,199		6,298,031
SHAREHOLDER'S EQUITY			
Common Stock	27,427,357		27,615,298
Retained Earnings	3,640,919		3,708,288
TOTAL SHAREHOLDER'S EQUITY	31,068,276		31,323,586
	37,370,475		**37,621,617**

Footnotes to Balance Sheet
(for the three-month period ending March 31, 2017)

(1) Net accounts receivable includes previously recognized contract term sales through Netflix, previously recognized international presales for active production projects, and consignment accounts receivable, net of a returns reserve holdback.

(2) Merchandise Inventory took a significant reduction during Q-4, as the Company elected to destroy a significant quantity of aged, returned DVD and book merchandise (some of which had been impacted by time and temperature issues). Increase represents beginning of build-up.

(3) Acquisition Advances due was not reduced significantly in Q1, 2017 due to a temporary sales moratorium on home video units of "TWELVE" by 20th Century Fox Home Entertainment.

(4) Accrued Wages has been further reduced and reconciled.

(5) Payroll Taxes payable was increased due to notice by the IRS of an assessment greater than the amount reflected in the company's 941 filings. Should the company prevail in appealing the IRS assessment, this amount may be restored in a future reporting period to reflect the actual taxes which Company feels are due.

(6) Income Tax payable may be reduced further following 12-31-2016 audit, due to a write down of sales from Anderson Merchandisers, Alchemy Entertainment and Allegro Music Group, all of which ceased operations in 2016. The loss of revenues from Anderson-Alchemy in 2016 for Company has been estimated at $754,000 *(based on net sales reports from Walmart and Best Buy).* The loss of revenues from Allegro Music Group in 2016 for Company has been estimated at $91,160 *(based on net sales reports from Allegro).*

(7) Short Term Notes include actual balance due to JSJ for convertible notes plus the maximum allowable interest under law, and an allowance for legal fees. JSJ obtained a judgment in the State of Texas for a sum exceeding legally allowable interest rates; Company counsel believes that this inflated balance can be contested in the State of Arkansas at such point in time that JSJ attempts to collect the inflated amount, and that Company will prevail in obtaining a judicial declaration for the proper amount as carried on the balance sheet.

Hannover House, Inc.

Consolidated Statement of Cash Flow

For the Three-Month Period Ending March 31, 2017

		3/31/2017
Cash flows from operating activities		
Net Income	$	67,369
Adjustments to reconcile net income		
to cash provided by (used in)		185,699
operations		-
Depreciation		-
Accounts receivable		(161,193)
Inventory		(6,522)
Prepaid advertising		-
Producer marketing recoupment		(30,334)
Prepaid producer royalties		-
Film distribution rights		-
Accounts payable		(4,894)
Short Term Notes		2,809
Weinreb P&A interest		(12,943)
Graham Financial interest		(1,400)
Bank of Fayetteville Interest		-
Long Term Payables		11,100
Real Estate Mortgage Payable		-
TCA Global Master Fund		-
Accrued royalties		18,400
Deferred income tax payable		(22,456)
Accrued wages		18,400
Payroll taxes due		(15,942)
Executive salary deferral		-
Cash used in operations		48,093
Cashflows from investing activities		
Film production investments		(17,600)
Furnishings, Equipment, Truck		-
Weinreb / Hounddog P&A note		-
Graham Financial Services note		-
Bank of Fayetteville note		-
Acquisition Advances Payable		5,000
NB Cal loan (AFIL)		-
Officer notes payable		-
Cash provided by investing activities		(12,600)
Cash flows from financing activities		
Increase in cash		35,493
Cash, beginning of period		6,898
Cash, end of period	$	42,391

HANNOVER HOUSE, INC.

Change In Shareholder's Equity

For the Three Month Period Ending March 31, 2017

	Common Stock		Retained	
	Shares	Amount	Earnings	Total
Balance at Dec. 31, 2016	799,929,996	$ 27,427,357	$ 3,640,919	31,068,276
Net Adjustments to Equity				$ 187,941
Net Income			$ 67,369	$ 67,369
Balances at March 31, 2017	799,929,996	-	3,708,288	31,323,586

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited interim consolidated financial statements and related notes to the unaudited interim consolidated financial statements included elsewhere in this report. This discussion contains forward-looking statements that relate to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These forward-looking statements are based largely on our current expectations and are subject to a number of uncertainties and risks including the Risk Factors identified in our OTC Markets filing for the year-ending December 31, 2016. Actual results could differ materially from these forward-looking statements. Hannover House, Inc. is sometimes referred to herein as "we," "us," "our" and the "Company."

The nature of the issuer's business is driven by the operating entity, Hannover House, which is a full-service producer and distributor of entertainment products *(i.e., feature films for theatrical, video, television and international distribution, and a publisher of books).*

Hannover House, Inc., the principal unit and operating public company is a Wyoming Corporation. Truman Press, Inc., d/b/a "Hannover House" is an Arkansas Corporation. Medallion Releasing, Inc. and Bookworks, Inc., both special purpose entities, are also Arkansas corporations. VODWIZ, Inc. is a Wyoming Corporation.

Hannover House, Inc., f/k/a Target Development Group, Inc. (which was also formerly known as "Mindset Interactive Corp.") was registered as a corporation in Wyoming on January 29, 2009. Truman Press, Inc., d/b/a "Hannover House" was registered as a corporation in California on September 15, 1993, and re-registered in Arkansas effective June 2008. The Ecklan Corporation, registered on March 25, 1998, in the State of Texas, was the predecessor entity to Target Development Group, Inc.

The Company, Hannover House, Inc., as well as Truman Press, Inc., d/b/a “Hannover House” and the special purpose entities VODWiz, Inc., Bookworks, Inc., and Medallion Releasing, Inc. / FilmWorks each have an effective fiscal year-end date of December 31.

Neither the Company, Hannover House, Inc., nor any other corporate affiliate entity have ever been in bankruptcy. To the best of management’s knowledge, no predecessor entity has ever been in bankruptcy. Effective January 1, 2010, Target Development Group, Inc., acquired all of the shares of Truman Press, Inc., d/b/a “Hannover House” in a stock-swap agreement. The details of this acquisition venture are described in detail within the information statement posted on the OTC Markets Disclosure Statement of December 14, 2009.

Over the past six years, the Company has defaulted on several loan or credit obligations, but none representing a material event to the Company or falling outside of the ordinary course of business. As previously disclosed through the Company's filings with the OTC Markets, the Company had incurred debt relating to the theatrical releasing costs of the film "Twelve" (debt obligations were accrued with Andersons, AOL, Bedrock Ventures, 42 West, Technicolor, Tribune Ent. and others). As of March 31, 2017 the Company had reduced the cumulative total of the outstanding debt balances for this film from an original gross of $4.2-million (inclusive of obligations to the production company / licensor), down to $881,424 as of this reporting period. Other significant obligations of the Company include "P&A" for the release of the film, "Hounddog" (Weinreb loan), "P&A" for the release of "All's Faire In Love" (NBCal Loan), producer / licensor obligations to Interstar Releasing, and E.E. Smith, all of which are itemized or otherwise included within the Company's financials. Company has made significant reductions in payables during calendar years 2015 and 2016, and continues to retire or otherwise manage these older debts.

As of 3-31-2017, there were no further changes of “control” excepting for the letter of intent to merge operations with Crimson Forest Entertainment Group, Inc., as described in Item 11 a-1 in this filing.

As of 3-31-2017, there were no increases of 10% or more of the same class of outstanding equity securities excepting for the letter of intent to merge operations with Crimson Forest Entertainment Group, Inc., as described in Item 11 a-1 in this filing.

During the three-month reporting period ending 3-31-2017, the Company did not authorize the issuance of any new shares.

The Company has not experienced any delisting of the issuer’s securities. As of 3-31-2017, there were no current, past, pending or threatened legal proceedings or administrative actions that could have a material effect on the issuer’s business, financial condition or operations other than those items specifically described hereunder or otherwise disclosed in OTC Markets Filings. As of 3-31-2017 and remaining true through the date of this filing, there were no past or pending trading suspensions by a securities regulator. The legal proceedings, whether past, pending or threatened, all fall under the guidelines of being within the ordinary course of business, and are disclosed in detail in this filing or incorporated within previously filed disclosures with the OTC Markets.

Business of Issuer -- The SIC Codes most closely conforming to the Company's business activities are: 7822 *(Services – Motion Picture & Video Tape Distribution)* and 2731 *(Books: Publishing).* The Company is currently operating. At no time has the Company ever been a "shell company" as defined in the guidelines.

Through the operating entity of "Hannover House," the Company is actively involved with the production, acquisition and distribution of entertainment products into the USA and Canadian markets, including theatrical films, home video releases, rights licenses of films and videos to Video-On-Demand platforms and television, as well as book publishing (including printed editions and electronic "E-Book" formats).

FILMS & VIDEOS – Most of the film and video titles that are distributed by the Company are "acquired" or otherwise licensed from third-party suppliers, often production companies or media companies seeking to expand their income and market reach through a relationship with Hannover House or through the Company's recently formed multi-studio sales cooperative, Medallion Releasing, Inc. Some of the properties distributed by the Company are "*sales agency*" ventures, in which the Company performs certain sales & marketing functions on behalf of the owners of the properties, as opposed to having the Company actually purchase or otherwise license rights into the property.

In 2010 with the merger of Hannover House and Target Development Group, Inc., the Company began moving away from "*sales agency*" ventures and pursuing actual rights-licensing / acquisition structures for new titles being released under the Hannover House label, as this form of licensing arrangement can ultimately be more lucrative for the company. Most of the titles being distributed by the Medallion Releasing division are under sales agency agreements, ranging from 15% to 50% revenue splits with the program suppliers and outside labels.

BOOKS / E-BOOKS – The Company remains active in the acquisition and licensing of publishing rights to printed books and e-Books. The gross margins earned by the Company in the release of Books are generally much higher than the margins derived from the release of Film and Video properties; however, the upside revenue potential for books is usually not as high as the potential for Films. So the Company seeks to maintain a balance in its release slate of high-margin book properties, with high-revenue Film and Video properties.

The use of the term "Company" refers to the combined entities, as reported on a consolidated basis, of Hannover House, Inc., Truman Press, Inc., d/b/a "Hannover House" and Bookworks, Inc. *(a special purpose entity utilized for Screen Actors Guild activities and productions),* as well as VODWIZ, Inc. *(the special purpose video-on-demand portal venture),* and Medallion Releasing, Inc. *(the multi-studio sales venture).* Each of the corporate entities files separate income tax returns with the federal government and respective states of registration; however, financial statements and reports, as of January 1, 2010, refer to the combined and consolidated results of all entities. Hannover House, Inc. is the publicly-traded entity for all operating divisions. Truman Press, Inc., d/b/a "Hannover House" is the operating and releasing division entity for all consumer products. Bookworks, Inc., is a special purpose entity established for the servicing of book and publishing ventures, and more recently, used for Screen Actors Guild productions.

As of 3-31-2017 and remaining true through the date of this filing, the Company does not foresee any probable or existing governmental regulations as having an adverse or material impact to the operations.

Since 2009 and each year thereafter, the Company has been involved in varying degrees with the development and production of feature film and television properties, in addition to the core business activity of acquiring third party properties for distribution to various media markets.

The Company has not incurred any non-negligible costs relating to compliance with environmental laws, whether to federal, state or local. As of 3-31-2017, the Company had 5 full-time employees, positions were: CEO, President, VP Sales, Film Booker and Bookkeeper.

The nature of products and services offered:

A. The principal products of the Company, and their respective markets are:
   i. Theatrical films – released to theatres in the United States
   ii. Home Video Products (DVDs, Blu-Rays, Digital Copies) – released to video specialty retailers, mass-merchandisers, bookstores, schools, libraries and rental outlets (including kiosks) in the United States and Canada;
   iii. Video-On-Demand releases – films and videos offered for direct 'in-home viewing' by consumers via a variety of service providers.
   iv. Books and E-Books – sold through bookstores, schools, libraries, internet retailers and streamed through a variety of e-Book platforms.

B. The primary distribution methods used by the Company for all consumer product goods can be categorized as: "two-step wholesale" distribution (wherein the Company sells its products to an authorized wholesale distributor, which in turn, resells the products to retailers or consumers) and "direct distribution" wherein the Company sells its products directly to consumers or directly to the end-user retailer.

C. The Company has announced, and included in previously published disclosures, a listing of some of the principal, upcoming theatrical films that will also be released onto home video formats.

D. Competitive Position – The Company competes for theatrical screens and retail (home video) shelf space against seven (7) Major Studio suppliers and approximately eight (8) independent studio suppliers. While all of the Major Studio competitors operate their own (in-house) home video distribution divisions, only three of the independent studio suppliers operate both theatrically and in the home video markets. Operating a home video releasing label "in-house" provides the Company with an advantage in the solicitation of titles for acquisition, as well as provides greater control over the Company's cash-flow and corporate goals.

E. Materials and Suppliers – The principal service providers to the Company are listed in detail in this disclosure, below. The principal suppliers of new release film and video products include the following production companies and programming sources *(listed alphabetically):* Allegheny Image Factory; American Family Movies; Arkansas One Network; Associated Television; Atlantic-Pacific Pictures; Atlas Films; BerVon Entertainment; Cinetic Media; CMC Pictures, CMD; Crimson Forest Films; Daybreak Pictures; Empire Film Group, Inc.; Eurocine International; FilmWorks; Gaumont, SA; Film Sales Co.; Green Apple Films; Little Film Company; Plaza Entertainment, Inc.; Phoenix Entertainment; Phoenix Releasing Group; Priya

Productions; Sola-Media, GmbH; Shoreline Entertainment; SND Films; PWI-Veracruz Entertainment and XVIII Entertainment. The principal suppliers of books for the Company to publish include (listed alphabetically): James Danielson, Barr McClellan and Vivian Schilling. The Company sees no shortage of properties available for acquisition in any of the applicable media.

F. Dependence on Major Customers – Two of the Company's current customers as of 12-31-2016 contributed fifteen percent (15%) or more to the overall, annualized sales revenues. Wal-Mart Stores, Inc. (inclusive of sales to their SAM'S Clubs division), and through wholesaler Cinedigm Entertainment has been purchasing many of the Company's new release DVD titles. The Company does not see the Wal-Mart market share as an unhealthy dependence on a key customer, as Wal-Mart constitutes a much smaller share of the Company's overall revenues than for many Major Studios, and the Company does not anticipate that the growth in sales to Wal-Mart Stores, Inc., will grow disproportionately with the Company's other customers. With respect to Netflix and the licensing agreements for many of the Company's theatrical titles for Subscription Video-On-Demand, Company has changed its policy of revenue recognition, and is now recording these contracts only as the licensing window commences (which is usually 60-days after the initial USA Home Video release of each title). In the past, Company was recognizing the full value of the Netflix SVOD agreements upon execution, as opposed to on licensing term. By changing the manner in which Netflix agreements are recognized, Netflix remains at under 15% of Company's revenues for the current reporting quarter.

   Medallion Releasing has commenced activities for the international sales and licensing of higher-end properties owned or controlled by the Company, the revenue results for which also exceed the fifteen percent (15%) threshold of total, annualized revenues. The Company does not feel that the rapidly growing sales revenues being realized from the international markets poses an unreasonable threat to operations, as sales are cumulative over multiple licensing agreements for specific territories, media and titles.

G. The Company does not own or control any patents, franchise or concessions. The licenses and royalty agreements fall under the category of being part of the ordinary course of business.

H. The company does not need any government approvals of principal products or services.

The nature and extent of the issuer's facilities include an executive office suite (under lease from Mathias Properties, Springdale, AR), comprising approximately 2,800 square feet, located at 300 N. College Ave., Suite 311, Fayetteville, AR 72701. Primary DVD warehousing and order processing will now occur at Technicolor Labs fulfillment facility in Memphis, TN. The new executive offices are in a more desirable business building and location, and he combined savings (inclusive of rent, utilities and phones from the prior Springdale location) will save the Company approximately $4,500 per month.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Investment in the Company's Stock bears similar risks as may exist with other stocks trading on the OTC Markets board. The trading price for Company's Stock Shares can vary significantly based upon a variety of factors unrelated to the Company's actual value or revenue achievements. On an accrual basis, the Company is generating profits each quarter, with regular DVD and Blu-Ray product sales supplemented with long-term receivables for Subscription Video-On-Demand and Television sales. During the prior year, Company has expanded its activities in the realm of "Theatrical Servicing" in which Company is paid (upfront) for the distribution, booking and marketing of films to theatres for third-parties. In many

cases, Company has also been engaged on a pure distribution fee basis to also handle the physical, digital and television rights to these Theatrical Servicing titles. With respect to cash flow, the Company's cash resources have traditionally been strained by the out-of-pocket costs for the marketing, manufacturing and shipment of new release DVD and BluRay physical units, which often do not generate positive cash flow for six or more months. Accordingly, the need to reinvest collections into new manufacturing for order fulfillment has compromised the timely retirement of long-term debt obligations. Some investors and shareholders have expressed discomfort with the Company's persistently tight cash position, which has been the result of balancing ongoing operational needs with debt management and new release activities against product cash flows. Conversely, many shareholders have also expressed resistance to the concept of issuing equity shares under "debt conversion" structures, which would relieve much of the cash-flow burdens but would result in a dilution of shareholder equity. Accordingly, management has worked to find the best balance of maximizing shareholder value and return, while minimizing equity dilution activities. In response to Shareholders, Company has not made any "debt" conversion or equity issuances in over a year, and has no current plans to do so. Notwithstanding this preferred management position, there can be no assurance that ongoing cash flow from product sales will, by itself, be sufficient to meet the Company's combined operational, debt-management and growth needs.

While there are no material threats at present to the Company's ongoing viability, the Company has been enduring a prolonged cash flow strain since December, 2015 – due primarily to the late 2015 mergers or sale of two principal customers *(specifically, Anderson Merchandisers and FreeStyle Releasing)* and the impact that these transactions has had on the generation of new orders and the collection of past due receivables for Hannover House. In July of 2016, Anderson-Alchemy filed for bankruptcy, and this impacted the Company by stopping the receipt of an estimated $754,000 worth of net video sales form Walmart and Best Buy locations that had been serviced by Anderson-Alchemy. Due to a change in the revenue recognition of consignment products in 2015, the value of these sales had not been previously recorded, although the costs for marketing, manufacturing, freight and other fulfillment had been expensed. Also in July of 2016, Allegro Music Group, the Company's exclusive distributor in Canada, declared a "non-bankruptcy reorganization" and proposed "cram-down" of supplier balances. Company has not accepted Allegro's desire to write-off over $91,000 worth of revenues due to Company, and is reserving all rights to pursue collection against the Allegro principals or affiliate entities.

With respect to creditors, including judgment lien holders, there can be no assurance that the majority of long-term creditors will continue to comply with debt reduction and installment payment agreements. And while the Company continues to generate DVD and Blu-Ray sales to major retailers *(and Video-On-Demand contracts through the major VOD portals)*, there can be no assurance that current and past sales performance of these core revenue streams will continue into the future. The remedies available to the Company for continued viability and growth are revenues from product sales and licenses *(including the new media revenue streams from Medallion International and from VODWIZ)*, ongoing and expanded credit arrangements *(both with lenders and suppliers), private investor transactions for specific titles (production, distribution or both), bank activities for credit facilities secured against receivables, rights presales or corporate guarantees*, and stock-equity opportunities *(ranging from shelf-registration of new shares to "debt-conversion" ventures to alleviate the cash-flow burden from older, qualifying payables).* In response to shareholder reaction and the shareholder resistance to the pursuit of 'debt conversion' transactions (which have demonstrated in the past to

negatively impact the share price), the Management has endeavored to secure operating funds, growth capital and payables management funding from resources other than these debt-conversion transactions or convertible notes.

Investment in the Company's Stock Shares bears significant risks, as well as significant upside potential. The "Price-Earnings Ratio" for publicly-traded entertainment stocks in the Company's area of activity results in an average P/E rate of 22-times.

Item 4. Controls and Procedures - Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as amended (the "Exchange Act"). These rules refer to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within required time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of March 31, 2017, the end of the period covered by this report, the Company carried out an evaluation under the supervision and with the participation of our Chief Executive Officer and President of the effectiveness of our disclosure controls and procedures. Our Chief Executive Officer and President have concluded that such controls and procedures continued to be effective as of March 31, 2017.

Item 4T. Controls and Procedures

Changes in Internal Control over Financial Reporting

As required by Rule 13a-15(d) of the Exchange Act, the Company, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, also evaluated whether any changes occurred to the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, such control. Based on that evaluation, there has been no such change during the period covered by this report.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings. As of March 31, 2017, the Company was involved in the following legal matters for which ongoing court activities / filings or adjudicated status were still pending:

1). TCA GLOBAL MASTER FUND – The previously disclosed balance due to TCA Global from Company, was the subject of a Florida Courts judgement issued during Q3, 2015.

The Company noted that the court filings from the attorneys for TCA contained several demonstrably erroneous statements, including the wrong balances and misstatements that TCA had been unable to secure payment via "debt conversion" transactions *(which had been occurring regularly throughout the prior year)*. Rather than spend significant legal fees to rebut and contest the statement errors, Company decided instead to pay off the proper balance, in order to enjoy the benefits of the release of the UCC

Security Interest and the return of the 10-million "collateral" shares of Company's stock that were issued to TCA back in May of 2013. In December 2015, counsel for Company filed a motion with the Washington County (Arkansas) courts, where TCA had filed a notification of foreign judgment. The Company's pleading demonstrated that Company had fully paid off the TCA note and balance, and exceeded the total payments by $28,439. In demonstrating that the matter had been fully paid, Company utilized TCA's auditor's statement, and applied the maximum legal interest rate, less payments made by (or on behalf) of Hannover House, Inc. Following the applicable reporting period covered by this filing, on March 30, 2017, a court hearing was held to set-aside the default judgment in Florida and re-litigate the case. Following extensive discussions and evaluation with outside counsel, Shook Hardy & Bacon, Company elected to reach a settlement with TCA. The settlement agreement that was reached by all parties was fully executed subsequent to the time period covered by this filing.

2). STOCK MANIPULATOR'S SUIT – At the advice of counsel, the Company has temporarily suspended the civil action against stock "bashers" and pricing manipulators, due to the activation of a criminal case against these identified parties, which involves their posting of knowingly false, misleading, malicious and defamatory statements against the Company and its managers as part of a stock-price manipulation scheme. The decision to temporarily suspend the HHSE civil action was made after a March 29 meeting by HHSE managers with the F.B.I. and U.S. Attorney's office, which followed an extensive (three-year) investigation by the F.B.I. to identify the IHUB posters, and generate evidence of their illegal trading schemes. The HHSE civil action can be reactivated at any time, if it appears that there would be assets to seize after the criminal proceedings.

3). JSJ INVESTMENTS – In early 2015, Company borrowed approximately $77,000 from JSJ Investments of Canada (which also operates a Texas-domiciled USA corporation). The terms of the notes called for maturity in 6-months with a maximum legal interest of 15%, as well as with an option to convert the debt into HHSE shares if Company did not pay in full when the notes were called. In September, 2015, when the notes matured, Company offered to pay them in full with cash on hand, (including interest) and asked JSJ for their bank details for a wire transfer. JSJ did not cooperate and said that they preferred to convert the note to HHSE unrestricted Common Stock shares at a 50% discount to market. The Company's response was that such a conversion only existed as a safety mechanism should the Company be unwilling or unable to pay the notes, and that to require such a lucrative level of repayment would violate the Usury Laws and practices governing predatory lenders. Company asked again in writing for the JSJ bank details for wire transfer, and held the funds for approximately thirty days until they were reallocated for other activities. JSJ subsequently filed a lawsuit in Texas, seeking to be paid the usurious amount of more than 100% over principal, plus a variety of dubious fees. In September, 2016, strained by the loss of over $843,000 in collections *(from the bankruptcy of Anderson-Alchemy, and the non-bankruptcy reorganization / cram-down by Allegro Music Group, as described in this filing),* HHSE was unable to sustain the costly legal fees to maintain its defense in the Texas courts. As a result, ultimately, JSJ was awarded a judgment, and without a damages hearing or prove-up, was granted a judgment award in excess of $300,000, despite the total lack of basis for such an excessive award. It is Company's intention to move to relitigate this judgment amount in the State of Arkansas, under rules and regulations that permit judicial review of disputed foreign judgments. Company feels that JSJ's practices are both usurious and predatory, and contact has been made with the State Attorney General's office to assist in the affirmation of the proper loan balance due under Arkansas law. It is Company's intention to

once again tender the payment and applicable interest, on or about May 19, 2017 based on the availability of resources for settlement.

4). FANTASTIC FILMS, INC. – Company has prepared a motion for dismissal, with evidence of full payment of the obligation, plus interest, and an inadvertent overpayment of $17,553.35 – with a request for an order to compel repayment to Hannover House for the over-payment. Counsel believes that this result may be achieved without requiring a public court filing.

Item 1A. Risk Factors

Other than as set forth in this FORM 10-Q filing, there are no specific risk factors relating to the Company's securities that are not universally applicable to other equities trading on the OTC Markets.

Key Man / Principals - The Company is reliant upon the continued employment and work performance of the two, principal managers, Eric Parkinson (CEO) and D. Frederick Shefte (President). As an accommodation to benefit the Company's cash flow, both Parkinson and Shefte have been deferring a majority of their salaries. Additionally, as has been required by many third-party program suppliers, Parkinson has often been listed as a "key man" to the rights licenses or sales venture agreements for specific acquisitions, due to his successful home video sales track record. Additionally, the engagement of Tom Sims as VP of Sales for both Hannover House, Inc. and Medallion Releasing, Inc., makes him into an important and key man employee. The cessation of employment by any of these principals could have a material and negative impact on the Company, as current cash flows would not facilitate the hiring of comparably qualified executives, and the loss of Parkinson as "key man" could result in multiple title agreement cancellations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable to Issuer.

Item 3. Defaults Upon Senior Securities

Not applicable to Issuer, although a previously active credit arrangement with TCA Global Master Fund has since been terminated by mutual consent.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable to Issuer.

Item 5. Other Information.

Additional Information required by the OTC Markets that is not (necessarily) required under S.E.C. reporting guidelines:

(OTC MARKETS "GUIDELINES FOR CURRENT REPORTING STATUS" - PART D / MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 11 (A-1 through A–6) – **The name of the Chief Executive Officer, members of the board of directors, as well as control persons** are:

a) Eric Filson Parkinson, Chief Executive Officer and member of the board; business address for Mr. Parkinson is: 300 N. College Ave., Suite 311, Fayetteville, AR 72701. At all times during the prior five years, Mr. Parkinson has been employed as the C.E.O. of Hannover House, Inc., and Truman Press, Inc., d/b/a "Hannover House." During 2016, Mr. Parkinson had been earning an accrued salary of ninety-thousand dollars (USD $90,000) per year, for which the vast majority has been, and continued up to and including December 31, 2016 to be deferred and accrued. As of December 31, 2016 and continuing to this date, Mr. Parkinson beneficially owned 43,141,649 shares of Class A common stock in the Company, and 2,400,000 shares of Series A Preferred Stock (for clarity, the Series A Preferred Stock Shares are managerial voting shares which have not been authorized or valued for sale, transfer or hypothecation except to Mr. Parkinson as a required tool of his management duties). Mr. Parkinson has voluntarily surrendered back into company treasury a total of 31,800,000 shares of Common Stock, to be held pending satisfaction of corporate and sales achievements, and subsequently delayed for review until April, 2017. Parkinson has no other Board memberships or affiliations other than volunteer, non-profit associations.

b) Don Frederick Shefte, President and member of the board; business address for Mr. Shefte is: 3741 N. Old Wire Road, Fayetteville, AR 72703. At all times since November, 2006, Mr. Shefte has been employed as the President of Hannover House, Inc. and Truman Press, Inc., d/b/a "Hannover House" as well as a part-time, adjunct professor of Business at the Sam Walton School of Business at the University of Arkansas. Prior to joining Truman Press, Inc. (in November, 2006), Shefte was the Senior Vice President and Senior Trust Officer at the Bank of Fayetteville. During 2016, Mr. Shefte had been earning an accrued salary of ninety-thousand dollars (USD $90,000) per year, for which the vast majority has been, and continued up to and including December 31, 2016 to be deferred and accrued. As of December 31, 2016 and continuing to this date, Mr. Shefte beneficially owns 31,487,546 shares of Class A common stock in the Company, and 1,600,000 shares of Series A Preferred Stock (again, which have not been authorized or valued for sale, transfer or hypothecation except to Mr. Shefte as a required tool of his management duties). Shefte has no other Board memberships of affiliations other than volunteer, nonprofit associations. Shefte has voluntarily surrendered back into company treasury total of 5million shares of stock, to be held pending satisfaction of corporate governance achievements.

Neither Parkinson nor Shefte have moved to remove the Rule 144 Sale Restriction or otherwise sell any of their officer-owned shares in the past two years.

c) Tom Sims, currently employed as Vice President of Sales for Hannover House, Inc., and Executive Vice President of Medallion Releasing, Inc., has agreed to join the Board of Directors for Hannover House, Inc., effective upon the Company's full registration and acceptance as a fully-reporting Issuer with the Securities and Exchange Commission and the effective date upon which Sims is added as an additionally named, covered party of the Officers and Director's Liability Insurance. As of June 30, 2015,

Sims received a first-year bonus of one-million (1,000,000) shares of Common Stock. Under the terms of his employment as Vice President of Sales, Sims is also entitled to receive an additional one-million (1,000,000) shares for each $10-million in gross revenue generated by the Company in any given calendar year under his sales management. Sims is due an additional one-million (1,000,000) Common Stock Shares as of June, 2016 and another one-million (1,000,000) Common Stock Shares as of June 2017, neither of which have yet to be issued.

B. Legal / Disciplinary History. Neither of the board of directors members have been involved in any form of criminal conviction or proceeding or named as a defendant in a pending criminal proceeding; neither director has been suspended, vacated or otherwise barred from any involvement in securities, commodities or banking activities; neither director has been affected by a finding or judgment by a court of competent jurisdiction, the Securities and Exchange Commission, the Commodity Futures Trade Commission or a state securities regulator of a violation of federal or state securities or commodities laws; neither director has received an order by a self-regulatory organization that permanently or temporarily bars or limits such person's involvement in securities activities.

C. Disclosure of Family Relationships – There are no family relationships existing between or among either of the Board of Directors, or any other officers, directors, or beneficial owners of more than five percent (5%) of any of the class of the issuer's equity securities.

D. Disclosure of Related Party Transactions – The Company was not involved in any Related Party Transactions valued at $120,000 or more, or valued at more than one percent of the issuer's total assets at year-end for its last three fiscal years.

E. Disclosure of Conflicts of Interest – There are no known conflicts of interest.

(OTC Markets) Item 14 – **Beneficial Owners**

The total count of Beneficial Owners as reported to the Company by Broadridge ICS (as of December 31, 2016) was 327. As of December 31, 2016 and remaining true through the date of this filing, the Company was aware of only two shareholders controlling directly or beneficially more than five percent (5%) of any class of the issuer's total authorized equity securities (except as described in Item 14 c) below):

a) Eric F. Parkinson (CEO), 300 N. College Ave., Suite 311, Fayetteville, AR 72701 – holding or beneficially controlling 43,141,649 shares of Common Stock. Parkinson also owns 2,400,000 shares of Series A Preferred Stock. Mr. Parkinson retains a performance-based lien to reclaim up to 31.8-million shares from his original allotment of shares, which were a voluntarily surrendered back to the company's treasury pending achievement of certain corporate and revenue goals for the company under his direction as C.E.O.

b) Don Frederick Shefte (President), 3741 N. Old Wire Road, Fayetteville, AR 72703 – beneficially owned 31,487,546 shares of Common Stock. Shefte also owns 1,600,000 shares of Series A Preferred Stock. Mr. Shefte retains a lien to reclaim up to

5-million shares from his original allotment of shares, which were a voluntarily surrendered back to the company's treasury pending achievement of certain corporate governance goals for the company under his direction as President.

Item 11 A1-A6 – Supplemental Disclosures.

i). In a subsequent development occurring after the applicable time period covered in this filing, the Company and another fully registered public equity have mutually executed a letter of intent agreement for a corporate merger which will have significant impact to the financial strength, operations, profile and activities of the Company. The merger – which has been contemplated as a stock-for-stock swap, with Hannover House, Inc. shareholders collectively maintaining a majority stock interest and control – is a key structural element to accommodate the placement of an initial $65-mm in production and distribution financing arranged for by the merger partner. The Company and merger partner anticipate that the merger shall become effective following certain regulatory compliances and the remittance of specified payments to Company – both of which events are anticipated to be resolved on or before April 14, 2017. Management feels that this proposed merger will provide an immediate and significant premium value to HHSE shareholders, as well as position the Company to fill the currently open market niche' for a domestic studio focusing on high-quality, mid-level theatrical features *(with movies of the budgetary cost and commercial appeal such as "Get Out", "Little Miss Sunshine", "Lion" – e.g., quality independent films with budgets of $3-mm to $7-mm and USA box office values approaching $100-mm*). As announced in press releases and via a Form 8k Information Statement filed, the merger partner is Crimson Forest Entertainment Group, Inc., a China-based media company substantially owned by entrepreneur and business mogul Anthony Lim (of Samcorp and Accuna Companies Worldwide). The letter of intent to merge was signed in mid-March, and chosen for a defacto effective date of May 1st for operaitons and May 15 – or as quickly as allowed – for the stock-for-stock swap (as such final move requires review and approval of FINRA). Attached to this Quarterly Filing as an Exhibit is a copy of the Form 8 information statement, and the mutual press release on the merger activities. Upon formal FINRA approval of this corporate merger, as presently structured and anticipated by counsel and advisors, Company shall be a fully registered, fully reporting equity, with DTC approved stock trading and the opportunity to quickly uplist to NASDAQ. Crimson Forest has many high-profile feature films in various stages of production and pre-production, collectively representing investment capital of more than $65-million. It is HHSE's belief that the availability of star-driven, high-profile feature films with significant theatrical releasing funding behind them, could materially transform the profile, credibility, revenues and profits of the combined companies.

ii). A prior plan for Company to begin repurchasing HHSE Stock shares off the open market – commenced during Q-4, 2016, with the agreement to purchase a total of 1.2-mm shares from three, non-affiliate shareholders. Full consideration for these initial purchases is expected to be completed in June, rather than April (as previously planned), and these shares shall be returned to Treasury stock.

iii). Company has continued to acquire the digital / electronic distribution rights to film and television properties for eventual release via the VODWIZ streaming portal and OTT site.

Item 6. Exhibits

Exhibits include the Form 8 Information Statement filing from Crimson Forest Entertainment Group, Inc., relating to the merger; and the joint press release covering same.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 15, 2017

Hannover House, Inc.
By: /s/ Eric F. Parkinson

Eric F. Parkinson,
Chairman & Chief Executive Officer

CERTIFICATION

I, Eric F. Parkinson certify that:

1. I have reviewed this quarterly report of Hannover House, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2017

Hannover House, Inc
By: /s/ Eric F. Parkinson
Eric F. Parkinson
Chairman Chief Executive Officer

EXHIBIT "A"

OMB APPROVAL
OMB Number: 3235-0060 Expires: April 30, 2018 Estimated average burden hours per response..... 5.71

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 28, 2017

CRIMSON FOREST ENTERTAINMENT GROUP INC.

(Exact name of registrant as specified in its charter)

Nevada	**0-55142**	**27-2838091**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

8335 Sunset Blvd., Suite #238, West Hollywood, California	**90069**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (323) 337-9086

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

On March 12, 2017, subject to regulatory approval and other financial considerations, the Board of Directors of Crimson Forest Entertainment Group, Inc., a Nevada corporation ("**Crimson**"), and the Board of Directors of Hannover House, Inc., a Wyoming corporation ("**HHSE**"), signed a Memorandum of Understanding to indicate the mutual intent to merge the operations of the two companies through a stock-for-stock swap. Based on reasonable valuations for both Crimson and HHSE, including current assets, new projects and goodwill, after approval of the merger the existing shareholders and managers of HHSE will collectively own approximately 57.1% of the combined stock, and the existing shareholders and managers of Crimson will collectively own approximately 42.9% of the combined stock. HHSE assets, including goodwill were valued at $17,029,250 and Crimson assets, including goodwill were valued at $12,870,750.

Per the terms of the Memorandum of Understanding, Crimson shall be required to promptly file all required quarterly and annual reports to restore its current trading status as a fully reporting equity. Upon the completion of these corporate compliance matters, Crimson and HHSE shall initiate the stock-for-stock swap and redemption. Based on the terms of the merger, HHSE shareholders will receive Crimson shares at a premium-to-market valuation. The effective date when the two companies expect to be operating on a defacto basis as a merged entity is May 1, 2017. Crimson and HHSE anticipate that regulatory approval of the merger shall occur shortly thereafter, and that full reporting compliance shall occur on or about May 15, 2017, after which time, HHSE shares shall be exchanged for Crimson shares at a market-to-value premium to be determined at the date of the redemption based on market pricing.

Following the merger, Crimson shall proceed with new financing for the combined entity, including presale funding for several high-profile feature films and general operating and releasing capital. Principal Officers, Directors and Managers for the combined company shall be Jonathan Lim (Chairman), Eric Parkinson (C.E.O.), Fred Shefte (President) and Tom Sims (Vice President).

In addition to seeking regulatory approval for the merger, Crimson has also applied with FINRA for approval of a new stock-trading ticker symbol, to differentiate the new (post-merger) company and operations from the prior activities of Crimson as primarily a production-oriented company.

The foregoing is a general description of the stock-for-stock swap Merger plan; it does not purport to be complete and is qualified in its entirety by reference to the Memorandum of Understanding (the "**MOU**"), which is attached as Exhibit 1.1 to this Current Report on Form 8-K and incorporated in this report by reference.

A copy of the joint press release issued by Crimson Forest Entertainment Group, Inc. and Hannover House, Inc. announcing the mutual intention to merge operations into one company, and the effectiveness of the Memorandum of Understanding is attached hereto as Exhibit 2.1 and incorporated herein by reference.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

The Merger of these two companies as described in this filing and Exhibits has not yet been approved by FINRA or other applicable regulatory authorities, including but not limited to the United States Securities and Exchange Commission (the "**SEC**") and the OTC Markets (the "**OTC**"). Investors and security holders are urged to read both the MOU and the Long-Form Merger Agreement (the "**LFMA**") that CFEG and HHSE anticipate completing and filing covering the terms as described in the MOU, and other additionally required terms and language to meet compliance requirements. CFEG and HHSE anticipate completion of the LFMA on or before May 15, 2017. Investors and security holders may obtain free copies of these statements (when available) and other materials filed with the SEC at the website maintained by the SEC at www.sec.gov, or by directing requests for such materials to the information agent for the Merger transaction, which will be named in the LFMA.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
1.1	Memorandum of Understanding covering the intention to merge operations, assets, current and future activities and stock of Crimson Forest Entertainment Group, Inc. with the operations, assets, current and future activities and stock of Hannover House, Inc.
2.1	Joint press release dated April 26, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRIMSON FOREST ENTERTAINMENT GROUP INC.

(Registrant)

Dated: April 28, 2017

/s/ Jonathan Lim

Name:Jonathan Lim

Title: Chief Executive Officer

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EXHIBIT 1.1 – to FORM 8K Information Statement Filing

Short Form Memorandum of Understanding ("MOU")

Crimson Forest Entertainment Group, Inc. – Hannover House, Inc.

CORPORATE MERGER AGREEMENT & OUTLINE OF OPERATIONAL BUSINESS PLAN

WHEREAS Hannover House, Inc. is a publicly traded entertainment company actively involved with the distribution of feature films, television and video programming in all media to all applicable markets *(referred to hereunder as "HHSE");*

WHEREAS Crimson Forest Entertainment Group, Inc. is a publicly traded entertainment company actively involved with the financing and production of feature film programming, especially with films that have a value for the China marketplace *(referred to hereunder as "CFEG");*

WHEREAS principals and managers of HHSE and CFEG (the Parties) have determined that a merger of the two companies and operations will be in the best interests of all shareholders (i.e., the shareholders of both CFEG and HHSE), which resulting company is herein sometimes referred to as Newco. The Parties shall initially refer to the resulting, merged company, in references to third parties as Crimson Forest, but intend to reasonably consider a new branded name in the near future, and to expeditiously apply for a different stock trading ticker symbol.

THEREFORE, subject to approval of a majority of the voting shares for each of CFEG and HHSE, the parties agree to proceed with a binding agreement and merger or corporate restructuring as may be recommended by securities counsel (hereinafter referred to as "merger") to be initiated via an operational and merger plan that the principals intend to be substantially similar to the steps described below, and which merger terms shall be subject to approval of applicable regulatory authorities and both the Parties after consultation with and receiving the advice of competent Securities Counsel and under applicable laws. Both CFEG and HHSE agree that this Memorandum of Understanding ("MOU")

describing the party's mutual intent to merge operations shall be replaced with a more formal merger document encompassing these terms, any additionally agreed to terms, and standard securities and legal language required for such transactions ("Long Form Agreement"). However, until such time that such a Long Form Agreement may be drafted and mutually executed, this MOU shall govern with the full and binding authority of a contract, covering the parties agreements as described hereunder:

1) **VALUATION** – SUBJECT TO THIRD PARTY REVIEW OF METHODOLOGIES FOR VALUATION, and based on assets, liabilities, revenues, goodwill and pending new ventures for both HHSE and CFEG, the following net "valuations" have been mutually determined as follows:

a).	CFEG Valuation:	$11,370,750	42.9%
b).	HHSE Valuation:	$18,529,250	57.1%

It is understood and agreed by both parties that the precise valuations of CFEG and HHSE may be modified prior to the closing of this merger as may be required to conform to G.A.A.P. standards and securities laws; methodologies for determining the above valuations are listed on Exhibit "A."

2) **MERGER STEPS**

a). ***HHSE STOCK AND SHAREHOLDERS*** - HHSE shall be responsible for the required steps to effectuate the merger with respect to existing HHSE shareholders, HHSE assets, HHSE liabilities and obligations op operations up to and until the merger is completed. HHSE represents and warrants that shareholders representing a majority of the shares and stock ownership and voting authority have approved the basic terms of this MOU and merger transaction as being in the best interest of all HHSE shareholders. If so required by applicable regulatory authorities, HHSE shall notify all other shareholders of the terms of this MOU and how the merger is expected to generate significantly higher value for the company and its shareholders. HHSE managers shall be responsible for overseeing and implementing the procedures for the allocation and redemption of HHSE shares to all applicable shareholders, which shall be exchanged for CFEG shares upon regulatory approval.

b). ***CFEG REPORTING COMPLIANCE*** - CFEG shall provide adequate financing and supporting documentation to enable CFEG to be restored back into "current reporting" status and full reporting compliance with the Securities & Exchange Commission and OTC Markets as an OTCQB qualified company with all due haste. CFEG shall pay all costs to effect such filings as may be necessary to obtain such status, including, but not limited to legal and accounting / auditing fees. CFEG represents and warrants that shareholders representing a majority of the shares and stock ownership and voting authority have approved the basic terms of this MOU and merger transaction as being in the best interest of all CFEG shareholders.

c). ***CFEG STOCK RESTRUCTURING*** – Following industry procedures, and respecting regulatory requirements, applicable laws and generally accepted accounting principles, upon approval of the merger, HHSE shareholders shall receive CFEG stock at a formula which results

in 57.1% ownership for HHSE shareholders, and 42.1% ownership for CFEG shareholders, including a premium return for HHSE shareholders based upon a seven (7) trading day Volume Weighted Average Price (VWAP) of the HHSE stock price preceding the day of merger approval from applicable regulatory authorities. With respect to CFEG Preferred Shares, each of CFEG and HHSE shall receive one-half of the stock, with Jonathan Lim as the initial designee for CFEG and Eric Parkinson as the initial designee for HHSE; it is understood and agreed that the Preferred shares may be subdivided post-merger. Additionally, CFEG shall be entitled to appoint two (2) members to the new board of directors and HHSE shall be entitled to appoint two (2) members to the board of directors, with a fifth board of directors member to be mutually approved by CFEG and HHSE. The applicable corporate by-laws governing such actions shall be attached to the Long Form Merger Agreement ("LFMA") which both parties anticipate completing on or before May 15, 2017.

d). ***PUBLIC NOTICE*** – Upon approval of Securities Counsel, both CFEG and HHSE *(either as separate, publicly reporting entities, or reported as a combined entity if appropriate),* at the earliest practicable time, shall file the proper notification forms to shareholders via a Form 8 Information Statement or other such instrument as counsel may direct and be required by regulatory authorities.

e). ***TICKER SYMBOL CHANGE*** – Both CFEG and HHSE agree to apply for and pursue with FINRA the issuance of a "new" ticker symbol for the combined companies.

f). ***INTERIM STEPS*** – During the time that this merger is being finalized and approved, each company shall continue to operate separately, excepting for the following areas of overlap.

3) **MERGER STRUCTURE** – SUBJECT TO REVIEW OF ATTORNEYS, INCLUDING THE VALUATION METHODOLOGIES AND IMPLICATIONS REGARDING THE TAXATION OF PARTIES UNDER THE CONTEMPLATED TRANSACTION, the Parties intend to restructure the stock for both HHSE and CFEG in order to reasonably support and quantifiably justify a post-merger stock structure that best positions the company for eligibility to uplist to NASDAQ, which both HHSE and CFEG share as a mutual goal, following the receipt of the significant new financing that has been arranged for new productions and activities by CFEG.

4) **POST MERGER OPERATIONS** – Following the completion of the merger of the companies, which is expected to be based in large part on an IRS Section 368 Stock-for-Stock Swap, the principal managers of the newly merged company, and the primary areas of their responsibilities are listed below:

a) JONATHAN LIM ("Lim") – Chairman – Involved primarily as a film producer and distributor as well as the company's primary liaison to obtain distribution agreements with media companies in China and the solicitation of investment capital, loans or stock equity sales to investors or companies from China. Lim is also designated to perform services as Director of future projects that he may develop.

b) ERIC PARKINSON ("Parkinson") – C.E.O. and Corporate Secretary – Involved as one of two principal managers in the day-to-day operations of the company, from administration of

public company duties to the sales, marketing and distribution of programming. Parkinson is also designated to perform services as Director of "Mother Goose: Journey to Utopia."

c) D. FREDERICK SHEFTE ("Shefte") – President and Corporate Treasurer – Involved as the other primary manager of all operations and activities for the company, with special emphasis on operational logistics, legal matters and management of payables, receivables and debts.

d) TOM SIMS ("Sims") – V.P. Sales – Involved in the ongoing distribution management of HHSE and CFEG titles to the physical home video markets, and digital platforms, as well as the anticipated position of overseeing third-party studio label distribution pacts. It is also anticipated that Sims shall be the primary manager for the VODWIZ venture.

The applicable monthly salaries for the executives described above for the initial period from May 1 through July 31, 2017, is itemized on the attached Exhibit "B" – additionally, it is anticipated that each of these four principals shall receive some form of soft benefits, including a health insurance and cell phone allowance. Employment agreements for Parkinson as C.E.O, and Shefte as President shall be attached to the long form merger agreement.

e) ARKANSAS OPERATIONS / LOS ANGELES OPERATIONS – It is anticipated and agreed that the company shall initially maintain its current, primary distribution offices in Fayetteville, Arkansas, located at 300 N. College Ave., Suite 311. Additionally, it is agreed that the company shall also open a Los Angeles area office within 90-days of the closing of the merger. The Arkansas Distribution Office – and the Los Angeles Acquisitions & Production Office shall be linked via Skype or other form of telecommunications to improve communication efficiencies.

5) **DIRECT STOCK SALES / OR S-1 SHELF REGISTRATION** – As discussed between the principals, and subject to approval of Securities counsel, it is agreed that the company shall accept direct investments from producers and investors either through some version of a "Direct Stock Sale" or if appropriate and so required, through the filing of an S-1 Shelf Registration with the S.E.C. At present, the fully funded feature productions of "***Kung Fu Cowboys***" and "***Nian***" (working title) shall be recognized as revenues due to the presale structure of rights allocation with the financiers of those two films. Also, following merger approval, CFEG shall seek to expeditiously consummate the placement of a four-million-dollar (USD $4,000,000) direct stock purchase from a major media company, which shall result in the issuance of stock in exchange for this direct stock purchase, but which shall occur at a one-hundred-percent (100%) premium over the trading price of the combined company stock during the seven prior days of the Volume Weighted Average Price (VWAP), e.g., if the stock is trading for USD $1.00, this direct purchase shall occur at USD $2.00 per share. Neither CFEG nor HHSE anticipate any other direct stock purchases into the merged entity, as the additional funding is expected to be structured as pre-sales or debt, and not treated as equity dilution of the company.

6) **ONGOING ACTIVITIES** – It is agreed that projects currently in development for HHSE shall be diligently pursued for financing as described in the Business Plan Outline prepared and

submitted by HHSE, but that neither CFEG nor the combined and merged companies under Newco shall be obligated to finance these proposed productions should private investment or debt financing not ultimately be available.

7) **APPLICABLE LAW & CORPORATE STRUCTURES** – Disputes under this merger agreement shall be subject to California Law and jurisdiction, until such time that HHSE and CFEG and Newco shall be fully merged into one entity. Thereafter, it is anticipated that the domicile and jurisdiction of Nevada shall survive for the merged entity. If allowable under an IRS Section 368 Stock-for-Stock Swap, and/or in conjunction with IRS Section 351 to allow for "non-recognition transaction" for tax purposes, the Wyoming corporation currently operating as Hannover House, Inc. shall be stripped of all assets and activities except for a quantity of "Preferred Stock Shares" to be determined by Parkinson and Shefte, as well as the placement a negligible amount of assets as may be required to maintain that separate entity as a non-shell operation as defined under securities laws. However, the trade names of Hannover House, Medallion Releasing and VODWIZ shall be sold, licensed and otherwise transferred into the merged company, along with the tradename of Crimson Forest Entertainment Group, Inc. Parkinson and Shefte agree that the former Wyoming Corporation shall not engage in any activities considered competitive or otherwise identical to activities of the merged company, unless approved by the Board of Directors for the merged HHSE-CFEG operations. Otherwise, if so required under the rules and regulations of an IRS Section 368 Stock-for-Stock Swap, the corporate entity for Hannover House, Inc. shall be dissolved or shall be incorporated into the newly merged entity, said disposition to be determined by counsel under applicable law considering beneficial values.

8) **DISSOLUTION** – HHSE may elect to withdraw from this merger in the event that significant fundings from Crimson or Crimson related productions or media partners do not materialize within sixty (60) days or the later of May 15, 2017; Notwithstanding the May 15 deadline, HHSE may elect to withdraw in the event that Crimson fails to complete corporate governance issues and public company filings in a timely manner *(including, but not limited to merger filings, audits and the provision for funding of ongoing release activities for titles under CFEG/HHSE/NEWCO).* HHSE may elect to withdraw from this merger in the event that the contemplated transaction is determined to be a taxable event, or if regulatory authorities deem material aspects of the proposed merger to be unlawful, or if other issues arise that are presently unknown but which indicate that the merger would be harmful to HHSE and its shareholders. CFEG may also elect to withdraw from this merger prior to May 15, in the event of a material misrepresentation of facts or figures by HHSE on documentation provided by HHSE to CFEG during the negotiations and structuring of this merger.

READ, UNDERSTOOD AND AGREED THIS TWELFTH DAY OF MARCH, 2017, BY AND BETWEEN:

Crimson Forest Entertainment Group, Inc.

(OTC: CRIM) "CFEG"

By: /s/ Jonathan Lim_____

Jonathan Lim, President

Hannover House, Inc. / Medallion Releasing, Inc.

(OTC: HHSE) "HHSE"

By: /s/ Eric Parkinson _____

Eric Parkinson, C.E.O.

By: /s/ D. Frederick Shefte_____

D. Frederick Shefte, President

Exhibit "A" – Assumptions and Methodologies Summary for Valuations

The following considerations were utilized in determining the respective valuations for HHSE and CFEG regarding the merger as proposed under this MOU. Both HHSE and CFEG acknowledge that the methodologies for valuations of publicly-traded companies involve many factors, accounting principles, laws and practices, and that both HHSE and CFEG agree that the merger must conform to all applicable mandates governing public company mergers.

HANNOVER HOUSE, INC., (HHSE)

1) **Accounts Receivable** – HHSE A.R. as of 12-31-2016 has been reduced to eliminate receivables that are significantly past payment terms or otherwise considered difficult or uncollectible.
2) **Film Library Valuation** – DVD and BluRay forecasts for the Library have been reduced by 72% *(on average)* to reflect a decline in physical unit sales; Video-On-Demand revenues for theatrical titles have been increased by an average of 19%; Television and International revenues remain unchanged, especially in respect of the new major studio distribution pact, to be announced post-merger. One-Hundred-Twenty-One (121) titles acquired in the last five years have been given a zero-dollar ($0) library valuation - as the reasonable, net income forecasts from sales of these newer titles has not yet been properly valued by an independent, third-party firm.
3) **Overall Assets and Debts** – Post merger HHSE debts have been reduced from the overall valuation of HHSE.
4) **Goodwill** – CFEG and HHSE have mutually agreed on a reasonable valuation of "Goodwill" in respect of a variety of factors, including exclusive distribution arrangements with theatre chains, studio partners and broadcast outlets, brand name awareness, longevity of HHSE, and the unrecognized value of the newer library titles.

CRIMSON FOREST ENTERTAINMENT GROUP, INC. (CFEG)

1) **Asset Values** – Consideration has been given for the capitalized cost of film productions, acquisitions and prior release activities for CFEG.
2) **New Receivables / New Financing Ventures** – Consideration has been given for the net income value of the significant presales arranged by CFEG to fund the production costs for the upcoming, capitalized assets of "***Kung Fu Cowboy***" and "***Nian***" (working title).
3) **Overall Assets and Debts** – A reduction for the cost of the Convertible Notes to Samcorp *(Anthony Lim)* has been applied, even though the Samcorp notes have recently been restructured to more favorable terms and a conversion option formula.
4) **Goodwill** - CFEG and HHSE have mutually agreed on a reasonable valuation of "Goodwill" in respect of a variety of factors, including CFEG's extensive history and relationships with key media companies and financiers from China, including film rights pre-sale opportunities, direct investment funding and other beneficial ventures.

Exhibit "B" – Initial Operating Overhead and Budgetary Needs

CFF / HHSE NEWCO

Monthly Operating Budget - May 1 through July 31, 2017

Description	Payee	Amount	Employer Taxes	Addl Benefits	TOTAL ITEM
Chairman	Jonathan Lim*	$ 12,000	$ 1,020	$ 450	$ 13,470
C.E.O.	Eric Parkinson*	$ 12,000	$ 1,020	$ 450	$ 13,470
President	Fred Shefte*	$ 12,000	$ 1,020	$ 450	$ 13,470
V.P. Sales	Tom Sims	$ 7,500	$ 638	$ 300	$ 8,438
Accountant	To Be Determined	$ 4,000	$ 340	$ 150	$ 4,490
Marketing Director	To Be Determined	$ 4,000	$ 340	$ 150	$ 4,490
Sales Admin.	To Be Determined	$ 3,250	$ 276	$ 150	$ 3,676
L.A. Office Manager	To Be Determined	$ 3,250	$ 276	$ 150	$ 3,676
Admin Asst. - ARK	Maryevelyn Jones	$ 2,750	$ 234	$ 150	$ 3,134
					$ 68,314
Arkansas Rent	Mathias Property	$ 2,350	$ -	$ -	$ 2,350
Los Angeles Rent	Estimated	$ 2,000	$ -	$ -	$ 2,000
Arkansas Utilities	Estimated	$ 800	$ -	$ -	$ 800
L.A. Utilities	Estimated	$ 600	$ -	$ -	$ 600
Office Supplies	Various / Allow	$ 400	$ -	$ -	$ 500
Non-Billable Freight	Various / Allow	$ 400	$ -	$ -	$ 500
Misc Office Needs	Various / Allow	$ 400	$ -	$ -	$ 400
					$ 7,150
TOTAL MONTH					**$ 75,464**
FIRST THREE MONTHS OF MERGER					**$ 226,391**

** Indicates gross allocation, which managers may elect to receive, assign or defer.*

EXHIBIT 2.1 – to FORM 8K Information Statement Filing

FOR IMMEDIATE RELEASE

Crimson Forest and Hannover House Initiate Corporate Merger to Become Major Independent Distributor

--Combined Company to Launch Slate of High-Profile Films for Theatrical, Home Video and International Release--

(Los Angeles) (April 26, 2017) Feature Film Production Company Crimson Forest Entertainment Group Inc. (OTC: CRIM) and specialty theatrical and home video distributor Hannover House, Inc. (OTC: HHSE) have confirmed plans to merge operations under a stock-swap and financing plan, scheduled to be effective as of May 1, 2017. Specific terms of the transaction were not disclosed.

The combined company will immediately launch production activities on a slate of high-profile feature films that will drive the theatrical, home video and international release schedules for the coming years.

Formed in 2010, and financed with investment capital and presales from China, Crimson Forest Entertainment has successfully financed and acquired several films for international and North America distribution. PALI ROAD was the first Hawaii-China co-production, starring Jackson Rathbone from the highly successful, "The Twilight Saga," Sung Kang from the hit box office franchise, "Fast & Furious,"

Henry Ian Cusick, best known for his roles in "L.O.S.T.," and "The 100," and Chinese Superstar Actress Michelle Chen, who received the Asia Rising Star Award for her role in the movie, "You are the Apple of My Eye," one of the highest grossing Taiwanese films in the history of Chinese cinema. The film premiered at the Hawaii International Film Festival and went on to win several awards, including "Best Actress" "Best Cinematography" and a "Best Director" award at the 12th Annual Chinese American Film Festival. The film was released theatrically, both in North America and China, and in Malaysia earlier this month.

Formed in 1993 and growing into one of the top independent distributed labels in North America, Hannover House, Inc. has direct distribution relationships for all major theatre circuits, principal media outlets, and wholesale access to major home video retailers and mass merchants. Hannover House has released more than 50 films to theatres and more than 300 titles to the Home Video Market in the United States, including titles such as "Grand Champion" (with Bruce Willis, Julia Roberts and George Strait) and director Joel Schumacher's teen angst thriller "Twelve" (starring Curtis "50-Cent" Jackson, Emma Roberts, Ellen Barkin and Chase Crawford). Hannover House has also been active in the production and financing of several feature productions including "Toys in the Attic" (with Forest Whitaker, Joan Cusack, Vivian Schilling and Cary Elwes) and "Bonobos: Back to the Wild" (with Luke Evans and Rebecca Hall). A Crimson Forest and Hannover House merger is expected to fill the demand from independent and international productions, which seek distributors that have direct access to theatrical, as well as Home Video and VOD & Digital sales.

"There is a growing need for specialty independent distributors" said Jonathan Lim, CEO of Crimson Forest Entertainment. "There is a lot of quality product out there that is being ignored and we are excited that Hannover House has partnered with us in releasing these films. It will bring much needed diversity to audiences in North America, and growing commercial success for the combined company," he concluded.

"We have been working closely with Crimson Forest for the past year and have completed the successful release of several of their titles" said Eric Parkinson, CEO of Hannover House. "As we began to move forward together on other projects – 'Where's The Dragon', 'Mother Goose', 'The Final Minute' and 'Warriors of the Time Matrix' – both Jonathan Lim and I recognized the synergy and value that each of our companies provides to the other. To say that we're excited about what these new opportunities and corporate structure will bring to Hannover House and our shareholders is an understatement," said Parkinson. "We're very excited about our merger agreement, and by the upcoming titles that we will be announcing and releasing in the upcoming weeks, which we fully anticipate will have a substantial impact on the growth of our combined company. Crimson Forest has assembled substantial new financing that will be used for a slate of exciting theatrical-caliber feature film productions, general

operations and releasing costs, as well as a prompt restoral of current status for the combined company's public filings."

One of the first new titles to be released under the combined Crimson Forest – Hannover House structure is the $20-million dollar action thriller feature "SHOCKWAVE" starring Andy Lau and Jiang Wu. The film will be co-released together with CMC Pictures in North America.

In addition, "WHERE'S THE DRAGON?" Written and directed by VFX veteran Sing Choong Foo ("Spider-Man," "Beowulf"), follows the journey of a young girl who must join forces with the animals of the Chinese zodiac to find a dragon who has gone missing. This enchanting, epic-scale animated feature will enjoy a national USA theatrical release this summer before reaching the home video, V.O.D. and television markets.

Also releasing in the next few weeks will be "WARRIORS OF THE TIME MATRIX" - Action superstar Tiger Chen, star of "Man of Taichi" returns to screen in this sci-fi / time-travel / martial arts extravaganza, financed, produced and distributed by Internet giant IQIYI *(often referred to as the "Netflix of China")* and the Chinese Movie Channel. Originally titled "Kung Fu Travelers," the film is expected to have a strong cross-over appeal to mainstream USA audiences *(Mandarin with English subtitles).*

Under the newly merged company, the board of directors will be comprised as follows: Jonathan Lim (Chairman), Eric Parkinson (CEO), Fred Shefte (President) and Tom Sims (V.P. Sales). The existing offices for Hannover House, Inc. and its affiliate Medallion Releasing, Inc. in Fayetteville, Arkansas will remain as the primary distribution operations office. The Los Angeles offices for Crimson Forest will serve as the company's corporate and production headquarters, and the Crimson Forest office in Shanghai, China, will continue to operate as the finance office for the funding of new productions and releasing costs. Crimson Forest is also negotiating for the acquisition of other, complementary media companies to add to the enhanced distribution entity.

An application for merger approval has been filed with FINRA (Financial Industries Regulatory Agency), with a targeted effective date of combined operations set for May 1, 2017, with regulatory approvals expected shortly thereafter. Stock in the combined company will be fully registered and fully current status, with a new stock trading ticker symbol under Crimson Forest Entertainment Group, Inc. anticipated. Current shareholders of Hannover House, Inc. will receive shares in the newly rebranded Crimson Forest shares, and the redemption formula anticipates a premium value for existing Hannover House shareholders (subject to regulatory approvals). Included in the corporate merger are Hannover

House affiliates, Medallion Releasing, Inc. and Bookworks, Inc., respectively handling theatrical and publishing ventures. The merger was approved by a direct outreach to principal shareholders representing an overwhelming majority of shares and voting authority for both Crimson Forest Entertainment Group, Inc. and Hannover House, Inc.

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About Crimson Forest Entertainment

Crimson Forest Entertainment is a feature film production company, as well as a theatrical and home entertainment distribution label that specializes in bringing top content in film & television. Crimson Forest Entertainment's titles can be seen across a variety of platforms, including theatrical, digital, subscription and cable VOD, packaged media and broadcast television. Crimson Forest Entertainment's corporate headquarters is in Los Angeles with offices in Shanghai, China.

About Hannover House

Hannover House is a full-service media company, specializing in the production and distribution of feature films for theatres, home video and the Video-On-Demand formats for the North American retail marketplace. Formed in 1993, Hannover House concentrated its activities exclusively in the literary, book-publishing industries until 2003 when the company entered into the DVD marketplace. The company is one of only twelve full-service film distributors in the USA. Hannover House added DVD products to its book publishing label in 2002, and has since released over 350 titles to home video, and 50 titles to theatres. Current theatrical releases include the epic World War II drama, "Chosen" (starring Harvey Keitel); the Chinese action-adventure "Extraordinary Mission" and the American-Bollywood-Style romantic comedy "Spices of Liberty." Principal USA retail customers carrying Hannover House video releases include Walmart Stores, Inc., Best Buy, Target, Redbox and Netflix. Theatrical exhibitors supporting current and past Hannover House and Medallion Releasing theatrical titles include (listed alphabetically): AMC-Carmike, Cinemark, Cineplex-Odeon, Harkins, Malco, Marcus, National Amusements and Regal Entertainment Group.

SAFE HARBOR STATEMENT

This press release may contain certain forward-looking statements within the meaning of Sections 27A & 21E of the amended Securities and Exchange Acts of 1933-34, which are intended to be covered by the safe harbors created thereby. Although the companies believe that the assumptions underlying the forward-looking statements contained herein are reasonable, there can be no assurance that these statements included in this press release will prove accurate.

For more information, contact MARYEVELYN JONES, Hannover House, Inc. / Medallion Releasing, Inc., 479-521-5774 ME@HannoverHouse.com