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

# FORM 10-K

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

**For the twelve-month period ended: December 31, 2016**

# 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 December 31, 2016:

a. Total Common Stock Shares in issue as of Dec. 31, 2016: 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: 2,019 *(Standard Registrar count)*

Total Beneficial Shareholders: 327 *(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, which will be returned to treasury stock in April, 2017. 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*

*** On October 1, 2016, the Company's board of directors - acting on legal advice regarding the upcoming filing of the Form 10 registration statement - notified the Wyoming Secretary of State of an amendment to the Company's by-laws, article four, which amendment increased the total authorized common stock shares from 800-million to the new level of 900-million, effective as of Oct. 1, 2016. These additional common stock shares – if activated – would be considered as a "reserve" and were authorized in order that a mechanism would be in place in the event that surrendered shares from officers or "convertible" shares for short term lenders were called. The Company has no plans to issue shares, nor any information that officers or convertible note holders (if any) intend to receive shares in the upcoming year.*

**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

## PART I. FINANCIAL INFORMATION



## PART II. OTHER INFORMATION

## 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 AND FULL-YEAR ENDING DEC. 31, 2016 (UNAUDITED)

| | Q1 2016 | Q2 2016 | Q3 2016 | | **Q4 2016** | **Year-Ending 12/31/2016** |
|---|---|---|---|---|---|---|
| **REVENUES** *(all media, fees & licenses)* | $ 424,926 | $ 621,698 | $ 611,240 | | $ 584,810 | $ 2,242,674 |
| Net, Collected Revenues | | | 192,372 | | 181,459 | 373,831 |
| Additional Invoiced Shipments | | | 523,585 | | 403,351 | 926,936 |
| *Reserve for Potential Returns* | (66,245) | - | (104,717) | (1) | (130,896) | (301,858) |
| **ADJUSTED REVENUES FOR PERIOD** | **358,651** | **621,698** | **611,240** | | **453,914** | 2,045,503 |
| **COST OF SALES** | | | | | | |
| Commissions | - | - | - | | - | |
| Sales and Marketing | 781 | 12,117 | 8,840 | | 10,309 | 32,047 |
| Video Manufacturing | 26,250 | 40,054 | 59,684 | | 35,210 | 161,198 |
| Film & Book Royalties | 11,827 | 67,135 | 102,123 | | 88,160 | 269,245 |
| Freight | 1,628 | 4,866 | 9,326 | | 9,821 | 25,641 |
| Other Expenses | 10,000 | 154,230 | 40,397 | (2) | 10,000 | 214,627 |
| TOTAL COST OF SALES | 50,486 | 278,402 | 220,370 | | 153,500 | 702,758 |
| **GROSS PROFIT** | 308,195 | 343,296 | 390,870 | | 300,414 | 1,342,775 |
| GENERAL AND ADMINISTRATIVE EXP. | 81,139 | 142,202 | 85,804 | (3) | 73,837 | 382,982 |
| INCOME FROM OPERATIONS | 227,056 | 201,094 | 305,066 | | 226,577 | 959,793 |
| OTHER INCOME (EXPENSE) | - | 42,250 | - | | 5,500 | 47,750 |
| INCOME BEFORE TAXES | 227,056 | 243,344 | 305,066 | | 232,077 | 1,007,543 |
| PROVISION FOR INCOME TAXES | 79,470 | 85,170 | 106,773 | (4) | 81,227 | 352,640 |
| **NET INCOME** | $ **147,586** | $ **158,174** | $ **198,293** | | $ **150,850** | $ **654,902** |
| RETAINED EARNINGS (Beginning of Period) | | | | | $3,490,069 | |
| RETAINED EARNINGS (End of Period) | | | | | $3,640,919 | |

**FOOTNOTES**

*(1) Company increased the reserve for potential returns to 25%, to allow for underperforming new releases in October and December.*

*(2) "Other Expense" of $10,000 are payments made during Q4 for the purchase of 1.2-mm shares of HHSE stock held by non-affiliates. As of the date of this filing, a balance of $3,000 remains to fully purchase these shares - which are being held by Company and shall be added back into Treasury Stock once the final payment has been rendered.*

*(3) Decrease in G&A for Q4 is due in part to a decrease in lease space following the closure of the company's prior lease in Springdale. For 8-1/2 years, HHSE rented an office-warehouse combo unit, but has since moved warehousing to off site, so that the company can operate from Executive Offices in a Business zone. Off-Site warehousing and storage saves the company over $5,000 per month. Company also saw a reduction in legal and accounting costs during Q-4 as compared to Q-3 from the resolution of prior legal issues.*

*(4) Company is reserving a total of 35% off pretax earnings as the cumulative, accrued tax liability for Federal and State taxes.*

# HANNOVER HOUSE, INC.
# CONSOLIDATED GENERAL AND ADMINISTRATIVE EXPENSES
# FOR THE THREE MONTHS AND FULL YEAR ENDING 12-31-2016

## GENERAL AND ADMINISTRATIVE EXPENSES

| CATEGORY | 3-Months Ending 3/31/2016 | 3-Months Ending 6/30/2016 | 3-Months Ending 9/30/2016 | 3-Months Ending 12/31/2016 | Total for Year Ending 12/31/2016 |
|---|---|---|---|---|---|
| Auto | $ - | $ - | $ - | $ - | $ - |
| Bank Charges | $ 722 | $ 689 | $ 545 | $ 325 | $ 2,281 |
| Consulting | $ - | $ - | $ - | $ - | $ - |
| Employees and Labor | $ 50,270 | $ 64,374 | $ 31,565 | $ 31,452 | $ 177,661 |
| Entertainment | $ - | $ - | $ - | $ - | $ - |
| Equipment | $ 238 | $ - | $ - | $ - | $ 238 |
| Fees | $ - | $ - | $ - | $ - | $ - |
| Insurance | $ 6,000 | $ - | $ 313 | $ - | $ 6,313 |
| Labor | $ - | $ - | $ 690 | $ 80 | $ 770 |
| Legal and Accounting | $ 2,000 | $ 13,000 | $ 27,455 | $ 11,900 | $ 54,355 |
| Miscellaneous | $ 3,022 | $ 13,952 | $ 1,266 | $ 8,336 | $ 26,576 |
| Office | $ 586 | $ 155 | $ 416 | $ 2,994 | $ 4,151 |
| Rent | $ 8,600 | $ 16,600 | $ 6,700 | $ 6,690 | $ 38,590 |
| Taxes | $ 3,941 | $ 5,870 | $ 10,193 | $ 9,212 | $ 29,216 |
| Telephone | $ 2,305 | $ 2,759 | $ 3,342 | $ 1,969 | $ 10,375 |
| Travel | $ 2,496 | $ 23,943 | $ 1,894 | $ - | $ 28,333 |
| Utilities | $ 959 | $ 880 | $ 1,425 | $ 879 | $ 4,143 |
| **TOTAL OF GENERAL AND ADMINISTRATIVE EXPENSES** | **$ 81,139** | **$ 142,222** | **$ 85,804** | **$ 73,837** | **$ 383,002** |

*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.*

**HANNOVER HOUSE, INC.**

**Consolidated Balance Sheet / As of December 31, 2016 (Unaudited)**

| | 9/30/2016 | | 12/31/2016 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash & Cash Equivalents | 14,747 | | 6,898 |
| Accounts Receivable, Net | 5,222,424 | *(1)* | 5,625,775 |
| Prepaid Wages | | | |
| Merchandise Inventory | 165,179 | *(2)* | 56,959 |
| Prepaid Advertising | 765,000 | | 765,000 |
| Prepaid Producer Royalties | 2,335,645 | | 2,335,645 |
| Producer Marketing Recoupment | 2,490,756 | | 2,490,756 |
| Film Distribution Rights | 1,996,379 | | 1,996,379 |
| Film Production Investments | 423,259 | | 423,259 |
| Notes Receivable and Net Recoupment | - | | - |
| | | | |
| TOTAL CURRENT ASSETS | 13,413,389 | | 13,700,671 |
| | | | |
| **PROPERTY & EQUIPMENT** | | | |
| Office Furnishings, Equip. & Film Gear | 163,563 | *(3)* | 154,331 |
| Less Accumulated Depreciation | (39,356) | | (37,164) |
| Vehicles | 22,500 | | 22,500 |
| Less Accumulated Depreciation | (35,200) | | (35,200) |
| Real Property | - | | - |
| TOTAL PROPERTY & EQUIPMENT | 111,507 | | 104,467 |
| | | | |
| **OTHER ASSETS** | | | |
| FILM & TV LIBRARY (incl. VODWIZ)* | 23,565,337 | *(4)* | 23,565,337 |
| | | | |
| TOTAL OTHER ASSETS | 23,565,337 | | 23,565,337 |
| | | | |
| | **37,090,233** | | **37,370,475** |

** 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 December 31, 2016 (Unaudited) / continued

**LIABILITIES & SHAREHOLDER'S EQUITY**

| | 9/30/2016 | | 12/31/2016 |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| Accounts payable | 115,742 | | 120,636 |
| Accrued Royalties | 654,860 | *(5)* | 126,254 |
| Acquisition Advances Due | 357,970 | *(6)* | 317,584 |
| Accrued Wages | 101,184 | *(7)* | 89,562 |
| Payroll Taxes Payable | 25,198 | | 20,698 |
| Deferred Income Tax Payable | 1,547,780 | *(8)* | 1,629,007 |
| NB Cal AFIL P&A Loan | 80,000 | | 80,000 |
| Hounddog P&A Note (Weinreb) | 731,025 | | 731,025 |
| Interest on Weinreb Note | 290,070 | | 303,013 |
| Graham Financial Services Note | 80,000 | | 80,000 |
| Interest on Graham Note | 13,068 | | 14,468 |
| Short Term Notes (Various) | 122,850 | *(9)* | 188,330 |
| Interest on Short Term Notes | 29,650 | | 31,782 |
| Bank of Fayetteville Note | 15,000 | | 15,000 |
| Interest on B.O.F. Note | 6,442 | | - |
| TOTAL CURRENT LIABILITIES | 4,170,839 | | 3,747,359 |
| **LONG-TERM LIABILITIES** | | | |
| Long-Term Payables | 1,646,046 | | 1,657,946 |
| TCA Global Master Fund | - | *(10)* | - |
| Mortgage Note Payable | - | | - |
| Executive Salary Deferrals | 684,747 | | 708,747 |
| Officer Notes Payable | 151,455 | | 151,455 |
| TOTAL LONG-TERM LIABILITIES | 2,508,248 | | 2,508,248 |
| TOTAL OF ALL LIABILITIES | 6,679,087 | | 6,255,607 |
| **SHAREHOLDER'S EQUITY** | | | |
| Common Stock | 26,921,077 | | 27,473,949 |
| Retained Earnings | 3,490,069 | | 3,640,919 |
| TOTAL SHAREHOLDER'S EQUITY | 30,411,146 | | 31,114,868 |
| | **37,090,233** | | **37,370,475** |

**Additional Footnotes to Balance Sheet**
**(for the year ending December 31, 2016)**

(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).

(3) During Q4, and related to the Company's move to executive offices, Company elected to abandon some office furnishings and fixtures that were previously utilized for warehousing activities, including heavy duty warehouse racks, specialized fixtures and distressed furniture.

(4) Film Library Valuation is based on a six-year-old study, which is currently being updated to include new media revenue forecasts, and titles which have been added since 2011; management believes that the revised Film & Television Library Valuation Report will likely increase, based upon the large number of titles added to the Library.

(5) Accrued Royalties includes "net" payable amounts from international presales, along with earned royalties due, but not yet paid as of the date of this report, per various producer agreements. Significant reduction in Q4 occurred after application of prior producer payments and the allocation of authorized marketing expenses.

(6) Acquisition Advances due was reduced in part from payments made directly by third-party licensors to program suppliers.

(7) Accrued Wages has been reconciled and corrected from the prior quarterly report to include sums which were inadvertently omitted, including accrued but unpaid wages to some staff and consultants.

(8) 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).*

(9) 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.

(10) Although Company is showing an overpayment to TCA Global Master Fund of $28,439 (after payment of all principal, penalties, legal costs and maximum legal interest under applicable usury laws), TCA has long represented that they are due $100,000 for "investment advisory services," for which 10-million common stock shares were issued as either payment or collateral. which were never performed. On March 30, 2017, subsequent to the end of this reporting period, a settlement was made with TCA to end all legal activities and disputes, as described in this filing under the Legal disclosures section.

# Hannover House, Inc.

Consolidated Statement of Cash Flow

For the Three-Month Period Ending December 31, 2016

| | | 12/31/2016 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Net Income** | $ | 150,850 |
| **Adjustments to reconcile net income** | | |
| to cash provided by (used in) | | (253,878) |
| operations | | - |
| Depreciation | | - |
| Accounts receivable | | (403,351) |
| Inventory | | 108,220 |
| Prepaid advertising | | - |
| Producer marketing recoupment | | - |
| Prepaid producer royalties | | - |
| Film distribution rights | | - |
| Accounts payable | | (4,894) |
| Short Term Notes | | (65,480) |
| Weinreb P&A interest | | (12,943) |
| Graham Financial interest | | (1,400) |
| Bank of Fayetteville Interest | | - |
| Long Term Payables | | (11,900) |
| Real Estate Mortgage Payable | | - |
| TCA Global Master Fund | | - |
| Accrued royalties | | 528,606 |
| Deferred income tax payable | | (81,227) |
| Accrued wages | | 11,622 |
| Payroll taxes due | | 4,500 |
| Executive salary deferral | | (24,000) |
| Cash used in operations | | (55,275) |
| **Cashflows from investing activities** | | |
| Film production investments | | - |
| Furnishings, Equipment, Truck | | 7,040 |
| Weinreb / Hounddog P&A note | | - |
| Graham Financial Services note | | - |
| Bank of Fayetteville note | | - |
| Acquisition Advances Payable | | 40,386 |
| NB Cal loan (AFIL) | | - |
| Officer notes payable | | - |
| Cash provided by investing activities | | 47,426 |
| **Cash flows from financing activities** | | |
| **Increase in cash** | | (7,849) |
| **Cash, beginning of period** | | 14,747 |
| **Cash, end of period** | $ | 6,898 |

## HANNOVER HOUSE, INC.

### Change In Shareholder's Equity

### For the Three Month Period Ending December 31, 2016

| | Common Stock | | | | Retained | | |
|---|---|---|---|---|---|---|---|
| | Shares | | Amount | | Earnings | | Total |
| **Balance at Sept. 30, 2016** | 799,929,996 | $ | 26,921,077 | $ | 3,490,069 | | 30,411,146 |
| *Net Adjustments to Equity* | | | | | | $ | 552,872 |
| **Net Income** | | | | $ | 150,850 | $ | 150,850 |
| **Balances at Dec. 31, 2016** | 799,929,996 | | - | | 3,640,919 | | 31,114,868 |

**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 December 31, 2016 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 12-31-2016, there were no further changes of "control".

As of 12-31-2016, there were no increases of 10% or more of the same class of outstanding equity securities.

During the year-end reporting period ending 12-31-2016, 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 12-31-2016, 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 12-31-2016 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 12-31-2016 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 12-31-2016, 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. The current P/E ratio for Company's (Hannover House's) is about 4.1, based on an annualized projection of the current reporting period. If the Company's stock were trading consistent with the pricing for this industry sector, it would be trading for approx.. $.038 per share, approximately 3-X current price pricing per share. This Industry P/E price, while 3-X greater than current PPS, also does not take into account the prospective value of the Company's activities towards the launch of the **VODWIZ** streaming portal or the forthcoming major motion picture production of "**Mother Goose: Journey To Utopia**" which many entertainment stock experts have relayed to management as supporting their belief that the PPS could support a price in excess of $.10 per share.

**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 December 31, 2016, 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 December 31, 2016.

**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 December 31, 2016, 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 is currently being drafted. Under advice of counsel, Company has been told that the terms of the TCA settlement are confidential at this time. However, Company has been authorized to disclose that no new shares will be required for issuance to satisfy this settlement agreement.
Company felt that satisfying and resolving the TCA litigation was crucial to enabling the Company to move forward with other, more significant activities and fundings, free from the shadow of litigation and a U.C.C. Security interest.

**2). STOCK MANIPULATOR'S SUIT** – The Company engaged George B. Morton, Esq., to pursue an action against known members of an organized stock "bashing" gang that have collectively damaged the Company's share price by more than $10-million in market capitalization value over the past four years. Due to the size of the damages in this case, the jurisdiction will be the U.S. Federal Court, western district of Arkansas. This civil action has not yet been filed, due to a strategic determination regarding the ideal timing, and the impact of this move and subsequent announcements relative to other corporate governance achievements. A related action to pursue charges for the criminality of the actions taken by these manipulators is also being prepared for this same court venue. On March 29, 2017 *(subsequent to the period covered by this filing),* Company managers met with FBI investigators covering this matter for the U.S. Attorney's office, Western District of Arkansas, for the purposes of reviewing photos and assembled materials in a possible criminal action against the identified defendants. The civil slander issue stems from chat-room postings and statements made by the stock bashers that are defamatory, and demonstrably and knowingly false, as well as some which were of a violent and terroristic threatening nature against HHSE managers. The Criminal issues relate to the timing of organized "basher-attacks" that correspond to tracked sales of HHSE stock, which evidence a coordinated conspiracy to manipulate the stock price.

**3). JOHN BOAL PHOTOGRAPHY VS. HANNOVER HOUSE** – A lawsuit filed in 2016 by a work-for-hire event photographer in the Washington, D.C. area was settled and dismissed. The photographer's request for over $2-million dollars in "copyright damages" was vacated and the case withdrawn.

**4). 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, this time in June, 2017, based on cash flow schedules.

**5). 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.

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*). Corporate counsel has advised management that the Company shall be obligated to disclose the merger partner and principal terms of the merger at such time that the legality and logistics of this proposed merger structure are determined to be acceptable, which issues are currently under review and are anticipated to be resolved on or before April 14, 2017. Upon formal closure 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.

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 April, 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**

Key Art Posters for a selected, few current and upcoming theatrical and home video releases are included with this Quarterly Report as Exhibit "A". However, shareholders may see frequent (weekly) updates on the Hannover House Blog, www.HannoverHouseMovies.BlogSpot.com

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**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: March 31, 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 annual 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

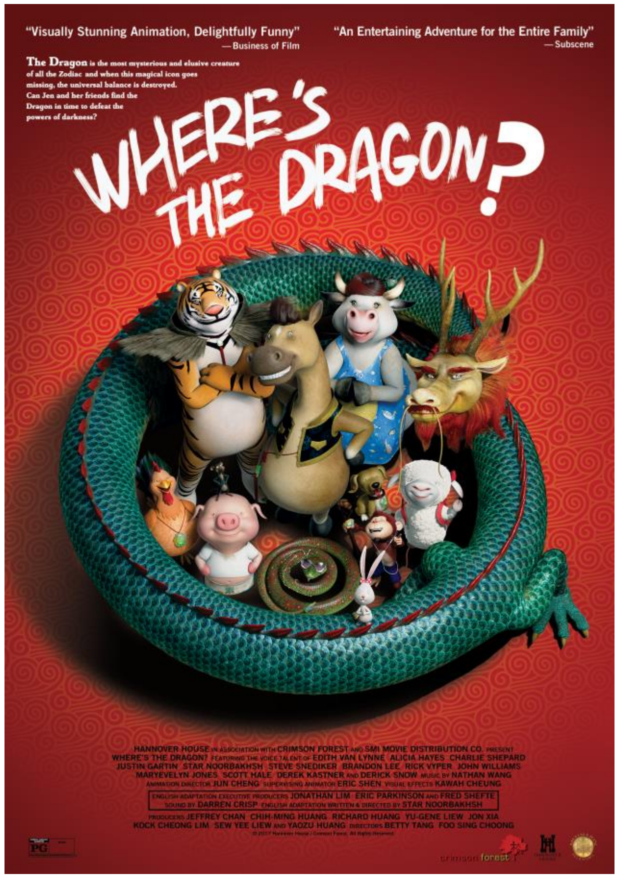
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2017

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

**EXHIBIT "A"**

**KEY ART FOR SELECTED CURRENT & UPCOMING THEATRICAL AND HOME VIDEO RELEASES FROM HANNOVER HOUSE, INC. & MEDALLION RELEASING, INC.**

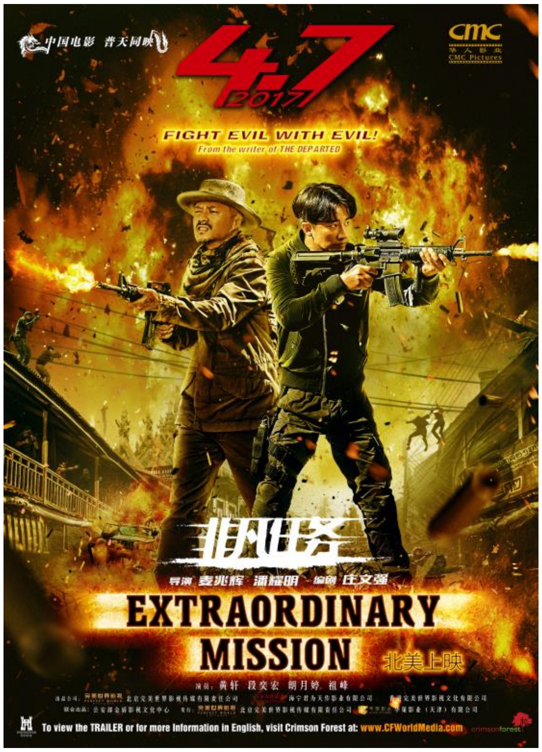



**WHERE'S THE DRAGON? Opens June 16, 2017**
**$20-mm Animated Feature from Crimson Forest and Hannover House**
*(Pictured above: post-production recording of the English-Adaptation of this feature, Produced by Fred Shefte and Eric Parkinson, Directed by Star Noorbakhsh.*

**(EXHIBIT "A" – Continued)**


**BLOOD FEAST – Opens June 2, 2017**
**Official Remake of Horror-Film Classic**

**(Exhibit "A" – Continued)**

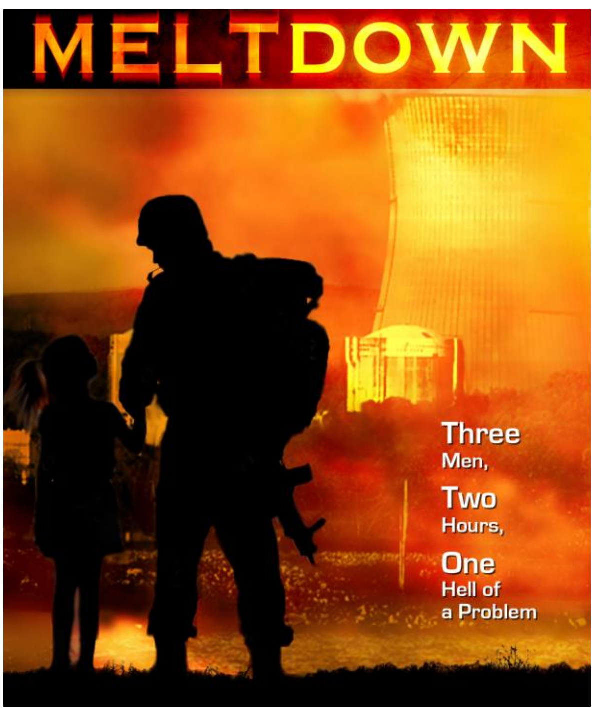



**EXTRAORDINARY MISSION – Opens April 7**

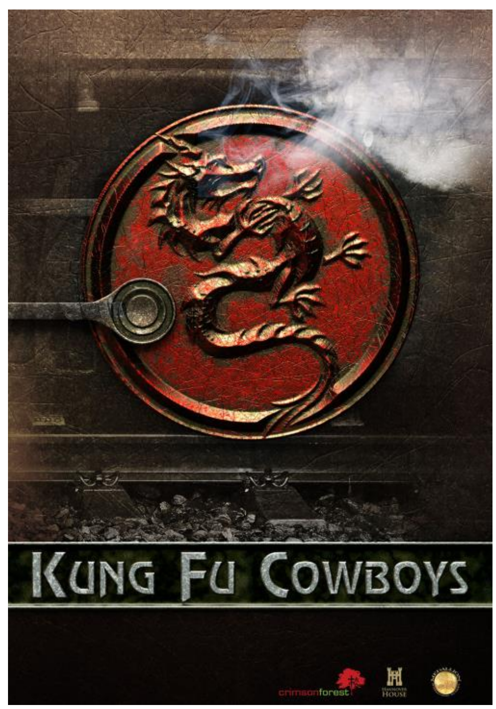
*$23-mm USD Production / CMC Pictures*


**SHOCK WAVE – Opens April 28**

*$20-mm USD Production / CMC Pictures*




***MELTDOWN – Major Production***




***KUNG FU COWBOYS – Major Production***