

TITLES LIST

music



Title	Program Format	Genre	Year Produced	Cast/Talent	Synopsis
PAVARETTI: THE EVENT	90 minutes	Classical/Arts	1990	Pavarotti	<p>Operatic arias and Neapolitan songs performed by the famed tenor at a gala concert in May 1990, at the Palafurssand in Milan. The concert was ecstatically received by the audience of 10,000, with Pavarotti returning to sing no less than six encores.</p> <p>Tracks: Ouverture dal Don Pasquale, Quando e bella quanto e cara, Una furba lagrima (Donizetti), Andante in do magg (Mozart), Torna degli an miet... Fra poco a me ricovero (Donizetti), Lo mia letizia indendero (Verdi), Pourquoi me revecher (Massenet), Recorrida armonia, E lavoran lo steso (Puccini), Carmen Fantasy (Bizet-Borne), Vesti la giubba (Leoncavallo), Ouverture da Sembrando (Rossini), La scrognata (Mascagni), Girolletta (Stefia), Occhi di Fala (Donza), Addio fante asi (Puccini), O solo Mo (Capua), La mia canzone al vento (Bizio), Torna A Surrento (De Curtis), Nessun dorma (Puccini)</p>
PAVARETTI & FRIENDS 2	88 minutes	Classical/Arts	1994	Pavarotti	<p>The follow-up to 1992's platinum-selling Pavarotti & Friends, this charity concert was recorded on 13 September 1994 at the Parco Novi Sad in Modena, Italy. Superstar tenor Pavarotti invites special friends for another moving and wonderfully entertaining show, performing well-loved tracks from both classical and pop repertoires. Co-artists include Andrea Bocelli, Andreas Vollenweider, Bryan Adams, Giorgio, Nancy Gustafson, and Michael Nyman, accompanied by the Orchestra del Teatro Comunale di Bologna.</p>
PAVARETTI & FRIENDS: FOR CAMBODIA & TIDET	96 minutes	Classical/Arts	2000	Pavarotti	<p>Pavarotti has shown throughout the series of his annual charity concerts that his heart is as powerful as his voice. Recorded on 6 June 2000 at the Parco Novi Sad in Modena, Italy, in the presence of His Holiness the Dalai Lama, this spectacular gala showcases performances by an eclectic group of talents. The show features impassioned performances by popular artists including Aqua, Enrique Iglesias, George Michael, Shunk, Anaishe, Tracy Chapman, Eurythmics, Savage Garden, Zucchero, Irene Grandi, Costano Veloso, and more.</p>
PAVARETTI & FRIENDS: FOR THE CHILDREN OF BOSNIA	80 minutes	Classical/Arts	1995	Pavarotti	<p>The third in Pavarotti's series of charity concerts, the world-renowned tenor lends his beautifully powerful voice yet again to a good cause, as he and some of his most talented friends get together in support of the displaced children of war-torn Bosnia. Recorded on 12 September 1995 in Modena, in the presence of HRH the Princess of Wales, Pavarotti gives heartfelt performances all the way through this event, with famous artists like U2's Bono and The Edge, soft-pop crooner Michael Bolton, Duran Duran's Simon Le Bon, and Irish folk stars The Chieftains at his side.</p>
PAVARETTI & FRIENDS: FOR THE CHILDREN OF LIBERIA	105 minutes	Classical/Arts	1998	Pavarotti	<p>Directed by no other than Spike Lee himself, this instalment of super-tenor Luciano Pavarotti's series of charity concerts features a spectacular and diverse line-up, including Jon Bon Jovi, Spice Girls, Stevie Wonder, Vanessa Williams, The Corrs, Eros Ramazzotti, and Zucchero, plus a heart-warming performance by the Liberian children's choir. Recorded on 8 June 1998 at Parco Novi Sad in Modena, in the presence of HRH Prince Albert of Monaco, this concert is a veritable musical feast.</p>
PAVARETTI & FRIENDS: FOR WAR CHILD	107 minutes	Classical/Arts	1996	Pavarotti	<p>Luciano Pavarotti presents another star-studded gala concert, recorded on 20 June 1996 in Modena, Italy, to raise funds for War Child to build the Pavarotti Music Centre in the war-torn town of Mostar in Bosnia. Key artists include Ethna John, Eric Clapton, Joan Osborne, Liza Minnelli, Jon Secada, Sheryl Crow, and Zucchero, accompanied by L'Orchestra Filarmonica di Torino, conducted by Marco Armiliato, Jose Molina and Dal Lavarina.</p>
RUSSELL WATSON: THE VOICE LIVE	78 minutes	Classical/Arts	2006	Russell Watson	<p>In February 2002, Russell Watson travelled to Auckland for an epic open air concert. The resulting breath-taking spectacle featured some of Russell's best-loved performances including Caruso, O Sole Mio and Volare. Supported by special guest appearances from Faye Tozer (Steps) and New Zealand singing sensation Hayley Westenra, this concert is his most acclaimed performance to date, capturing the magic of 'The Voice' that can only be Russell Watson.</p>
STING- SONGS FROM THE LABYRINTH	55 minutes	Classical/Arts	2007	Sting	<p>In collaboration with Bosnian talent Edin Karamazov, Sting presents in Songs From The Labyrinth, a rare and insightful interpretation of the songs of one of England's greatest songwriters, John Dowland. Together they interpret songs, instrumental's, and a few short recitations to create a beautiful and haunting record of the 16th century seagardener's impressive body of work.</p>
THE IRISH TENORS	120 minutes	Classical/Arts	2004	Irish Tenors	<p>Three Celtic voices who have taken the world by storm with their distinctive mix of operatic and traditional music, vowing them to sell out performances in the world's major venues.</p>

CAMELOT ENTERTAINMENT

10 UNIVERSAL CITY PLAZA, NBC/UNIVERSAL BUILDING 20TH FLOOR, UNIVERSAL CITY, CA 91608
P: 818.308.8858 F: 818.308.8848 E: INFO@CAMELOTFILMS.COM W: WWW.CAMELOTENT.COM

Schedule 1

Certain distribution and license rights that have been acquired pursuant to distribution and license agreements entered into by Debtor with respect to the following films:

1. Samurai Avenger
2. First Strike
3. Screwball: The Ted Whitfield Story (aka The Wiffler)
4. The Fallen
5. One Lucky Dog (aka Weiner Dog Nationals)
6. Never Sleep Again
7. Hellraiser Unleashed
8. Finkl
9. Nude Nuns With Big Guns
10. Zombie Culture
11. National Lampoons Dirty Movie
12. Who Is KK Downey
13. Next of Kin



EXHIBIT H

Incentive Capital LLC
2755 E. Cottonwood Parkway
Suite 100
Salt Lake City, UT 84121

As of April 7, 2010

Re: Escrow Agreement ("Escrow Agreement") between Camelot Film Group, Inc. ("CFG") and Incentive Capital LLC (the "Lender")

Dear Sirs:

Reference is made to Camelot Entertainment Group's ("CEG") guarantee (the "CEG Guarantee") of CFG'S obligations as defined in the loan documents of even date between the Lender and CFG ("Loan Documents") relating to the acquisition by Camelot of the Liberation Entertainment Library assets.

Please confirm your agreement to the terms of this Escrow Agreement by signing and returning to us the enclosed copy:

1. Undertakings

- (a) CEG shall forthwith deliver to the undersigned escrow agent ("Escrow Agent") a Certificate of Designation (the "Certificate") in the form annexed hereto as Exhibit A, authorizing the issuance of Six Hundred Fifty Thousand Dollars (\$650,000.00) worth of CEG Class F Convertible Preferred shares (the "Pledged Shares"), which shall be held in accordance with, and subject to, the terms of this Escrow Agreement.
- (b) CEG shall also forthwith deliver to the Escrow Agent a certificate constituting the Pledged Shares (made out to the Lender) (the "Certificate"), which shall be convertible into fully paid and non-assessable shares of CEG common stock ("Common Stock") at a price based on the ninety (90) day average price of the Common Stock immediately prior to the conversion of the Stock. While in escrow, none of CEG or its affiliates shall transfer, assign or encumber any of the Pledged Shares or the Certificate.
- (c) If the total consideration received by the Lender from loan payments, distribution revenues generated by Camelot Distribution Group, Inc. and/or CFG, and all other sources as more fully discussed and agreed to in the Loan Documents, is less than Six Hundred Fifty Thousand Dollars (\$650,000.00), plus applicable interest, in the aggregate, by the time all of said Common Stock has been delivered and is eligible for sale, then CEG shall issue additional shares of CEG Common Stock to the Lender until the Lender has received Common Stock that has a fair market value in an amount not less than Six Hundred Fifty Thousand Dollars (\$650,000.00), plus applicable interest.
- (d) Escrow Agent will hold the Pledged Shares and the Certificate in accordance with the terms of this Escrow Letter.




- (e) If the Escrow Agent receives written notice from CEG and the Lender on or before the expiration of the Loan Documents that the Lender has been fully paid pursuant to the Loan Documents, the Escrow Agent will transfer the Pledged Shares to Camelot unencumbered within five (5) business days of such notification; or
- (f) If the Lender notifies the Escrow Agent in writing (but such notification cannot occur before the maturity date of loan set forth in the Loan Documents), with a copy to CEG, that Lender has not been fully paid pursuant to the Loan Documents, and such notification is not objected to by CEG in writing within five (5) business days after its receipt of such notice, the Escrow Agent shall transfer to the Lender the Pledged Shares and the Certificate in an amount equal to the remaining balance, plus accrued and unpaid interest, of the Note, unencumbered, within five (5) business days of such notification.
- (g) In the event that such notification from the Lender is disputed by CEG in writing, then the Escrow Agent shall hold the Pledged Shares, subject to parties resolving the dispute either voluntarily or through mutually-acceptable dispute resolution in the State of Utah. Notwithstanding the foregoing, unless CEG produces to the Escrow Agent (at the same time it provides the Escrow Agent its written objection) evidence of a money transfer (i.e. wire, check or cash) in an amount that would completely pay off the loan discussed herein and prior to or on the maturity date set forth in the Loan Documents, Escrow Agent shall release the Pledged Shares and the Certificate to the Lender.
- (h) All notices shall be in writing by email and fax to the addresses set forth in the Loan Documents, with a hard copy delivered personally as to addresses in the Los Angeles metropolitan area or sent by Federal Express or UPS as to addressees outside of the Los Angeles metropolitan area, to the respective addresses set forth below.

2. Miscellaneous

- (a) The transfer of the Pledged Shares to the Lender, or back to Camelot, hereunder shall be made to the applicable party via Federal Express at Camelot's expense upon five (5) business days prior notice, unless the parties agree in writing on a different manner of transfer of the Pledged Shares.
- (b) Upon receipt of the Pledged Shares and the Certificate from the Escrow Agent, whether to Camelot (upon payoff of the loan discussed herein) or to the Lender (if the Lender is not fully paid in accordance with the Loan Documents), the Escrow Agent shall be discharged from any other obligations to the Lender, and this Escrow Agreement shall terminate.

At all times after the date of this Escrow Agreement the parties shall execute all such documents and do all such acts and things as may reasonably be required for the purpose of giving full effect to this Escrow Agreement.

All rights under this Escrow Agreement are personal to the Parties and may not be assigned by either Party without the prior written consent of the other Party.




This Escrow Agreement and any documents referred to in it, constitute the whole agreement between the Parties and supersede any previous arrangement, understanding or agreement between them relating to the subject matter they cover, and may not be modified and/or amended without the prior written consent of both Parties.

Except as expressly provided in this Escrow Agreement, a person who is not a party to this Escrow Agreement shall not have any right to enforce any term of this Escrow Agreement.

These Escrow Instructions and this Escrow Agreement shall be governed by the internal laws of the State of Utah applicable to contracts negotiated and entered into and performed wholly within the State of Utah.

Accepted and Agreed:

CAMELOT ENTERTAINMENT GROUP, INC.

BY: 
Name: ROBERT P. AGNEW
Title: Chairman

INCENTIVE CAPITAL LLC

BY: _____
Name:
Title:

Yours faithfully

.....
ESCROW AGENT



EXHIBIT I



PIA
ANDERSON
DORIUS
REYNARD
MOSS

Wednesday, June 2, 2010

NOTICE AND NO WAIVER

SENT VIA EMAIL & U.S. MAIL

Camelot Entertainment Group
c/o Bob Atwell
cc: Jamie Thompson, Ted Baer, Peter Jarowey
10 Universal City Plaza
NBC/Universal Building 20th Floor
Universal City, CA 91608

Re: Incentive Capital Financing – Camelot's Failure to Perform

Gentlemen:

Since the inception of this loan, the lender Incentive Capital has operated in good faith in making its scheduled disbursements, based in large part upon the pre-closing representations by the borrower Camelot and its representatives concerning specific profitability benchmarks of this business enterprise. However, as you know, Incentive Capital has been apprehensive about making loan disbursements beyond the initial acquisition disbursement until it sees that Camelot can and will generate sufficient funds to make regularly scheduled loan payments as well as promised participation payments.

As you will recall, this was a matter of much focus and discussion just prior to closing. In other words, there is no question that the amount of revenue generated by the acquisition represented by Camelot was and continues to be "material." It was represented to Incentive Capital that the film library was currently generating \$150,000 of gross revenues each month. We reminded you of this material representation in our email to you on April 27th, which reads in relevant part as follows:

The lender is "uneasy about advancing operational funds to a distributor before having some level of comfort that the distributor will perform as agreed – i.e., make its participation payments. As you have represented to us that the library now generates approximately \$150,000 in gross revenues monthly, this should not pose much of a hardship."

Your representations in the final Note confirm this to be the case and specifically reference the sales projections enclosed herewith as **Exhibit A**. The Note states in pertinent part that payment is "conditioned upon the (a) Borrower's and Guarantors' performance of all other obligations under th[e] Note and the related loan documents . . . (b) all representations and warranties by Borrower and the Guarantors in the Loan Documents being true and accurate."

Although a payment of \$40,000 was made in good faith as scheduled after the initial financing of \$500,000, Incentive Capital now believes that the Warranties set forth in the Note are in breach. That relevant section of the Note reads: "The Borrower represents that the international sales projections

previously provided by Borrower in connection with the parties' initial term sheet shall not vary by more than 25% less than that represented therein on the estimated low value and short term sales potential 10% columns. A copy of the international sales projections is attached hereto as Exhibit A."

Thus, it continues to be Incentive Capital's express understanding of the parties' agreements that in addition to your representations that \$150,000 was being generated by the film library at the time it was acquired (the "Existing Sales Revenues"), that Incentive Capital would also receive participation payments according to the "Short Term Sales Potential" amounts (which total \$2,284,500 annually) reflected in the projections spreadsheet incorporated into the Note (the "Exploitation Sales Revenues"). This representation has been relied upon by Incentive Capital.

If the forgoing constitute accurate and truthful representations by Camelot, then during the month of May 2010 Incentive Capital should have received no less than \$15,000 in participation payments. However, to date Incentive Capital has only received a participation payment of \$4,400 on May 21, 2010 and \$1,012.22 on May 26, 2010. The total participation payments to date equal \$5,412.22, which constitutes 10% of \$54,122. Incentive Capital has also received \$6,750 in interest payments.

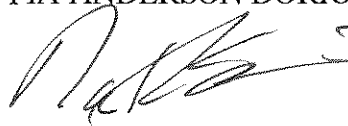
To make sure that there was a meeting of the minds between Incentive Capital and Camelot on this critical issue, the Note provides for operational advances on the express condition that all representations be accurate and true, including (as mentioned above) the representation that the film library would generate revenues within 25% of the projections provided by Camelot to Incentive Capital (which were attached as an exhibit to the Note and incorporated by reference). Those projections indicate that the library will generate \$22,845,000 annually (under the "Estimated Total Value – Low" column"). Based upon these projections and the terms of the loan documents, Camelot represented and agreed to generate gross Exploitation Sales Revenues of approximately \$1,427,812.50 per month in order to hit the annualized target amount of \$17,133,750 (given the 25% margin provided for in the Note). Thus, Camelot should be paying Incentive Capital the sum of \$15,000 (representing 10% of the Existing Sales Revenues) and \$142,781.25 (representing 10% of the Exploitation Sales Revenues), for a total monthly payment of \$157,781.25. Clearly, the participation payments made to Incentive Capital thus far fall considerably short of the agreed upon amounts. In fact, Camelot has failed to pay Incentive Capital the \$15,000 from Existing Sales Revenues, let alone any portion of the Exploitation Sales Revenues.

Based upon the participation payments received to date, Incentive Capital is concerned that one of two things is happening: (a) Camelot is not generating monthly gross revenues as it represented in order to induce Incentive Capital to make this loan, or (b) Camelot is not making the full participation payments as required under the loan documents. Despite the occurrence of what Incentive Capital believes to be material breaches of the loan documents by Camelot, Incentive Capital, without waiving its rights and remedies under the loan documents, has made the promised operational advances to Camelot.

According to the terms of the Note, Incentive Capital is excused from making any operational advances if Camelot's representations (including those concerning revenue projections) are inaccurate. Therefore, Incentive Capital will not make any further operational advances unless and until Camelot evidences to Incentive Capital that it is in compliance with its representations concerning revenue projections. If Camelot is unable to do so within the next 30 days, then Incentive Capital will exercise its rights and remedies under the loan documents. Camelot may call either Nathan Dorius or Joe Pia directly (801) 350-9000 with respect to this issue.

Please provide our office with evidence of the gross revenues from the film library for the months of March, April and May 2010, so that we may review them with Incentive Capital. We are hopeful that the documentation provided by you will show that the film library was and is generating revenues as represented to Incentive Capital in order to induce Incentive Capital to make this loan. If that is the case, then we will advise Incentive Capital to resume making the operational advances under the Note. Thank you for your anticipated cooperation.

Sincerely,
PIA ANDERSON DORIUS REYNARD & MOSS

A handwritten signature in black ink, appearing to read 'Nathan S. Dorius', with a stylized flourish at the end.

Nathan S. Dorius

EXHIBIT J

From: "Pmjarowey2@aol.com" <Pmjarowey2@aol.com>
Subject: **Liberation 2009 Income Statement Detail**
Date: March 24, 2010 8:45:57 AM MDT
To: Joseph Pia <IMCEAEX-_O=FIRST+20ORGANIZATION_OU=FIRST+20ADMINISTRATIVE+20GROUP_CN=RECIPIENTS_CN=JOE+2EPIA@PADRM.com>
Cc: "jamie@camelotfilms.com" <jamie@camelotfilms.com>, "bob@camelotfilms.com" <bob@camelotfilms.com>, "Jatedbaer@aol.com" <Jatedbaer@aol.com>
▶ 1 Attachment, 480 KB

Joe:

It took me awhile to locate the best document to provide the detail on revenue distribution for the Liberation Library. Attached is an income statement with actuals through 9/30/2009 and monthly forecasts for the 4Q 2009. The forecast actually came in very close the final numbers for 2009. This will give you a sense of the annual and monthly cash generation. Also included in the file for your consideration, are SGA actuals for 2009 and SGA an estimate for 2010. As you know, Camelot will not be acquiring any overhead in its purchase of the Liberation assets, so all the estimated SGA goes to the bottom line.

This responds to your request for specific revenue figures as we discussed the other day. After reading your note to Jamie yesterday regarding the "independent review of the library", I believe these numbers serve to solidly support that, in fact, the library does generate significant revenue exclusive of some of the territories Jamie is focusing on--supporting the cash price the Company is paying. Jamie plans to get back to you directly on the specifics raised in your email to him, but the attached is my contribution to the position that the Liberation assets are a good buy and can generate sufficient cash flow to pay back the loan in short order.

Please feel free to call with any questions. My cell phone is 617-388-4339. Thanks.

Peter



2009Forecas....xls (480 KB)

LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				Total 2009
	Actual	Oct	Nov	Dec	
Revenues					
DVD Distribution Sales	-				-
DVD Distribution Sales- US	2,082,480	217,078	218,152	108,837	2,626,547
DVD Rev Share Sales - US	(1,235)				(1,235)
DVD Distribution Sales-Canada	929,718	81,818	8,099	2,731	1,022,366
DVD Rev Share Sales - Canada	127,549				127,549
DVD Distribution Sales- Intl	-				-
Licensing TV & DVD-USA	-				-
Licensing DVD only-USA	10,000				10,000
Licensing TV only-USA	617,579	1,000	1,000	1,000	620,579
Licensing - Digital - USA	-				-
Licensing TV & DVD-Canada	-				-
Licensing DVD only-Canada	-				-
Licensing TV only-Canada	-				-
Licensing - Digital - Canada	-				-
Licensing TV & DVD Intl	-				-
Licensing DVD only-Intl	736,324	-	60,000	10,000	806,324
Licensing TV Only-Intl	1,004,424	7,200	80,500	105,740	1,197,864
Licensing - Digital - Intl	-				-
Theatrical Gross Revenue - Dom	150,584				150,584
Theatrical Revenue - Intl	2,068				2,068
Post-production income	9,915				9,915
OTHER	-	2,500	2,500	2,500	7,500
Commissions	-				-
IPA (Rta AFMA) Royalties	-				-
Royalty-Other	42,929				42,929
Misc Other Income	56,563				56,563
Combined domestic & International	5,768,898	309,596	370,251	230,808	6,679,553
Sales Discounts	(51,936)				(51,936)
PV Sales Discounts	(89,409)				(89,409)
Returns	(395,029)	(73,983)	(43,931)	(20,892)	(533,835)
Total Revenues	5,232,524	235,613	326,320	209,916	6,004,373

LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				
	Actual	Oct	Nov	Dec	Total 2009
Cost of Sales					
PRODUCTION COSTS	-				-
Contractors- outside vendors -	4,453				4,453
Narration/Voice-overs	125				125
Dubbing/Duplication	10,847				10,847
Film Trfr format/fix	11,593				11,593
Closed Caption	1,900				1,900
Studio rentals/filming	813				813
Video Edit	16,775				16,775
Audio Mix/Edits	7,172				7,172
Narration/Voice-overs	720				720
Video Masters	25,197				25,197
Closed Captioning	2,340				2,340
Graphic Designs/Key Art	150				150
Quality Control Expense	1,568				1,568
MANUFACTURING COSTS	-				-
Dubbing/Duplication	30,608				30,608
Delivery, Freight & Postage	583				583
Legal & Copyrights	275				275
Contractors- outside vendors	196				196
Studio rentals/filming	9,586				9,586
Graphic Designs/Key Art	11,776				11,776
Rep/Maint-Production Equipment	657				657
Quality Control Expense	3,255				3,255
DISTRIBUTION COSTS	-				-
Adv/Promotions (Gen Key Art)	1,700				1,700
Dubbing/Duplication	46,985				46,985
Delivery, Freight & Postage	10,520				10,520
Legal & Copyrights	495				495
DVD Screeners/Promotion	9,712				9,712
Local Messenger/Courier	481				481
Digital File Transfers/Uploads	6,357				6,357
Travel	4,000				4,000
Marketing-TV Licensing	76,207				76,207
Contractors- outside vendors	6,045				6,045

LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date			
	Actual	Oct	Nov	Dec
				Total 2009
Commissions-Domestic Sales	86,947			86,947
Commissions-International Sales	21,248			21,248
PP-Writing/Editing/Assembly	3,441			3,441
Graphic Designs/Key Art	450			450
Storage/Restock Fees	43,805			43,805
Sync/Mechanical Royalties	10,300			10,300
Residuals-recoupable	46,800			46,800
Quality Control Expense	3,013			3,013
Reimb Costs-Wolverine	(130,270)			(130,270)
				-
Production/Distribution Costs	388,825	-	-	388,825
				-
DVD Distribution COGS	-			-
Distribution Fee DVD Distr COGS	425,224			425,224
Manufacturing DVD Distr COGS	445,457			445,457
Mfg Costs-Accrued Return Reser	-			-
Shipping DVD Distr COGS	21,931			21,931
Freight to Distributors	7,279			7,279
Returns Handling - DVD Distr	4,530			4,530
VMJ Expense	602			602
Fulfillment - DVD Distr Costs	2,551			2,551
Marketing DVD Distr COGS	152,218			152,218
WEBSITE DESIGN/MAINT-MKTG DVD	45,246			45,246
Art & other DVD Distr COGS	81,114			81,114
Royalties DVD Distr COGS	298,965			298,965
Music Royalties-DVD	1,202			1,202
Residuals-DVD	12,965			12,965
Post Production-DVD-Cap Item	-			-
PP-DVD-AUTHORING	58,769			58,769
PP-DVD-Blue Ray Authoring	7,900			7,900
PP-DVD-Bonus Footage	15,531			15,531
PP-DVD-MENU DESIGN	18,700			18,700
PP-DVD-Video Mastering	5,090			5,090
PP-DVD-Quality Control	1,438			1,438
PP-DVD-Film Transfer	2,920			2,920
PP-DVD-Video/Audio Editing	7,873			7,873

LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				Total 2009
	Actual	Oct	Nov	Dec	
PP-DVD-Graphics & Key Art	25,745				25,745
PP-DVD-Commissions	702				702
PP-DVD-Dubbing/Duplication	7,659				7,659
PP-DVD-Delivery & Freight	1,346				1,346
PP-DVD-Local Messenger/Courier	1,012				1,012
PP-DVD-Online	1,281				1,281
PP-DVD-Quality Control	10,418				10,418
PP-DVD-Screeners/Trailers	12,772				12,772
Misc Other-DVD Distr COGS	35,204				35,204
Retail Coop Adv-North America	3,782				3,782
Cap Expenses Offset-DVD	(76,041)				(76,041)
DVD P&D COGS	1,641,385	140,732	105,875	50,848	297,455
		140,732	105,875	50,848	1,938,840
THEATRICAL COGS	-				-
Theatrical Booking	26,947				26,947
Marketing US - Theatrical	192,018				192,018
Art & other Theatr Distr COGS	6,076				6,076
Prints/Digital Distrib- Theatr	85,577				85,577
Post Production-Theatr-Exp Item	-				-
PP-Theatrical-Graphics/Key Art	1,340				1,340
PP-Theatrical-Delivery/Freight	7,700				7,700
PP-Theatrical-Messenger/Courier	3,595				3,595
PP-Theatrical-Printing/Brochur	-				-
Quality Control-Theatrical	3,103				3,103
PP-Theatrical-Screeners/Traile	8,867				8,867
Theatrical COGS	335,223				335,223
Producer's Shares	1,026,775	5,599	52,688	66,234	1,145,297
Mechanical Publish royalties	1,836				1,836
Gain/Loss on foreign Exchange	4,317				4,317
Cap Expenses Offset-Licensing	(13,100)				(13,100)
Total Cost of Sales	3,379,261	146,332	158,564	117,082	3,801,238

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LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				Total 2009
	Actual	Oct	Nov	Dec	
Gross Profit	1,853,263	89,281	167,756	92,834	2,203,135
Expenses					
MIPCOM	5,366				5,366
MIPTV	(9,987)				(9,987)
Conventions-Acquisitions	7,253				7,253
DISCOP Trade Show	191				191
General Promotional Expenses	2,095				2,095
Website fees & support-LEI Cor	1,484				1,484
Marketing & Tradeshow	6,402				6,402
LABOR & RELATED COSTS	-				-
Salaries & Wages	1,203,288				1,203,288
Vacation Pay Net accrual	2,064				2,064
Payroll Taxes	84,197				84,197
Insurance - Medical	69,692				69,692
Ins-Group Life AD&D STD & LTD	4,383				4,383
Insurance - Workers Comp.	7,236				7,236
Co Contribution-401k	36,287				36,287
Acc Bonus -All	18,750				18,750
Temporary Labor	17,790				17,790
Payroll/Burden Alloc to COGS	(5,305)				(5,305)
Labor & related costs	1,438,382				1,438,382
OPERATING EXPENSES	-				-
Bank Fees/Charges	1,710				1,710
Computer Software (not capital	689				689
Computer Hardware Peripherals	828				828
Delivery - Couriers & Freight	301				301
Dues & Subscriptions - Profess	9,629				9,629
Gifts-Business	258				258
Insurance - General	7,501				7,501

8
LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				Total 2009
	Actual	Oct	Nov	Dec	
Insurance - D&O	57,413				57,413
Internal Meetings	495				495
Meetings-external seminar/conf	457				457
Miscellaneous office	1,117				1,117
Parking-Office Building	10,680				10,680
Payroll Processing Fees	2,175				2,175
Plan 401k fees & expenses	1,922				1,922
Postage-Office	7,330				7,330
Prof. Fees - Audit/Tax Service	75,000				75,000
Prof Fees -Legal & Copyrights	89,364				89,364
Prof Fees - Consulting IT	26,770				26,770
Prof Fees - Consulting Other ((21,969)				(21,969)
Prof Fees-Public Relations	(2,492)				(2,492)
Prof fees-Clarity Mgmt Fee	75,000				75,000
Rent-Building	84,100				84,100
Rent - Office Equipment	4,859				4,859
Stationary & Printing	254				254
Storage fees	786				786
Supplies-Kitchen	1,197				1,197
Supplies-Office	3,506				3,506
Taxes - Property	1,129				1,129
Taxes & Licenses - Business	7,524				7,524
Telephone-Landlines	8,279				8,279
Telephone-Cellular	12,263				12,263
Telecomm - Other (pagers, fax)	12,492				12,492
Travel & Entertainment	74,339				74,339
Bad Debt Expense	57,794				57,794
Operating Expenses	612,700				612,700
Total SG&A Expenses	2,057,484	213,194	201,953	199,853	615,000
Net Oper Income (Loss) before ITDA	(204,221)	(123,912)	(34,197)	(107,019)	(469,350)

Interest, Tax, Depr, Amort
FILM & RIGHTS AMORTIZATION

8
LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				
	Actual	Oct	Nov	Dec	Total 2009
Amort. Exp - Orig Acquired	737,085				
Amort. Exp - Newly Acquired	1,395,420				
Amortization	2,132,505	94,410	130,757	84,114	2,441,786
	40%				
DEPRECIATION EXPENSE	-				
Depreciation - Furn & Fixtures	7,686				
Depreciation - Production	2,289				
Depreciation - Computer Hardwa	15,591				
Depreciation - Computer Softwa	19,063				
Depreciation	44,629	4,949	4,949	4,949	59,476
INTEREST EXPENSE	-				
Interest- Clarity Credit Lines	-				
Interest Expense-Note Payable	1,741,385				
Late charges from vendor	5,960	100	199	100	6,260
Interest Expense	1,747,345	197,493	197,493	197,493	1,741,385
Interest Income	(9,836)				(9,836)
Interest Income-AR Discount	(6,707)	(2,200)	(2,200)	(2,200)	(13,307)
Other Non-Operating	(16,543)	(2,200)	(2,200)	(2,200)	(23,143)
Foreign Tax Withheld	46,765				
Income Taxes-State	1,737				
Income Taxes	48,502	-	-	-	48,502
Subtotal-Int, Taxes, Depr & Amort	3,956,438	294,652	330,999	284,356	4,268,006
Net Income (Loss)	(4,160,659)	(418,565)	(365,196)	(391,375)	(4,737,355)

8
LIBERATION ENTERTAINMENT INC
Income Statement (US Only)
For the Nine Months Ending September 30, 2009

	Year to Date				Total 2009
	Actual 9/09	Oct	Nov	Dec	
SG&A					
Marketing & Tradeshow	6,402	3,500	1,500	-	11,402
LABOR & RELATED COSTS	-				-
Salaries & Wages	1,205,352	122,833	106,833	106,833	1,541,851
Payroll Taxes	84,197	3,894	3,387	3,387	94,865
Insurance - Medical	69,692	6,337	5,296	5,296	86,621
Ins-Group Life AD&D STD & LTD	4,383	408	358	358	5,507
Insurance - Workers Comp.	7,236	577	577	577	8,967
Co Contribution-401k	36,287	3,628	2,988	2,988	45,891
Acc Bonus -All	18,750	2,083	2,083	2,083	24,999
Temporary Labor	17,790	12,000	9,600	9,600	48,990
Payroll/Burden Alloc to COGS	(5,305)	-	-	-	(5,305)
Labor & related costs	1,438,382	151,760	131,122	131,122	1,852,386
OPERATING EXPENSES	-				-
Bank Fees/Charges	1,710	134	134	134	2,112
Computer Software (not capital	689				689
Computer Hardware Peripherals	828		400		1,228
Delivery - Couriers & Freight	301	33	33	33	401
Dues & Subscriptions - Profess	9,629	179	179	179	10,166
Gifts-Business	258	63	63	63	447
Insurance - General	7,501	4,028	4,028	4,028	19,585
Insurance - D&O	57,413	6,495	6,495	6,495	76,898
Internal Meetings	495				495
Meetings-external seminar/conf	457				457
Miscellaneous office	1,117	124	124	124	1,489
Parking-Office Building	10,680	1,356	1,356	1,356	14,748
Payroll Processing Fees	2,175	811	811	811	4,608
Plan 401k fees & expenses	1,922	235	235	235	2,627
Postage-Office	7,330	400	400	400	8,530
Prof. Fees - Audit/Tax Service	75,900	8,333	8,333	8,333	99,999
Prof Fees -Legal & Copyrights	89,364	5,000	5,000	5,000	104,364
Prof Fees - Consulting IT	26,770	1,719	1,719	1,719	31,927

LIBERATION ENTERTAINMENT INC
Income Statement (US Only)

For the Nine Months Ending September 30, 2009

Prof Fees - Consulting Other ((21,969)				(21,969)
Prof Fees-Public Relations	(2,492)	2,000	2,000	2,000	3,508
Prof fees-Clarity Mgmt Fee	75,000	8,333	8,333	8,333	99,999
Rent-Building	84,100	8,089	8,089	8,089	108,367
Rent - Office Equipment	4,859	580	580	580	6,599
Stationary & Printing	254	200	200	454	
Storage fees	786	100	100	100	1,086
Supplies-Kitchen	1,197	86	86	86	1,455
Supplies-Office	3,566	139	350	350	4,345
Taxes - Property	1,129				1,129
Taxes & Licenses - Business	7,524	750	750	750	9,774
Telephone-Landlines	8,279	972	972	972	11,195
Telephone-Cellular	12,263	1,411	1,411	1,411	16,496
Telecomm - Other (pagers, fax)	12,492	150	150	150	12,942
Training & Seminars (education	-				-
Travel & Entertainment	74,339	6,413	7,000	7,000	94,752
Bad Debt Expense	57,794		10,000	10,000	77,794
Operating Expenses	612,700	57,934	69,332	68,732	808,697
Total SG&A Expenses	2,057,484	213,194	201,953	199,853	2,672,484

SG&A

	First	Last	Role / Title	Annual	Base Salary	Guaranteed Bonus	401k Match	Health Insurance (Net of EE portion)	Life Insurance/Disability
Licensing (TV Sales)									
1	Matt	Cooperstein	SVP/GM Worldwide Television	200,000	25,000	8,000	8,004	500	500
1	Verena	Niemeyer	Sales Manager Worldwide Television	50,000		2,000	-	500	500
				250,000	25,000	10,000	8,004	1,000	1,000
DVD									
1	Sig	Sigworth	SVP/GM Home Entertainment	192,500		7,700	12,504	500	500
1	Aaron	Madden	Marketing Coordinator-Home Entertainment	40,000		1,600	3,396	500	500
				232,500		9,300	15,900	1,000	1,000
1	Zach	Hunchar	Director of Operations	73,710		2,948	3,396	500	500
				73,710		2,948	3,396	500	500
Executive Office									
1	Jay	Boberg	CEO/Chairman	250,000		10,000	14,364	500	500
				250,000		10,000	14,364	500	500
1	Fran	Salaña	Office Mgr/Exec Asst to Chairman	86,100		3,444	9,180	500	500
				86,100		3,444	9,180	500	500
Content Acquisitions									
1	Rob	Williams	VP Acquisitions/Theatrical Distrib	120,000		4,800	3,396	500	500
				120,000		4,800	3,396	500	500
Legal/Business Affairs									
1	Mike	Jaffa	SVP & Head of WW Business Affairs	185,000		7,400	4,044	500	500
				185,000		7,400	4,044	500	500
1	Adrena	Samuels	Mgr-Business & Legal Affairs/Paralegal	62,500		2,500	3,396	500	500
				62,500		2,500	3,396	500	500
Finance									
1	Mark	Lebowitz	CFO	200,000		8,000	14,364	500	500
1			Controller-Open-using Temp	115,000		4,600	14,364	500	500
				315,000		12,600	28,728	1,000	1,000

First Last Role / Title

Heads: 12

Annual		Guaranteed		Health Insurance		Life Insurance/Disability	
Base Salary	Bonus	401k Match		(Net of EE portion)		Est	
1,574,810	25,000	62,992		90,408		7,000	

Payroll Fees -		Payroll Fees -		Total Benefits		Bonus Provision- Reduced for Budget purposes	Total Costs with Bonus	Total Costs without Bonus (Except Guaranteed Bonus)
FICA	Payroll Fees - FUI	SUI					P&L	Cash
8,170	56	245	24,975	35,000	259,975	249,975		
3,825	56	245	6,626	5,000	61,626	56,626		
11,995	112	490	31,601	40,000	321,601	306,601		
8,170	56	245	29,175	28,875	250,550	221,675		
3,060	56	245	8,857	2,000	50,857	48,857		
11,230	112	490	38,032	30,875	301,407	270,532		
5,639	56	245	12,784	3,636	90,180	86,494		
5,639	56	245	12,784	3,636	90,180	86,494		
8,170	56	245	33,335	37,500	320,835	283,335		
8,170	56	245	33,335	37,500	320,835	283,335		
6,587	56	245	20,012	4,305	110,417	106,112		
6,587	56	245	20,012	4,305	110,417	106,112		
8,170	56	245	17,167	12,000	149,167	137,167		
8,170	56	245	17,167	12,000	149,167	137,167		
8,170	56	245	20,415	27,750	233,165	205,415		
4,781	56	245	11,478	3,125	77,103	73,978		
12,951	112	490	31,898	30,875	310,268	279,393		
8,170	56	245	31,335	30,000	261,335	231,335		
8,170	56	245	27,935	11,500	154,435	142,935		
16,340	112	490	59,270	41,500	415,770	374,270		

				Bonus Provision- Reduced for Budget purposes	Total Costs with Bonus	Total Costs without Bonus (Except Guaranteed Bonus)
Payroll Fees -		Payroll Fees -				
FICA	Payroll Fees - FUI	SUI			P&L	Cash
			Total Benefits			
81,083	672	2,940	244,096	200,741	2,019,646	1,843,906

EXHIBIT K

From: "Pmjarowey2@aol.com" <Pmjarowey2@aol.com>
Subject: **Re: Liberation 2009 Income Statement Detail**
Date: March 30, 2010 10:15:38 PM MDT
To: Joseph Pia <IMCEAEX-_O=FIRST+20ORGANIZATION_OU=FIRST+20ADMINISTRATIVE+20GROUP_CN=RECIPIENTS_CN=JOE+2EPIA@PADRM.com>
Cc: "jamie@camelotfilms.com" <jamie@camelotfilms.com>, "bob@camelotfilms.com" <bob@camelotfilms.com>, "Jatedbaer@aol.com" <Jatedbaer@aol.com>, Nathan Dorius <IMCEAEX-_O=FIRST+20ORGANIZATION_OU=FIRST+20ADMINISTRATIVE+20GROUP_CN=RECIPIENTS_CN=NATHAN@PADRM.com>

Just back from dinner, I need to look it up and get back to you tonight. My rough guess is around \$200,000 per month net of the overhead reductions, maybe more. Could be as much as \$300,000 per month.

Peter

In a message dated 3/30/2010 11:36:05 P.M. Eastern Daylight Time, joe.pia@ssparlaw.com writes:

What is the monthly average gain/loss for 2009?

On 3/24/10 8:45 AM, "Pmjarowey2@aol.com" <Pmjarowey2@aol.com> wrote:

Joe:

It took me awhile to locate the best document to provide the detail on revenue distribution for the Liberation Library. Attached is an income statement with actuals through 9/30/2009 and monthly forecasts for the 4Q 2009. The forecast actually came in very close the final numbers for 2009. This will give you a sense of the annual and monthly cash generation. Also included in the file for your consideration, are SGA actuals for 2009 and SGA an estimate for 2010. As you know, Camelot will not be acquiring any overhead in its purchase of the Liberation assets, so all the estimated SGA goes to the bottom line.

This responds to your request for specific revenue figures as we discussed the other day. After reading your note to Jamie yesterday regarding the "independent review of the library", I believe these numbers serve to solidly support that, in fact, the library does generate significant revenue exclusive of some of the territories Jamie is focusing on--supporting the cash price the Company is paying. Jamie plans to get back to you directly on the specifics raised in your email to him, but the attached is my contribution to the position that the Liberation assets are a good buy and can generate sufficient cash flow to pay back the loan in short order.

Please feel free to call with any questions. My cell phone is 617-388-4339. Thanks.

Peter

EXHIBIT L

LOAN MODIFICATION AGREEMENT

THIS LOAN MODIFICATION AGREEMENT (this "*Modification Agreement*") is made and entered into effective as of the 11th day of June 2010 (the "*Effective Date*"), by and among Incentive Capital, LLC ("*Lender*"), on the one hand; and Camelot Film Group, Inc. ("*Borrower*"), Camelot Distribution Group, Inc. ("*CDG*"), Camelot Entertainment Group, Inc. ("*CEG*"), and Robert P. Atwell ("*Atwell*", and together with CDG and CEG, collectively, the "*Guarantors*"), on the other hand. Lender, Borrower, and the Guarantors are sometimes hereinafter collectively referenced as the "*Parties*", and individually referenced as a "*Party*." All capitalized terms used but not defined herein shall have the meanings assigned them in the Loan Documents. The following are not mere recitals but agreed-to terms:

RECITALS

A. On or about April 27, 2010, Lender agreed to make a loan (the "*Loan*") to Borrower pursuant to a Promissory Note – Term Loan, dated April 27, 2010, in the stated principal amount of \$650,000 (the "*Note*").

B. The Note is secured by, among other things, that certain Security and Participation Agreement dated April 27, 2010 (the "*Participation Agreement*"), under which Lender is entitled to receive "Secured Party Initial Revenue Participation" (as defined in the Participation Agreement) and "Final Secured Party Revenue Participation" (as defined in the Participation Agreement) (collectively, the "*Participation Payments*") from Borrower.

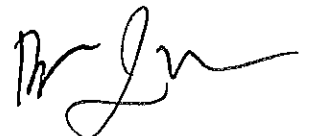
C. In order to induce Lender to make the Loan to Borrower, each of the Guarantors executed and delivered to Lender a Commercial Guaranty (collectively, the "*Guaranties*" and together with the Note, and the Participation Agreement, and all other related agreements executed by both Parties in connection with the Loan, (collectively, the "*Loan Documents*" as further defined in the Note) dated April 27, 2010, whereby in the Guaranties each of the Guarantors guaranteed the obligations of Borrower to Lender under the Loan.

D. A disagreement has arisen between the Parties, wherein (i) Lender alleges a claim against Borrower and the Guarantors for the failure to meet certain financial/operational benchmarks and (ii) Borrower and the Guarantors deny such claims and allege a claim against Lender for the failure to make one or more advances under the Note (collectively the "*Dispute*").

E. The Parties desire to enter into this Loan Modification Agreement to address and resolve the Dispute and other matters set forth herein.

F. Unless specifically and expressly modified herein, all remaining terms of the Loan Documents shall remain in full force and effect.

NOW, THEREFORE, in consideration of the mutual promises contained in this Modification Agreement and for other good and valuable consideration, including the forbearance by both Parties from instituting legal action, the receipt and sufficiency of the consideration is hereby acknowledged, the Parties hereby agree as follows:

A handwritten signature in black ink, appearing to be "Mr. Lu", is located in the bottom right corner of the page.

AGREEMENT

1. Resolution. Subject to the terms, conditions and understandings contained in this Modification Agreement, and for so long as there does not exist an "Event of Default" (as defined in the Note), each of the Parties hereby agrees to refrain and forbear from exercising and enforcing any of its remedies under the Loan Documents, or under applicable laws, with respect to the Dispute. No Party shall have an obligation to refrain and forbear from exercising or enforcing any of its rights or remedies upon the occurrence of an "Event of Default" (as defined in the Note).

2. Modification. The Parties hereby agree to the following modified Loan terms and, to the extent necessary to give them effect, hereby modify the Loan Documents:

A. By no later than April 27, 2011 (the "Deadline"), Borrower shall use its best efforts to generate sales from the exploitation of the "Liberation Assets" (as defined in the Loan Documents) in an amount not less than \$2,284,500 (the "*Minimum Sales Target*").

B. In the event Borrower fails to meet the Minimum Sales Target by the Deadline, then interest shall accrue on the "Deficiency Amount" (defined as the difference between Borrower's actual Liberation Assets gross sales and the Minimum Sales Target) at the rate of 1.50% per month (the "*Shortfall Interest*"), commencing as of the Deadline. Borrower shall make monthly payments of all accrued but unpaid Shortfall Interest on the last day of each such month thereafter where there is accrued but unpaid Shortfall Interest, which payments shall be made in cash or the "Cash Equivalent Stock" of CEG's common tradeable stock, in Borrower's discretion. Cash Equivalent Stock shall be valued at the point of sale and shall be the actual sale price of the stock.

C. Notwithstanding anything to the contrary in the Participation Agreement, in each month as of the date hereof where "Camelot Revenue" (as defined in the Security and Participation Agreement) from Borrower's exploitation of the Liberation Assets is greater than \$150,000 but less than \$200,000 for that month, then in lieu of the Participation provided for in Paragraph 2 of the Participation Agreement, Borrower shall make Participation Payments to Lender equal to 13% of the Camelot Revenues. In each such month where Camelot Revenues from Borrower's exploitation of the Liberation Assets are equal to or greater than \$200,000 for that month, then in lieu of the payments provided for in Paragraph 2 of the Participation Agreement or in the above sentence, Borrower shall make Participation Payments to Lender equal to 15% of the Camelot Revenues. Notwithstanding the foregoing increased Participation Payment percentages (collectively or separately the "*Increased Participation Amounts*"), once Borrower has made total Participation Payments to Lender in the amount of \$375,000 in the aggregate during any one year period, commencing as of April 27, 2010, then on the next month after the month in which Lender has received total Participation Payments of \$375,000, Lender shall only receive Participation Payments equal to 10% of Camelot's Revenues as set forth in the Security and Participation Agreement. If the payment of the Increased Participation Amounts in any given month for individual title(s) from the Liberation Assets would result in a net loss to Borrower for that month on such individual title(s) ("Net Loss Titles"), then the Increased Participation Amounts that Borrower shall pay to Lender shall be limited to the greater of 10% of the applicable Camelot Revenues for that month on such specific title(s) and the percentage of Camelot Revenues that would result in a break even for Borrower in net revenues for the month (*i.e.*, no net gain or loss for Borrower from Revenues for that month). For months where any

Increased Payment Amounts are due to Lender hereunder, Borrower is limited to counting no more than 35% of its individual titles as "Net Loss Titles," and Borrower shall pay such Increased Payment Amounts on at least 65% of its title(s) whether or not such titles are in fact Net Loss Titles.

3. Default. The occurrence of an "Event of Default" (as defined in the Note) shall be deemed to include an occurrence of any such Event in connection with this Modification Agreement (a "Modification Default"), and therefore, the failure of Borrower, or Lender, as the case may be, to observe, perform or comply with any of the terms, conditions or provisions of this Modification Agreement, shall be deemed a Modification Default and subject the defaulting Party to the remedies set forth below.

4. Remedies. Immediately upon the occurrence of any Modification Default, the obligations, agreements, and commitments of each of the Parties under this Modification Agreement to forbear from exercising its remedies against the other Parties granted in the Loan Documents, shall immediately and automatically terminate and be of no further force or effect, subject to the cure provision below. In the event of an alleged Modification Default by either Party, the other Party shall provide written notification of such alleged Modification Default and the alleged defaulting Party shall have thirty (30) days from the receipt of such notice to cure such alleged Default. Notice of an Event of Default may be provided by email, but if it is emailed, it must also be accompanied by a notice sent *via* U.S. Mail or facsimile. In the event that such defaulting Party does not cure such alleged Event of Default, then all remedies available under the Loan Documents shall be available to the applicable non-defaulting Party.

5. Successors and Assigns. This Modification Agreement shall be binding upon and inure to the benefit of Borrower, the Guarantors, Lender and each of their respective heirs, personal representatives, successors, and assigns. Borrower shall not assign any of his rights or obligations under this Modification Agreement without the prior written consent of the Lender.

6. Time of Essence. Time is of the essence for this Modification Agreement.

7. Counterparts. This Modification Agreement may be executed in any number of duplicate originals or counterparts, each of which duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

8. Severability. In case one or more provisions contained in this Modification Agreement shall be invalid, illegal, or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions contained herein shall remain effective and binding and shall not be affected or impaired thereby.

9. Amendments. This Modification Agreement may be amended, modified, or supplemented only by written agreement of the Parties. No provision of this Modification Agreement may be waived except in writing signed by the Party against whom such waiver is sought to be enforced.

10. Continuing Enforceability. Except as otherwise modified by this Modification Agreement, the Loan Documents shall remain in full force and effect, enforceable in accordance with all of their original terms and provisions. This Modification Agreement shall not be



effective or binding unless and until it is fully executed and delivered by Lender, Borrower, and the Guarantors.

IN WITNESS WHEREOF, the Parties have executed this Loan Modification Agreement as of the Effective Date.

LENDER:

Incentive Capital, LLC

By: [Signature]
Name: James K. Mehan
Title: Manager

Borrower:

Camelot Film Group, Inc.

By: [Signature]
Robert P. Atwell, President

Guarantors:

Camelot Distribution Group, Inc.

By: [Signature]
Robert P. Atwell, President

Camelot Entertainment Group, Inc.

By: [Signature]
Robert P. Atwell, President

By: [Signature]
Robert P. Atwell, individually

[Signature]

EXHIBIT M

TRANSFER STATEMENT

The debtors, Camelot Distribution Group, Inc., Camelot Entertainment Group, Inc., and Camelot Film Group, Inc. (collectively, "Debtor"), defaulted under their loan obligations to the secured party, Incentive Capital, LLC (the "Secured Party"). As a result thereof, the Secured Party, pursuant to its Notice of Disposition of Collateral by Public Sale dated February 9, 2011, did conduct a public sale of the following personal property constituting a portion of Secured Party's collateral (the "Collateral"):

All of Debtor's rights to the film library described herein below and referred to as the "Distribution Assets", along with all products and proceeds of or from (a) the Distribution Assets; and (b) all accounts, negotiable instruments, chattel paper and electronic chattel paper, general intangibles, proceeds, and monies derived from the disposition or other exploitation of the Distribution Assets in all media, from all sources, worldwide during the term hereof. The Distribution Assets include without limitation the following films, and all of Debtor's right, title and interest therein, including distribution rights, royalty interests, and contract/account payments: Samurai Avenger; First Strike; Screwball: The Ted Whitfield Story (aka The Wiffler); The Fallen; One Lucky Dog (aka Weiner Dog Nationals); Never Sleep Again; Hellraiser Unleashed; Fink!; Nude Nuns With Big Guns; Zombie Culture; National Lampoons Dirty Movie; Who Is KK Downey; and Next of Kin.

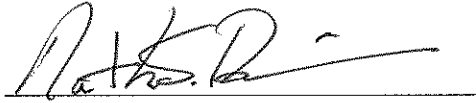
All of Debtor's personal property assets and interests as more particularly described in the Asset Purchase Agreement (the "Asset Purchase Agreement") dated April 28, 2010 between Camelot Film Group, Inc., a Nevada corporation, on the one hand, and CMBG Advisors, Inc., a California corporation in its sole and limited capacity as assignee for the benefit of creditors of Liberation Group, Inc., on the other hand, and all products and proceeds thereof, including without limitation (a) that certain film library referred to as the Liberation Assets (as defined in the Asset Purchase Agreement); (b) all accounts, negotiable instruments, chattel paper and electronic chattel paper, general intangibles, proceeds, and monies derived from the disposition or other exploitation of the Liberation Assets in all media, from all sources, worldwide during the term hereof; and (c) other assets of the Debtor as set forth in the Asset Purchase Agreement.

The sale was held at 9:00 a.m. on February 21, 2011 at the Offices of Pia Anderson Dorius Reynard & Moss, 299 S. Main Street, Suite 1710, Salt Lake City, Utah.

The successful bidder at the sale was Incentive Capital, LLC, who did purchase all of the said Collateral for the price of \$200,000.00. By this Transfer Statement, the undersigned attorney for the Secured Party hereby memorializes the transfer of all of Debtor's rights, title and interest in

and to the Collateral to Incentive Capital, LLC, with an address of 299 S. Main Street, Suite 1710, Salt Lake City, UT 84111. This transfer is being made "as-is" and "where-is" by the Secured Party without warranty, express or implied, relating to title, possession, quiet enjoyment, or the like in the foregoing described disposition.

DATED this 21st day of February 2011.

A handwritten signature in black ink, appearing to read "Nathan S. Dorius", written over a horizontal line.

Nathan S. Dorius
Attorney for Secured Party

MICHAEL C. O'BRIEN, ESQ.
Direct Dial: 801-237-0243
E-mail: mobrien@vancott.com

VANCOTT

February 7, 2011

Via E-Mail and Certified Mail

Incentive Capital, LLC
2755 E. Cottonwood Parkway
Suite 100
Salt Lake City, UT 84121

VANCOTT, BAGLEY,
CORNWALL &
MCCARTHY, P.C.

ESTABLISHED 1874

Re: Satisfaction of Loan and Guaranty

Ladies and Gentlemen:

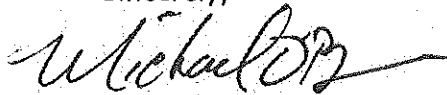
Reference is made to that certain Escrow Agreement (the "Agreement") dated as of April 7, 2010, between Camelot Entertainment Group, Inc. ("CEG") and Incentive Capital, LLC ("Lender"). Capitalized terms used but not defined herein have the meanings ascribed to them in the Agreement. This law firm represents CEG and CFG in this matter.

Pursuant to the Loan Documents and the Agreement, and as of February 1, 2011, CEG, on behalf of CFG, has issued 1,912,086 shares of CEG Class F Convertible Preferred Stock ("Class F Shares") to Lender, which shares, when combined with the existing Class F Shares issued to Lender, are convertible into 2,012,086,097 shares of CEG Common Stock at a conversion price of \$.0003 per share, for a aggregate value of \$666,888, in full satisfaction of the obligations of CEG and CFG under the Loan Documents.

Please contact the undersigned with directions as to where the stock certificate(s) should be delivered.

You are hereby notified that any action to foreclose on the collateral securing the Note, including any advertisement or public notice offering the collateral for sale, shall be invalid, a breach of contract, and tortious interference with CEG's and CFG's business, and CEG and CFG shall pursue any and all remedies available to them in connection with the foregoing.

Sincerely,



Michael C. O'Brien

cc: Robert P. Atwell
Camelot Entertainment Group, Inc.

36 S. STATE STREET
SUITE 1900
SALT LAKE CITY, UTAH
84111-1478 USA
T 801.532.3333
F 801.534.0058
WWW.VANCOTT.COM

LAW OFFICES
SALT LAKE CITY
OGDEN
PARK CITY
LAS VEGAS

MEMBER
LEX MUNDI
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS

EXHIBIT N

EXHIBIT O

PF 1002

Incorporated under  Delaware
C 834-835

1,912,086

Shares

Camelot Entertainment Group, Inc.

PF-1 002

Series F Preferred Stock

RULE 144

This certifies that: INCENTIVE CAPITAL LLC

Is the owner of: ONE MILLION NINE HUNDRED TWELVE THOUSAND EIGHTY SIX

Fully paid and Non-Assessable Shares of Series F Preferred Stock of
Camelot Entertainment Group Inc.. Transferable on the books of the Corporation by the holder hereof
in person or By duly authorized attorney upon surrender of this certificate properly endorsed.
This certificate is not valid unless countersigned by the transfer agent and registered by the registrar.

Dated: 02-07-2011



President



Countersigned by Transfer Agent & Registrar, Inc.
By:


Authorized Signature
Transfer Online, Inc.
317 SW Alder, 2nd Floor, Portland, OR 97204



Secretary

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JTWROS – as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT – Custodian (Minor) (Cust) under Uniform Gifts to Minors Act (State)

Additional Abbreviations may also be used though not in the above list.

For Value Received, hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

THE SIGNATURE TO THE ASSIGNMENT MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF A NATIONAL OR REGIONAL OR OTHER RECOGNIZED STOCK EXCHANGE IN CONFORMANCE WITH A SIGNATURE GUARANTEE MEDALLION PROGRAM

RULE 144 RESTRICTED
The shares of stock represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or otherwise transferred unless a compliance with the registration provisions of such Act has been made or unless availability of an exemption from such Act to the satisfaction of the issuer of the stock, in its sole discretion, which may require a written opinion of legal counsel satisfactory to the issuer of the stock that removal of this restrictive legend is in all manner proper and in compliance with the requirements of the Act.

Portland, OR 97214

SHIP TO: (801) 350-9000
Joseph Pia
Incentive Capital LLC
299 S MAIN ST
Wells Fargo Bldg., Ste 1710
SALT LAKE CITY, UT 84111

J1110101220225

BILL THIRD PARTY

Delivery Address Bar Code



Ref # 174980
Invoice #
PO #
Dept #

TUE -01 MAR A1
PRIORITY OVERNIGHT

TRK# 7968 1400 0563
0201

84111
UT-US
SLC

WL NPHA



500G1336A7FEB

The World On Time.

Envelop



FedEx Urgent Express

Name	
Company	
Address	
City, State, Zip	
Telephone	

EXCEPTION / SEND AGAIN

FedEx Urgent Express

136596 REV 2/06 MWI

Stc # 1800

FROM

Company	
Address	222 S. Main St.
City, State, Zip	SLC UT 84101
Telephone	

- ☐ Need apartment or suite number
- ☐ Recipient moved and left no forwarding address or phone number
- ☐ Not in / Business closed / Not authorized to leave shipment without a signature
 - ☐ 1st Attempt
 - ☐ 2nd Attempt
 - ☐ 3rd Attempt
- ☐ Signature required, please contact shipper for disposition
- ☐ Holiday - Closed
- ☐ Package not attempted (reason):
- ☐ Refused (reason):
- ☐ Future deliver
- ☐ Recipient
- ☐ Coll

Align bottom of Peel and Stick Airbill or Postage

Peel here

EXHIBIT P



PIA
ANDERSON
DORIUS
REYNARD
MOSS

March 10, 2011

Robert Atwell
Camelot Entertainment Group, Inc.
10 Universal City Plaza
NBC/Universal Building Floor 20
Universal City, CA 91608
Bob@camelotfilms.com

cc: Jonathan Levitan
Law Offices of Jonathan Mark Evitan
12400 Wilshire Blvd., Ste. 1300
Los Angeles, California 9007

cc: Michael O'Brien
36 South State Street
Suite 1900
Salt Lake City, Utah 84111
Fax (801) 534-0058
mobrien@vancott.com

Re: Series F Preferred Stock 1,912,086

Robert Atwell,

Enclosed with this letter is a Stock Certificate that was delivered to this office. We did not request the certificate, nor do we accept it as some form of payment due under the various agreements entered into between Incentive Capital, LLC and Camelot Entertainment Group, Inc. and its affiliates.

Sincerely,

PIA ANDERSON DORIUS REYNARD & MOSS

A handwritten signature in black ink, appearing to read "Nathan Dorius", written over a horizontal line.

Nathan Dorius

Encl. Series F. Preferred Stock

Incorporated under  Delaware
C 834-835

Camelot Entertainment Group, Inc.

Series F Preferred Stock

1,912,086

Shares

RULE 144

This certifies that: INCENTIVE CAPITAL LLC

Is the owner of: ONE MILLION NINE HUNDRED TWELVE THOUSAND EIGHTY SIX

Fully paid and Non-Assessable Shares of Series F Preferred Stock of
Camelot Entertainment Group Inc.. Transferable on the books of the Corporation by the holder hereof
in person or By duly authorized attorney upon surrender of this certificate properly endorsed.
This certificate is not valid unless countersigned by the transfer agent and registered by the registrar.

Dated: 02-07-2011


President



Countersigned by Transfer Agent & Registrar, Inc.
By:


Transfer Agent & Registrar, Inc.
317 SW Alder, 2nd Floor, Portland, OR 97204


Secretary

EXHIBIT Q

Exhibit Q is being physically filed with the Court as it is an abnormal size.

EXHIBIT R

Shout! Factory, LLC
2034 Armacost Ave.
Los Angeles, CA 90025

Dated as of September 1, 2010, revised January 21, 2011 and January 24, 2011

VIA ELECTRONIC MAIL (to: Jamie@camelotfilms.com)

Mr. Jamie Thompson
c/o Camelot Distribution Group
10 Universal City Plaza, 20th Floor
Universal City, CA 91608

Re: Home Video License Agreement – Liberation Film Library

Dear Jamie:

In consideration of the mutual benefits contained herein, you and we hereby agree as follows:

1. Certain Definitions: As used in this Agreement:

(a) "Additional Materials" means such additional footage (whether new or archive, if available) including so-called "outtakes," "making of" footage, deleted scenes, cleared photos, artwork, character biographies, director's comments, cast interviews and other audiovisual material supplied by you as you and we mutually agree is to be licensed under this Agreement for combining or incorporating with Home Video Devices derived from the Films;

(b) "Bonus Materials" means such additional footage we may create and produce at our sole expense (which we will own solely and exclusively) for release with the Films including, without limitation, "making of" footage, biographical material, interviews and other audiovisual material for combining or incorporating with Home Video Devices derived from the Films;

(c) "Broadcast" means all forms and formats of television delivery and broadcast now known and hereafter devised including, without limitation, terrestrial broadcast, digital, basic cable, pay television, satellite, video-on-demand, NVOD, SVOD, DSS, closed circuit, IPTV, etc., it being understood and agreed that those Broadcast rights granted to us hereunder shall be limited to the Film entitled "One-Eyed Monster";

(d) "Digital Transmission" means transmission to the consumer, whether image, sound, data, or any combination thereof, in any form or format, analog or digital, now known and hereafter devised including, but not limited to, "cybercasts," "webcasts," "streaming audio," "streaming audio/video," "streaming video," (e.g., Netflix "Watch Instantly", Hulu, YouTube) "digital downloads," (e.g., iTunes, Sony Playstation, xBox, Amazon) "digital rentals", direct broadcast satellite, point to multipoint satellite, multipoint distribution service, point to point distribution service, cable system, telephone system, broadcast station, and any other forms of transmission now known or hereafter devised whether or not such transmission is made on demand or near on-demand, whether or not a direct or indirect charge is made to receive the transmission and whether or not such transmission results in a specifically identifiable reproduction by or for any transmission recipient;

(e) "Direct Response Sales" means the advertisement, promotion, marketing or selling of Home Videos directly to consumers, including via direct-to-consumer commercial programming on television or radio, print media, direct mail solicitation, package inserts, inbound and outbound telemarketing, credit card syndication, catalogs and computer transmissions such as commercial online services and the Internet

(f) "Electronic Networks" means all electronic communications networks, whether utilizing technology existing as of the date hereof or devised hereafter, including the Internet, the Worldwide Web, telecommunications networks, intranets, extranets, wide area networks, cellular and other telephony networks, cable networks, electrical and other networks;

(g) "Electronic Self-Through" means all forms, formats and methods of fee-based and other commercial forms of non-advertiser supported digital downloads of audiovisual content via legitimate commercial Internet websites that permit end-users to purchase and store a permanent copy of the Films on their computer hard drive or other storage device, as more fully described in Paragraph 3(a)(ii) below.

(h) "Films" means the nineteen (19) original, full-length motion picture properties referenced on Schedule A attached hereto;

(i) "Home Video Devices" means all audiovisual reproductions manufactured, distributed and/or transmitted primarily for personal use, home use, school use or use in means of transportation, whether by technology existing as of the date hereof or devised hereafter, including all sizes and formats of optical discs now known and hereafter devised (including, without limitation, standard format DVD, Blu-ray, HDTV-DVD, DVD-ROM, and CD-ROM);

(j) "License Period" means the period ending nine (9) years from the date of our release of the initial commercial release of the Films to be released hereunder but in no event later than twelve (12) months following delivery of all Materials, as provided in Paragraph 2 below. (Excepted shall be "One-Eyed Monster," whose License Period shall run concurrently with the term of your existing license with the Film's rights holder and expire as of October 24, 2018.) Notwithstanding the expiration of the License Period, we shall have a period of six (6) months, commencing upon the end of the License Period ("Sell-Off Period"), to distribute and sell on a non-exclusive basis Home Video Devices manufactured during the License Period in connection with each Film, subject to the terms and conditions of this Agreement.

(k) "Materials" means the Films and all audio and/or visual content embodied therein and/or delivered to us for use hereunder; and all other materials, ideas and other intellectual properties furnished or selected by you and contained in or used in connection with Home Video Devices hereunder or the packaging, sale, distribution, advertising, publicizing or other exploitation thereof;

(l) "Release Date" means the earlier of the date we initially release the first Home Video Device derived from the Films or the date six (6) months after the completion of Delivery of the Films in accordance with the terms of this Agreement; and

(m) "Territory" means the United States, Canada and their respective territories, possessions, commonwealths and protectorates.

2. Delivery:

(a) Upon the execution of this Agreement, you shall deliver the Films to us at our expense. The Films must be contained in broadcast quality Digibeta master tapes consistent with industry standard for the manufacture of Home Video Devices including, without limitation, DVDs.

(b) Concurrently with the delivery of the audiovideo elements for the Films, you shall also deliver to us at your sole cost and expense:

(i) All materials, clearances, consents, approvals, licenses and permissions necessary to commercially release the Films on Home Video Devices in the Territory in accordance with the terms of this Agreement; and

(ii) Without limiting the foregoing, any other items marked on the Deliverables Checklist attached hereto as Schedule B.

(c) The Films shall not be deemed "Delivered" under this Agreement unless and until all the delivery requirements set forth in this Paragraph 2 shall have been fully satisfied

3. Grant of Rights:

(a) You hereby irrevocably grant to us and our distributors and licensees the following rights and licenses during the License Period throughout the Territory, without any payment to any person or entity except as expressly set forth in this Agreement:

(i) The exclusive right and license throughout the Territory during the License Period to manufacture, sell, distribute, rent, lend, lease, license, advertise, promote and otherwise exploit Home Videos derived from the Films, as well as to commercially exploit the Films and Additional Materials via Digital Transmission, as defined in Paragraph 1.(d) above (it being understood and agreed that, with respect to "One-Eyed Monster," our Digital Transmission rights under this Agreement shall be subject to a holdback period to run concurrently with the remainder of the applicable broadcast license currently in effect with Showtime), as well as in any and all forms and formats of Direct Response Sales and non-broadcast media now known and hereafter devised including, without limitation, Electronic Networks, wireless transmission and video kiosks.

(ii) The exclusive right and license throughout the Territory during the License Period to sell, distribute, rent, lend, lease, license, advertise, promote and otherwise exploit the Film entitled "One-Eyed Monster" via all forms and formats of Broadcast, as defined in Paragraph 1.(c) above; provided, however, that the foregoing Broadcast rights shall be deemed to commence immediately upon expiration of the applicable broadcast license currently in effect with Showtime.

(iii) The exclusive right to distribute the Films entitled "Angel's Brigade" (aka "Angel's Revenge" and "Seven From Heaven") and "Boggy Creek II," as each is embodied in "Mystery Science Theater 3000" episode nos. 622 and 1006, respectively, via all forms and formats of Home Video Devices, Digital Transmission, Electronic Sell-Through, Electronic Networks and Direct Response Sales, as defined herein.

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