



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



GE imagination at work

UrbanTrends



Over 20 Years of Reaching
the Hip-Hop Generation...
Positively Impacting
Communities

MEE[®]
MOTIVATIONAL EDUCATIONAL ENTERTAINMENT
2012 ANNUAL REPORT
Including Financial & Supplementary Data

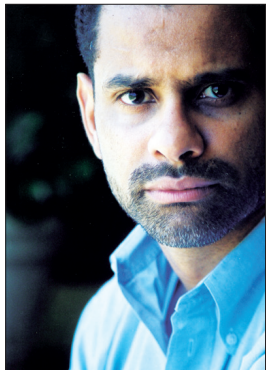
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**Providing
High-Quality
Deliverables
to the Public
and Private
Sector**

From The President

Over 20 Years of Reaching the Hip-Hop Generation... Positively Impacting Communities

For nearly 23 years, the experienced team at MEE has been hired by a variety of clients, including federal, state and city agencies; major corporations and foundations; educational institutions; nonprofit organizations; and advertising agencies. MEE has become one of the nation's most reliable producers of high-quality multimedia productions and designs, social marketing campaigns, audience research and technical assistance workshops.

Since its founding, MEE has filmed numerous productions, activated underserved communities and developed groundbreaking, pro-social messages taking on some of America's toughest issues. 2013 will mark the 20th anniversary of MEE's award-winning documentary, "Reaching the Hip-Hop Generation." Produced in 1993, this film proposed a new model for looking at urban America's most difficult social problems, while confronting negative perceptions and shattering the myths that surround inner-city youth and their everyday struggles. Today, MEE continues on its mission to help add a sound to the unheard (and often silenced) voice of this powerful audience.

MEE has remained a results-driven organization. We help our clients across the country reach, influence, educate and inspire their audiences. A cross-section of projects has taken our team to locations across the country and even overseas. We are known for creative, high-quality projects across all MEE businesses—reliably delivered, on time and within budget. Though many of our projects have been focused on providing pro-social and behavior-change messages to underserved populations, we also develop clear and persuasive audio and video messages by and for mainstream audiences. In addition to creating excellent products and services for our clients, MEE also self-funds and develops our own projects for an extensive catalog of materials that support the company's overall mission.

Throughout the creative and production process, we focus on meeting the client's needs. What distinguishes MEE is the quality and effectiveness of the final product. We place emphasis on a highly efficient workflow and expert project management.

We work closely with our clients to ensure that every project plan leads to success. Over the years, we have received more than 25 national and international awards for our film and video productions. But just as prized, though unofficial, we are also awarded are when our clients heap praise on the high quality of our deliverables.

I am proud to say that MEE has kept our core management team intact for more than a decade. We have distinct layers of project responsibilities and roles, so that the communication channels with our clients remain streamlined and crystal clear. At the same time, we have established and maintained close working relationships with a diverse and top-flight pool of independent contractors and consultants who are ready for assignments on short notice and can travel to the many locations where MEE has implemented projects. This allows us to maintain overall organizational flexibility (and profitability) and tailor both highly skilled personnel and top-notch equipment to meet the unique requirements, specific needs and creative challenges of each project.

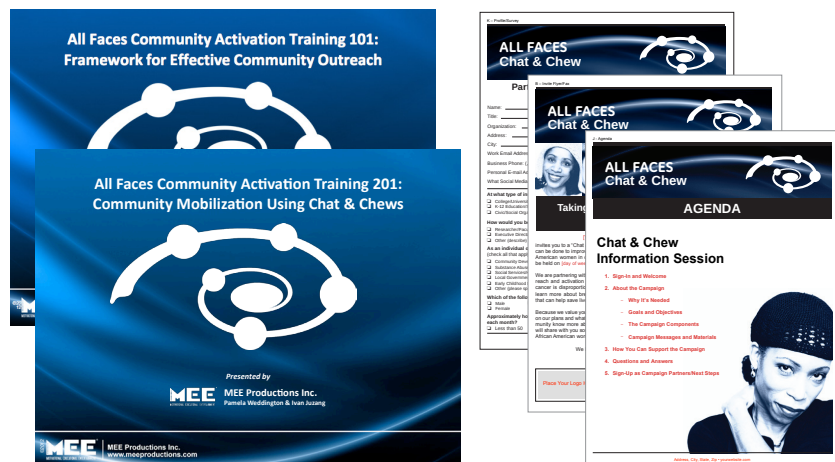
The company's enviable levels of repeat business confirm that MEE's financial stability is bolstered by its reputation for quality product and service delivery, generating substantial levels of repeat business, recommendations and referrals derived from an existing loyal and satisfied customer base. We have a proven ability to generate strong profits and positive cash flows. Since MEE has been in business, we have done twenty-two straight years of independent financial audits by a major accounting firm and passed every one. All this behind-the-scenes work pays off in our continued success. The projects profiled in this year's annual report show that MEE has delivered value and exceptional results for our clients across the country.

Ivan J. Juzang
Founder/President

MEE in Action	2012	2013
Marketing/Social Marketing	DC Department of Mental Health - "I Am The Difference" Illinois Violence Prevention Authority - Neighborhood Recovery Initiative Scattergood - CATs (B-MEE) Louisiana Department of Health and Hospitals - SIDS University of North Carolina - HIV Radio Ads NStar Life – NBC Universal/Steve Harvey TV Show Launch The Consortium - Chat & Chews	Tobacco Media Second Hand Smoke Campaign Louisiana Department of Health and Hospitals – SIDS DC Department of Mental Health – "I Am the Difference"
Media/Materials Development	GE All Faces - Breast Cancer Prevention & Early Detection University of North Carolina - HIV Radio Ads Scattergood - CATs (B-MEE) Louisiana Department of Health and Hospitals – SIDS Merck HPV Beauty Salon Campaign	NIMH/SBIR - DVD Production
Audience Research	GE All Faces - Breast Cancer Prevention & Early Detection United Negro College Fund/Monitor Group NStar Life - NBC Universal/Steve Harvey UNCF/Ad Council	Inner City Truth 3 (ICT3) - National Survey
Workshops/Technical Assistance	National Conference on Health Communication, Marketing and Media: <i>"To Explore Innovative Communication Tools and Technologies"</i> GE All Faces – Community Activation Training Series (101 and 201) <i>"Moving Beyond Survival Mode" Workshops/Video Screenings</i> Guthrie Job Corps Center Prince George's County, MD Chicago Regional Workshop (MEE)	MEE Regional Webinar - Professional Development Training Workshop- <i>"Addressing Gun Violence and Chronic Trauma"</i> University of Florida - Obesity Prevention Developing effective communications and message delivery strategies within the context of an oral-based culture to deliver obesity prevention messages to at-risk urban youth. Department of Human Services (Washington D.C.) - Health Communications Workshop The Children's Hospital at Montefiore - School Health Program (Bronx, NY) - <i>"Moving Beyond Survival Mode for School-based Urban Youth"</i>
UrbanTrends	<i>Engaging and Mobilizing the Grassroots Community: How to Work with CBOs</i>	<i>Urban Trends Collection: The Parenting Issue</i>

2012 Projects

GE Healthymagination All Faces



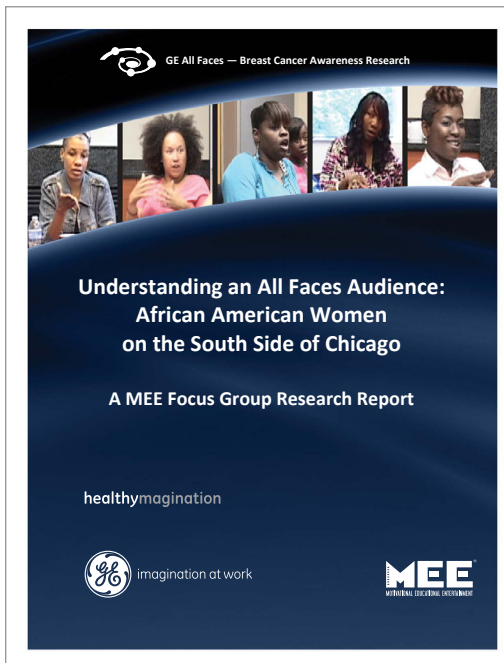
MEE was hired by GE Healthymagination for the All Faces Campaign [to lead its “In Community, For Community” efforts] which focuses on improving women’s health outcomes in communities of color. The first two health issues MEE will assist with will be breast cancer and Alzheimer’s disease, which are devastating the African American community in ways that many do not recognize. MEE’s goal is to raise awareness and spur action on these issues.

MEE is developing a Community Activation Plan and managing a 12-month, community engagement and activation campaign that reflects a diversity of women and is particularly relevant to women of color (particularly African American and Latina). Strategies include a series of workshops and a Community Activation Toolkit to support All Faces partners in their community engagement work. MEE will share real-world, grassroots communication strategies that can easily be customized to fit/meet the needs of these various partners. We will be able to send All Faces partners back into their organizations with new knowledge and

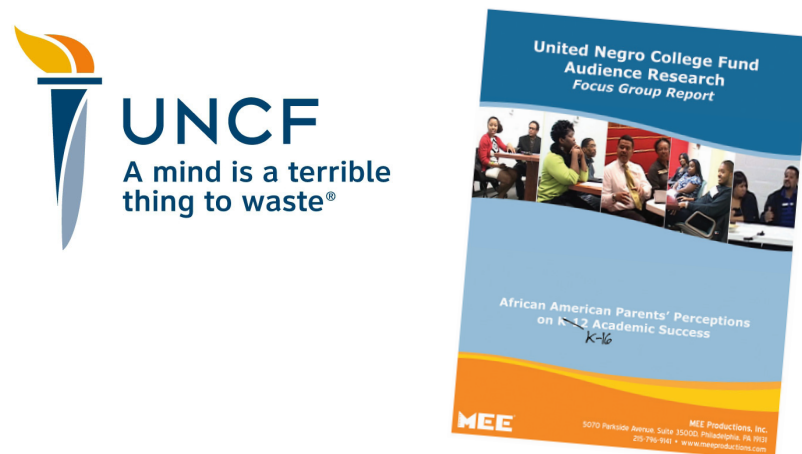
a fresh perspective on engaging a cross-section of women in their home communities.

In late 2012, MEE published its findings from a qualitative research study on breast cancer and its impact on African-American women. The focus group report and video documentary represent an important expansion of MEE’s work in developing research-based, market-driven communication strategies addressing health, social and educational disparities facing urban and low-income populations living in at-risk environments.

MEE is providing online access to its Community Activation Leader training Webinars into 2013. They are designed to support local organizations in their own community engagement work on breast cancer and other pressing issues in their community. MEE hopes that the breast cancer research can be used as the foundation for community engagement and activation efforts that are particularly relevant to women of color.



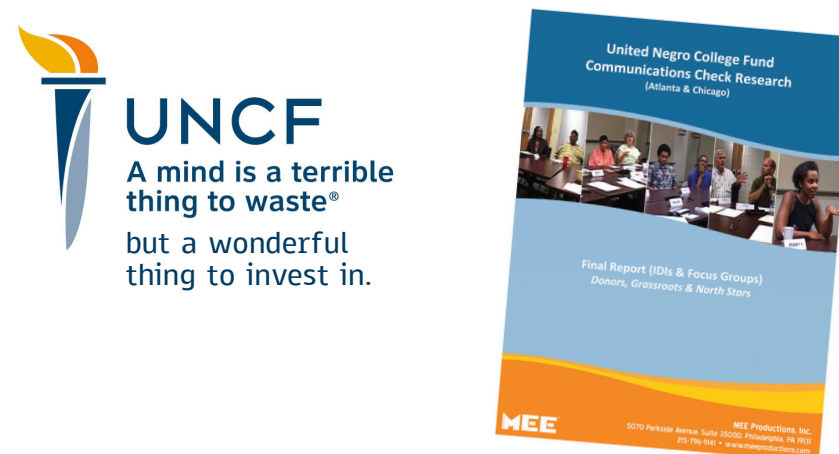
United Negro College Fund/Monitor Group



MEE was hired by the United Negro College Fund (UNCF) to conduct qualitative, focus group research in January and February 2012 with parents and guardians of youth (ages 5 – 18) who attend public, charter or private/parochial schools on a voucher. Groups were conducted in five cities: Washington, DC; New Orleans, LA; Atlanta, GA; Detroit, MI; and Memphis, TN.

The purpose of the research was to understand participants' current attitudes towards the public education system, their willingness to embrace the education reform movement, and the extent to which they grasp the key decisions necessary to navigate their children to and through college. This research also assessed UNCF brand awareness and credibility with this audience. The findings from this research are being used to inform UNCF decision-making as it considers expanding its mission to include engaging and empowering parents and communities to demand improvements to their school systems, in an effort to improve the pipeline of students to excel to and through college.

United Negro College Fund/Ad Council



MEE was hired by The Ad Council to conduct audience research in Chicago, IL and Philadelphia, PA to message test a new PSA campaign on behalf of the UNCF. A series of focus groups and one-on-one interviews with a total of seventy-one (71) respondents from four distinct audiences (Non-African American Adults 35+, African American Adults 35+, African American Adults ages 18-29, and African American parents of children ages 12- 17) were conducted in July 2012 in order to obtain their unbiased feedback on each of the creative concepts provided by the Ad Council and its partner Y&R.

The findings from these focus groups and interviews were used by UNCF to shape and inform the final development of the creative concepts for the re-launching of their brand. The objectives of creative materials testing were to understand:

1. How well respondents understand the concept (including the main message, call-to-action and website recall)
2. The overall appeal of the concepts (and identifying any "red flags" in regard to respondent sensitivities or confusion)
3. The strengths and weaknesses of each execution
4. The relevancy of the creative concept (i.e. how well the work resonates with respondents)
5. Which creative executions are most motivating to respondents (i.e. makes them want to follow through on the call-to-action)

MEE's Community Engagement Models for the Illinois Violence Prevention Authority



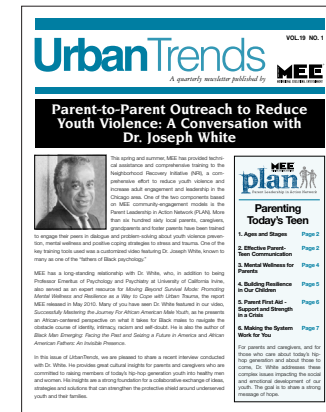
In Chicago, one of the cities where MEE has trained local agencies to implement two of our community engagement models, there have been deeply ingrained high-unemployment, access to guns and violence problems in many areas of the city and nearby suburbs. Yet some have questioned the effectiveness of a public health prevention effort designed to begin to counter these social ills.

Philosophically, there are several ways to combat community violence. There are those who, in being "tough on crime" want to focus on locking up "troublemakers" in order to make our communities safe. MEE believes that it is short-sighted to take an approach that does not focus on (primary) prevention. While there is an appropriate role for law enforcement, the "get tough on crime" approach doesn't solve the roots of the problems. It ends up with more Black males, especially on the dead end path of incarceration.

MEE does not play politics with youth's lives. When you get involved in a city like Chicago, with its long history of a rough-and-tumble, bruising political landscape, you try not to suffer collateral damage when competing agendas collide. Instead, you focus on delivering a high-quality

product/service to your clients and you focus on making a positive difference in the community. Most importantly, you stay true to your mission to pursue socially-responsible approaches to tackling our nation's most pressing issues.

We focus our efforts "upstream." MEE has a two-decade track record of working with the hardest-to-reach, low-income, at-risk youth and adults, with a focus on prevention. Providing meaningful (often first-time) employment and training young people to be messengers of positivity in their community is a win-win scenario. Shorter term, young people who are engaged in pro-social activities for a good part of their out-of-school time have less time and opportunity to engage in risky, self-destructive or dangerous behaviors. At the same time youth-led community outreach as part of an overall prevention strategy creates benefits that are long-term, that go beyond a single funding cycle and that are often less directly able to be measured. For example, through being held to the standards of employment, and from being exposed to a different way of looking at their lives and communities, how many of these young men and women will decide to stay in school, go back if they have dropped out, or even consider going to college?



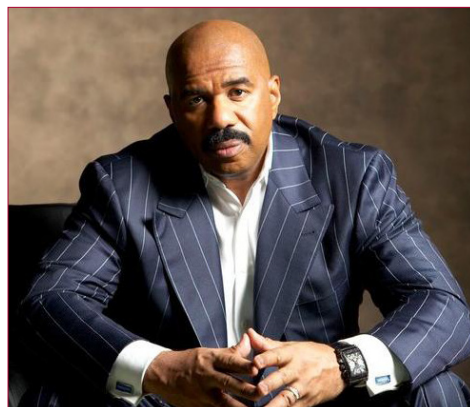
The Positive Impact of NRI's Mentoring-Plus-Jobs Component on the City of Chicago

1. **Local Youth Employment:** Through MEE's CATs Model, over 1,500 Chicago youth and young adults each of the last two years were provided real-world employment experiences to perform pro-social, community outreach.
2. **Constructive Activities for Youth During Out-of-School Time:** MEE's CATs Model provided more than 200,000 hours of Constructive Activities (employment, mentoring, mental wellness, exercise) for Youth During Out-of-School Time each of the last two years to low-income Chicago youth (i.e., more than 400,000 hours over the 2 years of NRI).
3. **Youth Development, Life Skills and Employment Training:** Including both booster and pitch training sessions, MEE's Train-the-Trainer Model provided over 150,000 hours of employment training, youth development and mentoring from local adults to low-income youth per year (i.e., over 300,000 over the 2 years of NRI).
4. **Message Penetration in the Community (Impressions/People Reached in Advertising Terms):** Based on 50 contacts/impressions per each hour of community outreach (10 verbal pitches, 20 pieces of materials distributed, and being present & seen/visible by at least 20 peers and other community members), MEE's CATs reached and made 10.5 million impressions on Chicago residents per year (over 21 million over the 2-year period).

NStar Life – NBC-Universal/Steve Harvey



Audience Research



and to NBC and its extended affiliates. The research was also designed to provide insights of African American women's perceptions of Steve Harvey as an entertainer, and more specifically, as a relationship expert. The information gleaned from this research informed the launch of NBC's newest daytime show, *The Steve Harvey Show*.

MEE was hired by NBC Universal, through NStar Life, to conduct audience research with African American women (ages 25-54) in Philadelphia, PA and Dallas, TX in March and April 2012. The goal of the project was to establish a deep understanding of the urban adult women audience and garner insights on how to attract this audience to daytime programming

TV Show Launch

As a follow-up to the aforementioned audience research, MEE & NStar Life were retained by NBC Universal to help launch the new Steve Harvey Daytime Talk Show on NBC television stations in four pilot cities: Miami, FL; Hartford, CT; Dallas, TX; and Washington, DC.



The specific goals were to:

- Attract daytime TV viewers to the Steve Harvey Show by reaching out and extending an invitation to the African American community to join NBC and support the launch of The Steve Harvey Show
- Begin to establish NBC stations as a relevant alternative in the entertainment lives of African Americans

NStar Life leveraged MEE's 20,000-member national Community Network to reach African American daytime TV viewers in a community engagement and outreach campaign that created and expanded awareness about the new talk show, which debuted on September 4th. The "Vote with Your Remote" (i.e., "Get Out the Vote") Campaign utilized a series of Chat & Chew events, neighborhood blitzes by street teams and viewing parties hosted by local CBOs.

The Consortium: Mental Health Awareness & Community Activation - "Access to Hope"



In April, MEE was hired by The Consortium to develop and implement a community mobilization strategy that would assist in building awareness around the issue of mental health in four pre-defined zip codes throughout West and Southwest Philadelphia. This effort was initiated through a series of Chat & Chews held during the month of June with CBOs, service providers in public health and members of the community.

We developed and produced the promotional and campaign media materials using information and content provided by The Consortium. The campaign media materials included an e-mail/fax-out blast to be sent via MEE's Community Network, one double-sided color postcard and several 30-second and 60-second versions of a Radio DJ Script written by MEE's Production team.

MEE organized and co-facilitated each Chat & Chew encouraging attendees to support The Consortium's Access to Hope campaign by doing their part in helping increase awareness around mental health in the city of Philadelphia. Attendees were asked to assist in dispelling some of the known myths and stigmas associated with mental health by distributing the campaign materials and by dialoguing with members of their personal and professional networks.

Attendees were also encouraged to attend and/or host a free Mental Health First Aid course coordinated by The Consortium later in the year, which MEE also assisted in promoting.

UrbanTrends



Using "Chat & Chew" Tactics to Engage Communities of Color

MEE was excited about its 2012 issue of UrbanTrends, where we focused on WHY working with CBOs as entry points into low-income communities is so important. In this issue, we provided details on HOW to work effectively with the "oral-based" opinion leaders in your community, with a shared vision of creating "win-win" scenarios for everyone.

We have continually said that making real change requires collaboration among a broad range of partners—those who deal directly with the issue you are addressing, as well as those who don't but which care about making their community better. Our goal for this important issue was to help organizations harness the "people resources" in a community, creating a "multiplier effect" that amplifies what any of us could do alone. Even in communities bombarded by crime, poor schools and too few jobs, there are strong programs, committed CBO leadership and community partners dedicated to turning things around and making a difference.



Urban Trends Collection: The Parent Issue

MEE knows the tough issues that today's teens face every day—poverty, street violence, racism, peer pressure, feeling disconnected from school, the lure of early sex and drug abuse (as a way to cope with urban stress and trauma), parent absence and family discord, social isolation (which can lead to self-destructive behaviors like eating disorders, cutting and even suicide).

We have seen the negative consequences in our community when youth have a vacuum in the space where loving and wise guidance from a caring adult could make a difference. That's why in 2013, one of MEE's UrbanTrends Collection will focus on providing parents with the specific knowledge, training and support they need to improve their communication skills with their teens. This special UrbanTrends Collection will be based on several new projects that build on our previous parenting work. Using the latest digital technology, combined with boots-on-the-ground peer education, we can help parents shore up the protective factors that can buffer teens from the situations and circumstances that put them at risk. Instead, we can instill in our youth, opportunity-finding and other skills that will help them thrive.

Scattergood CATs (B-MEE)



From November 2011 through February 2012, MEE implemented Black Males Engaged and Empowered (B-MEE), a MEE/NStar Life pilot project aimed at overcoming the stigma among African American male adolescents and young adults associated with discussing mental wellness. The community outreach project, partially funded by the Scattergood Behavioral Health Foundation, used MEE's trauma-informed CATs model to disseminate important behavioral health information in low-resource neighborhoods. A team of up to 20 young African-American males (ages 17-21) worked on evenings and weekends doing peer-level community outreach in several zip codes that have low rates of usage of the City's existing behavioral health services, and high unemployment, dropout and community violence rates. These rates were identified in conjunction with the

Philadelphia Department of Behavioral Health and Intellectual Disabilities.

Through initial training and weekly "booster" sessions, the CATs members were prepared to engage Philadelphia youth and young adults in dialogue about: 1) protective factors, positive coping strategies and mental wellness, with the goals of preventing mental health issues by promoting psychological strengths; and 2) overcoming the stigma associated with using behavioral health services. High-traffic locations in the targeted areas were serviced multiple times during the course of the outreach efforts.

MEE's in-house multimedia design team developed and printed thousands of customized postcards that were distributed during outreach.

The team also developed an interactive Website (www.mee productions.com/bmee) where youth and young adults in Philadelphia went for more comprehensive information about mental wellness, along with a dedicated Facebook page. Youth were actively engaged in a "by and for" process in which their input and feedback was incorporated into the messages, focused on four primary content areas: promote physical and mental well-being; promote safety and peaceful environments; have a life plan; and engaging the system. Members of B-MEE's Community Action Team (CATs) also disseminated mental health content messages via text to their peer social networks, using the innovative GOBA (Go Out, Be Active) communications platform.

2012-2013 Projects

NIMH/SBIR



This 2-year project is funded by the National Institutes of Health, through a Small Business Innovation Research (SBIR) grants program. MEE is developing a new multimedia project for eventual commercial distribution, with the focus on improving communication between parents and their teen children. The foundation of the project content is a face-to-face workshop (Project STYLE) that was developed by MEE's academic partners, psychologists at Rhode Island Hospital/Brown University and demonstrated efficacy in a NIMH randomized trial.

MEE is developing an interactive DVD package, a customized Website and user workbooks for both parents and adolescents. A new video production will enhance the short film MEE shot and edited three years ago, to add the educational elements needed to reduce sexual risk behavior and substance use among urban African American youth. Improving parent-adolescent communication, parental monitoring and the quality of parent/adolescent interactions will be addressed in the new video content.

This project was made possible by a grant from the National Institute of Mental Health (NIMH). Grant number: 2R44MH082103-02A1.



In 2013, MEE will develop and evaluate the supporting materials for the DVD, along with new video content dealing with increasing parent and adolescent knowledge of HIV/STD information, parental monitoring, substance use, and adolescent risk reduction. Product-feasibility testing will be done in both Philadelphia and Providence, RI with dyads of African American parents and their teens.

MEE will also develop an in-depth Commercialization and Marketing Plan that will help promote the need for and long-term benefits of this innovative, culturally conscious parent-teen communication tool. The Plan will also outline key marketing and advertising strategies, including MEE's longer-term plan for successfully positioning the product to appeal to a variety of target audiences.



SIDS Risk Reduction & Safe Sleep Campaign



MEE has been hired by the Louisiana Department of Health and Hospitals to develop and implement a three-year, statewide multimedia and community outreach campaign to promote safe sleeping environments for infants. The goal is to lower the risk of SIDS and infant deaths resulting from unsafe sleep practices. MEE's campaign will have a special emphasis on targeting lower-income African American women, ages 18-29. The campaign involves message development, audience research (including media testing), materials development, media placement and community outreach. The campaign initially focused on New Orleans, Baton Rouge and Alexandria.


MEE has developed an array of campaign materials including: postcards, resource flyers, radio ads, billboards and a Website. In addition to disseminating the print materials to campaign partners across the state, MEE conducted a series

of community mobilization activities designed to garner campaign support from service providers. Chat & Chew information sessions and Webinars targeted medical providers and others working in maternal health while community canvassing in specific zip codes targeted retailers and daycare centers that cater to African American women and families.

While continuing campaign community mobilization activities, Year 3 of the campaign will also bring the development of a short, culturally-relevant video designed to show parents how to provide a safe sleep environment for their infant. MEE will also continue to build-out an Internet-based, Electronic Resource Directory that connects families and service providers to resources, such as childcare and early head start, teen parenting and early childhood development programs.



Merck HPV Beauty Salon Campaign



ASK ME ABOUT HPV
Empowering Our Communities: The Conversation Starts With You

Attend one of these information sessions.

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
January 21st MLK Day 12 Noon & 2 PM		January 23rd 6:00 PM			January 26th 11 AM & 1 PM
	January 29th 6:00 PM		January 31st 6:00 PM	February 1st 6:00 PM	February 2nd 10 AM & 12 Noon
February 4th 12 Noon & 2 PM		February 6th 6:00 PM		February 8th 6:00 PM	February 9th 11 AM & 1 PM

Locations will include:
MEE Productions Inc., 5070 Parkside Ave., Suite 300D, Philadelphia, PA 19131
Locations in North and West Philadelphia to be determined.
Reserve your slot via Facebook at www.facebook.com/AskMeAboutHPV or online at www.mee productions.com/HPV

We Care...
About
Your Health
And
Your Hair

Ask Me About HPV
Be Informed.
Be Empowered.
Spread the Word.

Ask Me About HPV
mother
daughter
aunt
sister
cousin
friend

**Be Informed.
Be Empowered.
Spread the Word.**

1 Display Campaign Materials

Posters

Postcards

Buttons

2 Refer Clients to In-Salon Information Sessions*

Identify women • (ages 18-26) and mothers/caregivers of girls and teens, ages 9-17

Introduce the • HPV community campaign

Invite clients • to speak with an on-site health educator

**Offsite sessions will also be held; use postcards to sign up your clients. MEE will follow-up via phone with locations and dates.*

3 MEE Health Educators Provide Brief HPV Information Sessions*

- Health educators will be on-site for 3-4 hr periods during high-traffic days/times
- Individual and small-group (2-4 women) sessions
- Before or after clients receive hair services

Each session is 15-20 minutes long (including a Q & A period)

**Be Informed.
Be Empowered.
Spread the Word.**

4 Everybody Wins!

Customers Who Attend Sessions Receive:

- Free \$40 gift certificate for hair products or services at your salon
- \$10 gift card for a follow-up phone survey 1 month after salon session

Participating Salons

- Potential for \$100's of additional customer spending in your salon
- Earn \$100 stipend for being an "Ask Me About HPV" host site*
- Thank-you cash of \$5 added to stipend for every referral who participates
- Prizes (including \$500 in beauty supplies) for the salon with the most participants

**Hosting will take place over 3-5 weekends or other high-traffic times.*

MEE will be implementing an 18-month, non-randomized pilot study to assess the feasibility and effectiveness of using Black beauty salons as settings for culturally-sensitive health education about the impact of HPV and cervical cancer, along with HPV vaccination. The pilot project, which will take place in Philadelphia, is underwritten by Merck, Inc., makers of the Gardasil vaccine. MEE will be recruiting eight salons in North and West Philadelphia, educating stylists about HPV so that they can share information with their customers, and then offering in-depth education sessions with more than 200 women. We will be targeting African American salon customers, ages 18-26 who are able to make their own vaccination decisions; and mothers or guardians (primary caregivers) of African American girls who are 9-17 years old. The goals of the project are to help women make informed choices, by increasing their knowledge and awareness about HPV, as well as to increase intentions to vaccinate among

young women and their influencers/caregivers.

This research project represents a unique private-sector/academic partnership that leverages and builds on the skills and expertise of MEE's public health communications and social marketing expertise targeting underserved audiences. Our research partners include two nationally-recognized thinkers about how culture and environment impacts sexual health promotion, along with a local researcher who has developed and is implementing a community-based, multi-focused intervention to increase awareness and uptake of the HPV vaccine among young women in Philadelphia.

“I Am the Difference” (DC-DMH Youth Suicide Prevention) Campaign



2012 marked the third year of “I Am the Difference,” a unique youth suicide prevention campaign predicated on promoting positive coping behaviors and encouraging supportive behaviors by peers with stressed or depressed friends in Washington, DC.

MEE was contracted by the DC Department of Mental Health in 2010 to develop a media based campaign, which included a wide range of promotional materials, a website, prints ads and four radio ads (PSAs). MEE developed, produced and implemented the campaign based on focus group testing in 2011.

Campaign implementation expanded in 2012 to incorporate community mobilization activities which were initiated by a series of Chat & Chews with youth service providers in DC.

Year 4 (2013) Forecast

In 2013, MEE will continue to produce and print additional “I Am the Difference” materials on an as-needed basis. We will also assist in updating and managing content on the campaign website. MEE’s Community Network will be leveraged to provide campaign updates and promote services and resources provided by the DC Department of Mental Health. MEE will also support DC-DMH reporting efforts by providing statistics and other data that will be later submitted to the Substance Abuse and Mental Health Services Administration (SAMSHA).



University of North Carolina: Sexual Concurrency Among African-American Couples



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at **CHAPEL HILL**

2012 was the third year of MEE's collaboration with The University of North Carolina to develop and implement a media campaign that addresses the HIV risks of sexual concurrency. 2012 saw the completion of radio development and the implementation of the media campaign in eastern North Carolina. The campaign targets African American men and women, ages 18 to 34. Sexual concurrency is when sexual partnerships overlap in time. Our efforts will discourage concurrent partnerships in eastern North Carolina.

MEE led media development and placement for the awareness campaign. We developed and produced an innovative radio campaign using storytelling techniques based on novellas. MEE raises awareness of sexual concurrency using the stories of four character's relationships and infidelity over a series of ads. It presents authentic representations related to sexual risk behaviors of sexual concurrency, while emphasizing the benefits of healthy, monogamous relationships. MEE also developed the radio placement schedule to be implemented in 2012 after the pre-campaign, baseline research is completed.

In 2013, MEE will execute the final phase of media placement for the campaign.

2013 Projects

Inner City Truth 3 (ICT3)

ICT3 is the third installment of MEE's Inner City Truth (ICT) lifestyle research series, which began in 2002 and was replicated in 2008 (all three surveys had large California youth samples). Insights from these previous studies will provide the opportunity for a longitudinal perspective of trends over the past decade. MEE Productions has a 20-year history of conducting quantitative and qualitative research in urban America. Special attention is given to ethically and respectfully conducting research in the communities being investigated. The methods MEE employs have been subjected to academic, professional and peer review. This document is an overview of our methods with specific focus on the Inner City Truth 3 (ICT3) survey.

Survey Objectives (ICT3)

The Inner City Truth 3 (ICT3) inquiry is designed to survey over 1,500 low-income urban youth and young adults aged 16 to 20. This is the third version of this study, which is predicated on identifying and eliminating social, economic and health disparities that negatively impact underserved communities. The "costs" associated with these disparities impact the broader society on numerous levels.

The ICT3 survey is designed to provide insights that go beyond merely cataloging the lifestyle patterns and health behaviors of urban youth. By combining the latest research with MEE's deep understanding of this market, we are able to interpret the results so as to provide insights as to the "why" of youth behaviors, with a further view into what trends may occur in the future. ICT3 will provide in-depth analysis of the urban perspective and the impact of its African American and Hispanic American population.

The survey has multiple sections that address an array of topics, including:

- Worldview: How youth of color see themselves in the world and interact with it;
- Usage and preferences across the full spectrum of media channels, including social media and online choices;
- Money matters – financial literacy, saving habits & use/spending of disposable income;
- Definitions of family, community, friends and intimate partners;
- Gender differences in behavior patterns among youth of color;
- Lifestyle choices—health & wellness, sexual health, stressors, spirituality and more;
- Access to healthcare, usage of wellness services, treatment when using services; and
- Goals, values, fears, morality and aspirations of today's youth of color.

ICT3: Understanding the New Majority Minority

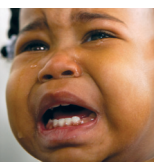


A Unique Look into the Urban Multicultural Market

Worldview • Media • Technology • Entertainment • Lifestyles • Financial Literacy • Interpersonal Relationships
Wellness • Health • Obesity • Internet • Education • Who's Hot/Who's Not • Aspirations/Goals • Brands

Deliverables	2002	2008	2013
Abstract	✓	✓	✓
Press Release	✓		✓
Fact Sheet(s) (Per Sponsor)			✓ (New)
UrbanTrends (National)	✓	✓	✓
UrbanTrends (California Supplement)	✓		✓
Category & Sponsor Specific Analysis & Summary		✓ (BET, NCPTP)	✓
California Comparison	✓		✓
Full Survey Report with Focus Group Analysis	✓	✓	✓
Full Presentation	✓	✓	✓
On-Site Client Presentation	✓	✓	✓

Tobacco Media - Secondhand Smoke Campaign



MEE has been selected as the lead media agency by the Philadelphia Department of Public Health (PDPH) to promote tobacco prevention in Philadelphia through various media outlets. Over a span of three years, MEE will provide media development and placement services for three campaigns: a second-hand smoke prevention campaign targeting low-income parents/caregivers (ages 25-44) who smoke; a youth smoking prevention campaign targeting African American youth/young adults (ages 15-21); and a point-of-purchase “quit” campaign warning buyers at retail locations of the dangers of smoking.

MEE will also work on a Youth Advocacy Initiative, a community-based, youth-driven advocacy effort. To develop concepts and media materials, MEE will review and assess previous and current tobacco prevention campaigns for possible use in Philadelphia, along with creating new content. The final media mix will include radio advertising, transit/outdoor media, TV advertising and video, as well as a variety of online/social media services.





NStar Entertainment

The mission of NStar Entertainment is to be the preeminent source of research-informed entertainment for urban Americans. The first slate of films to be produced by NStar consists of *32-21-42* (a romantic comedy), *Live 2 Tell* (an original screenplay written by the late-rapper Tupac Shakur while he was incarcerated) and *Holdin' Court* (an urban crime/action film).

MEE has assisted NStar by developing Submission Packages for all three films. We have also provided focus group (audience research) testing services for each of the scripts, in order to ensure that they appeal to urban moviegoers. In addition, MEE developed the marketing strategies for each film, including distribution plans and advertising campaigns that MEE will execute on behalf of NStar.

While NStar secures final funding to launch its filmmaking operation, its management team switched the order of release for its launch slate. This allows NStar to start off with the most commercially viable (and lower-budgeted) film, and then follow up with others that gently expand the boundaries of the urban film genre. This means that the production of *Live 2 Tell* is temporarily on hold.

32-21-42, budgeted at \$2.5 million, will go first, followed by *Holdin' Court* (\$5.0 million). This will allow NStar to validate its innovative production and distribution models with these lower budgeted films and then make *Live 2 Tell* (a \$12 million production). NStar's goal is to begin pre-production for *32-21-42* in early September 2013, followed by a four-week production schedule.

NStar Life

NStar Life is an integrated research, marketing and content-development entity targeting urban African-American and Hispanic-American millennial consumers. Built on the profitable 22-year operating history of MEE, NStar Life will expand MEE's consumer reach to create a fully integrated "community" that includes, yet spans beyond the bricks-and-mortar of the real world to the virtual world of digital and mobile media.

In 2012, MEE served as a launching pad for NStar Life. MEE provided audience research and community mobilization services for two NStar Life clients last year, which included conducting research with African American women, the primary audience for the new talk show featuring the popular comedian Steve Harvey. MEE worked with four network affiliates (NBC-Universal) to develop and implement a community activation campaign when the show launched at the start of the latest TV season. In the coming year, MEE will continue marketing these and other kinds of expanded services to major financial corporations and popular retailers. At the same time, MEE will offer a full set of research, advertising and online marketing services to NStar Life and NStar Entertainment (NStar).

Making “Obamacare” Work in Underserved Communities: MEE’s E3 Approach



MEE’s long-standing expertise in community engagement and mobilization across the country positions us well to support the many state health exchanges and local health agencies in implementing the complex changes in service delivery associated with the Affordable Care Act of 2010 (ACA) also known as “Obamacare.” These health benefit exchanges create a new marketplace for health insurance, where individuals and small employers will be able to shop for health coverage. Aggressively marketing our community engagement and education services and forming strategic partnerships to deliver them will be a focus for MEE in 2013, when open enrollment begins for the millions of Americans who are currently uninsured.

We know that a significant, disproportionate number of the 32 million people across the country who will become insured under the Affordable Care Act will be low-income people of color. These are the very same audiences that MEE has reached, engaged, educated and influenced through dozens of social marketing campaigns since 1990. It’s clear that, with all of its complexities, even many mainstream Americans don’t understand the ACA and its implications. When the open enrollment process begins, some will be paralyzed into doing nothing, without much education, information and support in navigating the process. That effect is likely to be even more pronounced in low-income, underserved communities. Cultural competency plays a critical role in educating communities and delivering quality healthcare. In fact, not understanding the cultural and environmental context of local residents leads

to miscommunications, myths and access barriers that exacerbate the many existing health disparities.

MEE will seek opportunities to help agencies penetrate communities eligible for the free to low-cost benefits of ACA at the grassroots level, help increase awareness and knowledge about the impact of the changes and help empower local residents as informed health-services consumers. We have developed a unique social marketing campaign model that assists with enrolling qualified, low-income residents of color into Medicaid and private insurance plans, in a way where communities can understand, demonstrate and take ownership of the information using a grassroots approach. At the same time, MEE will build community capacity to be more empowered about health and healthcare and increase the diversity within the pipeline for allied health professionals. We call it the “E3 Approach” to Obamacare: **E**xpansion and **E**nrollment, While **E**nhancing Healthcare Workforce Diversity. This approach creates a long-term “win” for underserved communities across the nation.

UNCF



In 2012, The United Negro College Fund (UNCF) commissioned both qualitative and quantitative studies designed to uncover African American parents' perceptions of K-12 public education. UNCF's Frederick D. Patterson Research Institute (FPRI) has developed a monograph, *Done To Us, Not With Us: African American Parent Perceptions of K-12 Education*, based on the findings from both studies.

For 2013, MEE proposes to develop and implement a comprehensive plan to disseminate the findings from the *Done To Us, Not With Us* report in order to engage and educate communities across the country. MEE will establish a community activation infrastructure that will expand the network of individuals and organizations in communities of color that are committed to improving the public education landscape and the ability for African American youth to navigate the K-12 pipeline and be prepared for a successful post-secondary education experience.

MEE's proposal was in response to UNCF's desire to share the information from the 2012 research with communities where the research was conducted (Memphis, Detroit, Atlanta, New Orleans and Washington, DC). MEE's proposed strategies can increase the UNCF's footprint and brand awareness on-the-ground in African-American communities. In addition, "Closing the loop" and sharing the results of this insightful research continues to build UNCF's credibility in communities that may be less aware of its key role in promoting educational success for generations of African American students. The community forums we propose, for example, are great opportunities and an authentic "grassroots feedback loop" to hear community input about the research findings, particularly those that may inform the key areas of focus for future UNCF initiatives. An aggressive dissemination strategy will also promote the need for improved K-12 education on the community's radar and illustrate the connection between a strong early education pipeline and the ability to increase the number of African Americans attending and finishing college.

MEE Productions Inc. Financial Statements

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Independent Auditors' Report

Officers and Directors,
MEE Productions Inc.:

Report on Financial Statements

We have audited the accompanying balance sheets of MEE Productions Inc. as of December 31, 2012 and 2011 and the related statements of operations, shareholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In Our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of MEE Productions, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of operations on page 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Bala Cynwyd, PA
April 2, 2013

Balance Sheet

December 31, 2012 and 2011

	2012	2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 680,442	\$ 494,344
Accounts receivable	41,432	19,274
Prepaid and refundable income taxes	19,695	20,477
Other current assets	3,912	3,742
Total Current Assets	745,481	537,837
Equipment and Video, Net	15,815	8,902
Investment	75,000	50,000
Other Assets	14,976	14,766
Total Assets	\$ 851,272	\$ 611,505
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 61,125	\$ 21,202
Accrued expenses	--	7,604
Deferred revenue	140,933	--
Total Current Liabilities	202,058	28,806
Shareholders' Equity:		
Common stock, \$1 par value; 75,000 shares authorized; 23,158 and 22,758 shares issued and outstanding at December 31, 2012 and 2011, respectively	30,024	23,158
Paid-in capital	432,065	348,207
Retained earnings	187,125	211,334
Total Shareholders' Equity	649,214	582,699
Total Liabilities and Shareholders' Equity	\$ 851,272	\$ 611,505

Statement of Operations

For the Years Ended December 31, 2012 and 2011

	2012	2011
Revenues:		
Research and consulting	\$ 543,019	\$ 290,325
Media and video production	166,286	274,598
Advertising and marketing campaigns	1,074,035	776,631
Speaking and workshops	7,925	55,000
Product sales - video and reports	6,199	20,774
Total Revenues	1,797,464	1,417,328
Operating Expenses	1,827,969	1,420,085
(Loss) Income From Operations	(30,505)	(2,757)
Other Income:		
Interest income	4,296	2,885
(Loss) Income Before (Recovery of) Provision for Income Taxes	(26,209)	128
(Recovery of) Provision for Income Taxes	(2,000)	100
Net (Loss) Income	\$ (24,209)	\$ 28



The accompanying notes are an integral part of these financial statements.

Statement of Shareholders' Equity

For the Years Ended December 31, 2012 and 2011

	Common Stock (a)		Paid-in	Retained	
	Shares	Amount	Capital	Earnings	Total
Balance - January 1, 2011	22,758	22,758	340,047	211,306	574,111
Stock Issued in Lieu of Cash Compensation	400	400	8,160		8,560
Net Income	--	--	--	28	28
Balance - December 31, 2011	\$ 23,158	\$ 23,158	\$ 348,207	\$ 211,334	\$ 582,699
Stock Issued in Lieu of Cash Compensation	6,866	6,866	83,858		90,724
Net Loss	--	--	--	(24,209)	(24,209)
Balance - December 31, 2012	<u>\$ 30,024</u>	<u>\$ 30,024</u>	<u>\$ 432,065</u>	<u>\$ 187,125</u>	<u>\$ 649,214</u>

Statement of Cash Flows

For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Net income (loss)	\$ (24,209)	\$ 28
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,893	3,662
Non-cash compensation	90,724	8,560
Changes in operating assets and liabilities:		
Accounts receivable	(22,158)	(14,145)
Prepaid and refundable income taxes	782	16,552
Other current assets	(170)	1,103
Other assets	(210)	(448)
Accounts payable	39,923	(1,212)
Accrued expenses	(7,604)	7,604
Deferred revenue	140,933	(53,413)
Net Cash Provided by (Used in) Operating Activities	223,904	(31,709)
Cash Flows From Investing Activities		
Purchase of investment	(25,000)	(50,000)
Acquisitions of equipment and video	(12,806)	(5,080)
Net Cash Used in Investing Activities	(37,806)	(55,080)
Net Decrease in Cash and Cash Equivalents	186,098	(86,789)
Cash and Cash Equivalents - Beginning	494,344	581,133
Cash and Cash Equivalents - Ending	\$ 680,442	\$ 494,344
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Income taxes	\$ 1,060	\$ 5,942

Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business - MEE Productions Inc. (The "Company") is a full-service communications company located in Philadelphia helping both the public and private sectors reach and influence urban populations with pro-social messages by providing market research, media production, advertising and consulting services.

Use of Estimates - The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk - The Company places its cash deposits and temporary cash investments with financial institutions, that at times, may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance ("FDIC") insurance limit. At December 31, 2012 the Company's cash is held at five financial institutions.

Cash and Cash Equivalents - Cash and cash equivalents consist primarily of cash balances and highly liquid debt instruments with a maturity of three months or less.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company maintains allowances for estimated losses resulting from the inability of its clients to make required payments. Management considers the following factors when determining the collectability of specific client accounts: client credit-worthiness, past transaction history with the client, current economic industry trends, and changes in client payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's clients were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for doubtful accounts at December 31, 2012 and 2011.

Investments - The Company determines the appropriate classification of its investment in debt securities at the time of purchase and reevaluates such determination at each balance sheet date. Debt securities that the Company has both the ability and intent to hold to maturity are classified as held-to-maturity and are carried at cost.

Equipment and Video - Equipment and video is carried at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized. Depreciation and amortization are computed using an accelerated method over the estimated useful lives of the property:

	Estimated Useful Lives
Equipment and video	5 years

The carrying amount of all long-lived assets is evaluated periodically to determine if an adjustment to the depreciation period or the non-depreciated balance is warranted. Based upon its most recent analysis, the Company believes that no impairment of property and equipment exists as of December 31, 2012.

Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

Note 1 - (continued)

Revenue Recognition/Deferred Revenue - The Company enters into various contracts which are generally short-term in duration. The Company recognizes revenue from product sales or services provided when the following revenue recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable and collectability is reasonably assured.

Income Taxes - Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristic. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Note 2 - Investments

During 2012, the Company invested \$25,000.00 in a Ford Motor Credit corporate bond (the fair market value was \$24,791.00). The bond is set to mature November 2013.

During 2011, the Company invested \$50,000.00 in a Bank of America corporate bond (the fair market value at December 31, 2012 and 2011 was \$51,937.00 and \$47,917.00, respectively). The bond is set to mature October 2015.

At December 31, 2012, the Company held investments in marketable securities that were classified as held-to-maturity and consisted of the following:

	December 31, 2012			
	Amortized Cost	Unrecognized Holding Gains	Unrecognized Holding Losses	Estimated Fair Value
Corporate bonds	\$75,000	\$ 1,728	\$ --	\$76,728

Contractual maturities of held-to-maturity securities at December 31, 2011 are as follows:

	Net Carrying Amount
Due in one year or less	\$25,000
Due in 2-5 years	\$50,000
	<u>\$75,000</u>

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Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

Note 2 - (continued)

At December 31, 2011, the Company held investments in marketable securities that were classified as held-to-maturity and consisted of the following:

	December 31, 2011		
	Amortized Cost	Unrecognized Holding Gains	Unrecognized Holding Losses
Corporate bonds	\$50,000	\$ --	\$2,083
			Estimated Fair Value
			\$47,917

Contractual maturities of held-to-maturity securities at December 31, 2011 are as follows:

	Net Carrying Amount
Due in 2-5 years	\$50,000

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Note 3 - Fair Value Measurements

The "Fair Value Measurements and Disclosures" Topic of the Financial Accounting Standards Board ("FASB") ASC (Topic 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimizes the use of unobservable inputs. The three level of inputs used to measure are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

We do not have any material assets or liabilities that are required to be recorded at fair value on a recurring basis. The Company's investment is measured using Level 1 inputs and did not have any financial assets or liabilities that were measured using Level 2 or Level 3 inputs.

Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

Note 4 - Equipment and Video

	<u>2012</u>	<u>2011</u>
Office equipment	\$499,869	\$487,063
Video equipment	<u>63,393</u>	<u>63,393</u>
	563,262	550,456
Less; accumulated depreciation	<u>547,447</u>	<u>541,554</u>
Equipment and Video, net	<u>\$ 15,815</u>	<u>\$ 8,902</u>

Depreciation of property and equipment charged to operations for 2012 and 2011 amounted to \$5,893 and \$3,662, respectively.

Note 5 - Stock Based Compensation

The Company grants common stock to its officers and employees on a discretionary basis, typically in December of each year, and the common stock vests immediately upon grant. The compensation expense charged against operations for the years ended December 31, 2012 and 2011 was \$90,724 and \$8,560, respectively. The Company used the "Adjusted Net Worth Approach" in determining the fair value of its common stock. The key assumptions used in determining the fair value of the common stock included the net book value of the Company's tangible assets less its outstanding indebtedness.

Note 6 - Lease Commitments

In February 2012, the Company entered into a lease for its Illinois office facility. Rent expense totaled \$43,117 and expires February 2013.

In May 2011, the Company entered into a lease for its Philadelphia office facility with annual rent of \$42,000, plus CAM charges, expiring June 2014.

In February, 2007, the Company entered into a lease for its Philadelphia office facility with annual rent of \$57,420, plus parking and CAM charges, increasing 3% annually, which expired in August, 2009 and was to continue at the same annual rate through December, 2010. In December, 2010 the Company extended the lease for an additional six months through June, 2011 at the same rate of \$5,585 per month. The lease expired in July 2011.

In May, 2007, the Company entered into a lease for its Los Angeles, CA office facility with annual rent of \$8,700, which expired in April, 2009, and continued at the same annual rate on a month-to-month basis. The lease expired in May, 2011.

In March 2011, the Company entered into a lease for its Illinois office facility. Rent expense totaled \$18,373. The lease expired July 2011.

Rent expense for office facilities for 2012 and 2011 amounted to approximately \$90,000 and \$81,000, respectively.

Future minimum lease payments are as follows:

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Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

Note 6 - (continued)

Future minimum lease payments are as follows:

For the Year Ending December 31,	Amount
2013	\$ 50,000
2014	21,000
Total	\$ 71,000

The Company also leases equipment and facilities on an as needed basis. The equipment and facilities rentals for 2012 and 2011 amounted to approximately \$11,000 and \$7,000, respectively.

Note 7 - Income Taxes

The Company adopted the relevant accounting standards regarding "Accounting for Uncertainty in Income Taxes," that requires recognizing the financial statement benefit of a tax position only after determining that the relevant tax authority more-likely-than-not would sustain the position following an audit. For tax positions meeting the more-than-likely threshold, the amount recognized in the financial statements is the largest benefit that has a greater-than-50-percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest costs related to unrecognized tax benefits are required to be calculated (if applicable) and would be classified as "interest expense" in the statement of operations. Penalties would be recognized as a component of "operating expenses." In many cases, the Company's tax positions are related to tax years that remain subjected to examination by relevant tax authorities. The Company files income tax returns in the United States (federal) and in various state and local jurisdictions. In most instances, the Company is no longer subjected to federal, state and local income tax examinations by tax authorities for years prior to 2009.

As of December 31, 2012 and 2011, the Company had no unrecognized tax benefits or liabilities for uncertain tax positions.

The (recovery of) provision for income taxes consisted of the following:

	2012	2011
Current:		
Federal	\$ (2,000)	\$ 100
State	--	--
	(2,000)	100
Deferred:		
Federal	--	--
State	9,000	6,000
Valuation allowance	(9,000)	(6,000)
Income Taxes, net	\$ (2,000)	100

Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

Note 7 - Income Taxes (Continued)

The following is a reconciliation of income tax computed at the Federal statutory rate to the provision for taxes:

	2012	2011
Income tax provision	\$ (2,000)	\$ --
State income tax, net of federal benefit	--	--
Expenses not deductible for income tax purposes	--	100
	<u>\$ (2,000)</u>	<u>\$ 100</u>

Note 8 - Major Clients

Revenues from the Company's major clients in 2012 and 2011 were 62% and 28% of the Company's total revenues, as follows:

	2012	2011
Client 1	\$576,000	\$578,000
Client 2	264,000	--
Client 3	203,000	--
Client 4	173,000	--
Client 5	--	152,000
Client 6	--	145,000
Major Clients, total	<u>\$1,216,000</u>	<u>\$875,000</u>

The Company's three largest clients accounted for 100% and 0% of accounts receivable at December 31, 2012 and 2011, respectively.

Note 9 - Profit Sharing Plan

The Company has a discretionary profit sharing plan covering all employees who have completed one full year of service. There were no contributions to the plan for the years ended December 31, 2012 and 2011.

Note 10 - Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through April 2, 2013, the date the financial statements were available to be issued, require potential adjustment to or disclosure in the financial statements.

Schedules of Operating Expenses

For the Years Ended December 31, 2012 and 2011

	2012	2011
Payroll	\$ 997,956	\$ 734,602
Payroll taxes	82,342	65,956
Employee benefits	36,834	44,046
	<u>1,117,132</u>	<u>844,604</u>
Business development:		
JavierBook	(726)	553
Marketing	14,893	3,666
Sycamore / Khepri / NStar Films	6,716	50,142
Contractors	103,650	106,660
Contributions	11,045	2,100
Depreciation	5,893	3,662
Equipment and facilities rental	11,297	7,171
Information technology services	13,769	12,206
Insurance	29,505	12,000
Licenses and miscellaneous taxes	6,545	2,734
Office	37,836	52,803
Production and project	324,304	195,045
Professional fees	28,744	25,161
Rent	89,772	81,250
Telephone	17,188	13,544
Transportation and travel	6,056	--
Utilities	4,350	6,784
	<u>4,350</u>	<u>6,784</u>
Total Operating Expenses	<u><u>\$ 1,827,969</u></u>	<u><u>\$ 1,420,085</u></u>

Executive Officers

Ivan J. Juzang

Founder and President

Thierry Fortune

Senior Vice President

Alicia L. Jackson

Senior Vice President

William J. Juzang, II

Vice President

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Vice President

Victor C. Havens

Vice President

Board of Directors

Ivan J. Juzang

President and Chairperson

Thierry Fortune

Senior Vice President and Treasurer

Alicia L. Jackson

Senior Vice President and Secretary

James E. Mitchell, Jr.

Senior Vice President,
General Electric Company

Maxie L. Juzang

President,
Healthcare Staffing Professionals, Inc.

Investor Information

Auditors

Marcum LLP
401 E. City Avenue
Bala Cynwyd, PA 19004

Legal Counsel

Ballard Spahr Andrews & Ingersoll
1735 Market Street
Philadelphia, PA 19103



MEE Productions Inc.

Corporate Headquarters

5070 Parkside Avenue, Suite 3500D
Philadelphia, PA 19131
Phone: 215.796.9141
Fax: 267.292.4856

Philadelphia, PA • Chicago, IL • Los Angeles, CA
www.meeproductions.com

CORPORATE HEADQUARTERS
5070 Parkside Avenue, Suite 3500D,
Philadelphia, PA 19131
Phone: 215-796-9141
Fax: 267-292-4856
Email: info@meeproductions.com
Web: www.meeproductions.com