

We Offer

Prince Edward Island Films, Ltd.

Head Office

Charlottetown

In Process of Formation, and to be Incorporated under the P. E. Island Joint Stock Companies Act

WITH A CAPITAL OF \$100,000 TO BE DIVIDED INTO 2000 SHARES OF \$50.00

This Company is being formed for the purpose of producing a motion picture photoplay typical of Prince Edward Island, to be made here on the Island. Ernest Shipman, the picture producer, will directly supervise the making and marketing of this picture, which it is proposed to produce during the months of September, October and the first part of November, and market throughout the world this fall.

THE FOLLOWING BOARD OF PROVISIONAL DIRECTORS HAS BEEN SECURED

HON. MURDOCK MACKINNON, LIEUTENANT GOVERNOR; FRANK R. HEARTZ; J. O. HYNDMAN; R. E. MUFCH; PROF. J. A. CLARK; C. H. BLACK; C. J. GALLAGHER; ERNEST SHIPMAN. DIRECTORS FROM SUMMERSIDE AND OTHER PARTS OF THE ISLAND WILL BE ADDED. HIS WORSHIP MAYOR JENKINS, WILL HEAD AN ADVISORY COMMITTEE.

Here are the Facts:

WHO MR. SHIPMAN IS

Ernest Shipman is a Canadian who has spent his life in theatrical and picture work. He toured many companies, Shakespearean and otherwise, throughout the world. Frederick Shipman, his brother, is a well known theatrical man, now in Australia. Joseph Shipman, another brother, has at Los Angeles, Calif., one of the largest photo enlarging plants in the world. A third brother is Rev. Dr. Shipman, Pasadena, Calif. Bishop Shipman, of Fifth Ave., N.Y., is a cousin. Mr. Shipman has not had a failure since he started making pictures, nor anything approaching failure. His record is a perfect one of success upon success.

HIS PICTURES

Mr. Shipman has produced and exploited the following famous pictures:—"Tarzan of the Apes," "The Romance of Tarzan," "Lavender and Old Lace," "The Light in the Clearing," American; and these Italian ones:—"Sant Ilario," "Don Carlos," "The Last of the Dorias," etc.

HIS CANADIAN SUCCESSES

Mr. Shipman then turned to Canada, and he has produced and exploited these big successes: "Back to God's Country," "The Sky Pilot," "God's Crucible," "Cameron of the Royal Mounted," "The Golden Snare," "Nomads of the North," etc. He has producing companies at Calgary, Winnipeg, Ottawa and Sault Ste Marie. He has just completed "The Man From Glengarry" at Ottawa, and has started "Glengarry Schooldays" there. He is just finishing "The Rapids" at Sault Ste Marie, and is starting "Black Rock" there.

RECENT SUCCESSES

In the last six weeks Mr. Shipman has

organized these new producing companies: Newfoundland Films, Ltd., New Brunswick Films, Ltd., and Nova Scotia Films, Ltd. Each of these companies, as with his other Canadian companies, has a very strong local directorate, containing the men of the biggest calibre the communities could offer. Premiers, lieutenant-governors, board of trade presidents, industrial magnates, etc., are directors on his companies.

HIS IDEA

Mr. Shipman's idea is to build up across British North America a series of producing companies, each company producing annually from two to three and four pictures. These would have world-wide circuit, and will prove better advertising Canada in the right way than all other agencies combined. These pictures are making Canada known to the world.

MARKET FOR THEM

There is an EVER-WIDENING market for these pictures of the type that Mr. Shipman makes. Of the 900 pictures made each year in the States (mostly California) a very tiny proportion is the out-door, wholesome type of picture. People everywhere are jaded with studio-made pictures of dubious character, and so the ten, twenty or thirty pictures a year which Canada would produce would be snapped up by any of the great seven distributing companies such as First National, United Artists, Hodgkinson, Robertson, Cole, etc. Mr. Shipman has market for more pictures than he can hope to produce.

PROFITS

The average profit on Mr. Shipman's pictures is 100 per cent. "Tarzan of the Apes" has already grossed over \$800,000, and is still running; "Romance of Tarzan"

over \$600,000; "Back to God's Country" cost \$165,000 to make, and has earned \$550,000 in two years, and has three years yet to go. "Nomads of the North" earned in 18 months \$350,000. "The Golden Snare" in 12 months earned \$250,000. "The Sky Pilot", still breaking records, will earn \$600,000.

THREE BRANCHES

There are 3 branches to the picture industry—production, distribution and exhibition. Mr. Shipman is a producer, and he markets his pictures through the distributors—First National, etc. These distribute the pictures throughout the world to the thousands of theatres. Each theatre pays its own separate rental for the use of the picture. One hundred prints are made from the picture, and each of these is on the circuit simultaneously, earning money steadily.

DIVISION OF PROFITS

The distributing company contracts to distribute the picture for five years, for a certain percentage of the earnings. This percentage runs from 50 per cent. for distributing company and 50 per cent. for producing company, all the way to 30 per cent. for distributing company and 70 per cent. for producing company—depending on the worth of the distributing company, and the value of the picture, of course. First National, which has many theatres on its circuit, and earns an average of \$500,000 for the pictures it distributes, goes 50—50.

CASH ADVANCE

But First National, which is a very desirable company, pays the producing company a cash advance on delivery of the picture into its hands. This is an initial cash

payment, on account of future earnings, of \$100,000 or \$125,000. This money is paid to the producing company as soon as the picture is made and leased to First National. The money may be used by the local producing company to recoup themselves for their investment, or may be used to make a second picture, and so on ad finitum. Shareholders decide this themselves. This means that the shareholders in this company would have their investment itself back in their pockets within ninety days of investing it, if they wished. So it is literally a case of LOANING so much money for ninety days, and then getting it back. From that on the profits on the investment would come in, until the picture would cease exhibition. These profits come in every month from the distributing company. The local producing company keeps strict tab on the distributing company's books, having access to them through auditors.

THE P. E. I. PICTURE

This picture would be a photoplay, or screen drama, of five or six reels. It would be made here on the Island, and would show the scenery and attractions of the Island. Actors and actresses and cameramen under an expert director would be brought here. Local people would be secured for minor parts. It takes 22 days of sunshine to make the picture, indoor scenes being shot on dull or rainy days. Prof. Clark, of Experimental Farm, shows that during September and October there would be about 33 days of sun, and several days of brightness but no sun. The picture would be made and on the market Nov. 15. Mr. Shipman will by then have eight or nine pictures to market, and each picture will benefit in the marketing by the existence of others. It will be a veritable broadside of propaganda and publicity from Canada!

WHAT THE AUTHORITIES SAY ABOUT SHIPMAN:

J. M. ROBINSON AND SONS, PRIVATE BANKERS, ST. JOHN

"To J. R. Paton, Charlottetown: We are satisfied with proposition of Ernest Shipman. (Signed) J. M. Robinson & Sons, Ltd."

EASTERN SECURITIES COMPANY, LTD., AND J. M. ROBINSON & SONS, LTD., ST. JOHN

"Impressed with the soundness of this venture, viewed from every angle, the undersigned have agreed to become members of the company. We have no doubt that the statements of Mr. Shipman will be carried out in full, and that those who participate will receive a good return on their subscriptions and at the same time will assist in advertising and building up the community. (Signed) Eastern Securities Company, Ltd., and J. M. Robinson & Sons, Ltd."

F. J. BUCHANAN, SAULT STE. MARIE FILMS, LTD., SAULT STE. MARIE

"To Barnhill, Sanford and Harrison, Solicitors, St. John: We are well satisfied with Shipman and he has carried out his part of the agreement in satisfactory and business like manner. Our production cost we believe will not exceed fifty thousand dollars. We are giving excellent local co-operation and are making a great picture ("The Rapids") and are well pleased with Shipman and his organization. (Signed) F. J. Buchanan."

SENATOR E. L. GIRROIR, PRESIDENT OTTAWA FILMS, LTD., OTTAWA.

"To Ernest Shipman: Glad to hear of your progress, Halifax, St. John and Newfoundland. Had splendid showing of "The Man From Glengarry" at Imperial. Shareholders delighted with result. "Glengarry Schooldays" will be also excellent picture. Everybody in good cheer, and Canada owes you much for your splendid initiative. Best regards. (Signed) E. L. Girroir."

MR. SHIPMAN HEADS THE LIST WITH HIS SUBSCRIPTION OF \$35,000 TO PROVE GOOD FAITH. ONLY A LIMITED AMOUNT OF STOCK WILL BE OFFERED TO THE PUBLIC. ALL SUBSCRIPTIONS WILL BE PAID INTO A LOCAL BANK TO BE NAMED AND THERE HELD IN TRUST. SHOULD THE COMPANY NOT BE FORMED THE MONEY WILL BE RETURNED TO THE INVESTORS. For further particulars apply to

J. R. SMALLWOOD J. ROWLAND PATON A. F. WEBSTER

Investment Securities
 Gt. George St.