

FIRST INTERSTATE BANCSYSTEM INC  
 Form 4  
 April 15, 2008

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 COOK RALPH K

2. Issuer Name and Ticker or Trading Symbol  
 FIRST INTERSTATE  
 BANCSYSTEM INC [N/A]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 04/14/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Senior Vice President

PO BOX 30918

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

BILLINGS, MT 59116-0918

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount	(D)	Price
Common Stock	04/14/2008		S		2,744	D		\$ 83.5
					0	D		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
--------------------------------------------	--------------------------------------------------------	--------------------------------------	----------------------------------------------------	--------------------------------	-----------------------------------------------------------------------------------------	----------------------------------------------------------	---------------------------------------------------------------	--------------------------------------------	-------------------------------------------------------------------------------------

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
COOK RALPH K PO BOX 30918 BILLINGS, MT 59116-0918			Senior Vice President	

## Signatures

/s/ Terrill R. Moore, Attorney-in-Fact for Reporting Person  
 Date: 04/14/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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	(5)
	10,000
	(5)
Trafalgar Capital Investment Fund (9) 8-10 Rue Mathias Hardt, BP 3023, Luxembourg L-1030	426,110
	5.8%
	0
	0%
	0
Reporting Owners	2

		0%
Philip Kendall (6)	41 Lothbury, London EC2R 7AE	
		20,000
		(5)
		20,000
		(5)
		20,000
		(5)
Other Employees (6)		
		50,000
		(5)
		50,000
		(5)
		50,000
		(5)
All Officers and Directors as a Group		
		2,047,000
		29.1%
		2,047,000
		26.2%
		2,047,000
		26.2%
Total 5% Holders		
		6,364,627
		79.6%
		4,264,627
		50.8%
		3,889,627
		46.3%

(1)

Explanation of Responses:

Beneficial ownership is determined in accordance with the Rule 13d-3(a) of the Exchange Act and generally includes voting or investment power with respect to securities and includes shares underlying convertible debentures, warrants and options that have been issued, granted and have vested and not been exercised and shares underlying options that will vest within the next 60 days only in respect to any person listed in the table. Except as subject to community property laws, where applicable, the person named above has sole voting and investment power with respect to all ordinary shares shown as beneficially owned by him/her.

- (2) Assumes (i) a total of 1,700,000 ordinary shares are returned to us immediately upon completion of the offering for the repayment of indebtedness, (ii) 500,000 preference shares convertible into 400,000 ordinary shares are returned to us, and (iii) the underwriters' representative does not exercise warrants to purchase up 125,000 of our ordinary shares.
- (3) Peter Hoffman controls approximately 70% of the voting stock of SAP, and is a beneficial owner of our ordinary shares held by Seven Arts Pictures Inc. This total does not include 700,000 ordinary shares pledged to ApolloMedia and over which ApolloMedia has dispositive control. We intend to use the proceeds from the offering to pay a settlement amount with ApolloMedia upon the occurrence of which these 700,000 shares will be returned to us (see "Use of Proceeds").
- (4) Under the terms of the Trust Deed establishing the Seven Arts Employee Benefit Trust, EBT is to abstain from voting any of our shares that it holds unless we determine otherwise.

Includes 400,000 ordinary shares underlying our preference shares. The Seven Arts Employee Benefit Trust has agreed to (i) sell 140,000 of our ordinary shares to our President, Michael Garstin and (ii) to return 1,000,000 of our ordinary shares on completion of this offering, as indicated in Certain Related Transactions. If Mr. Garstin acquires these 140,000 of our ordinary shares prior to the offering, the following information regarding Mr. Garstin and Seven Arts Employee Benefit Trust will replace the corresponding data above, taking into account Mr. Garstin's option disclosed above:

Title of Class	Name of Beneficial Owner	Address of Beneficial Owner	Prior to the Offering		After the Offering(2)		After the Over-Allotment Option (2)	
			Amount of Beneficial Ownership	Percent of Class	Amount of Beneficial Ownership	Percent of Class	Amount of Beneficial Ownership	Percent of Class
	Michael Garstin	6121 Sunset Blvd, Hollywood, CA 90028	240,000	3.48%	240,000	3.12%	240,000	3.07%
	Seven Arts Employee Benefit Trust	38 Hertford Street, London, W1J 7SG	2,260,000	31.0%	860,000	11.2%	485,000	6.3%

(5) Less than one percent.

(6) Represents ordinary shares underlying vested options.

(7) Includes 700,000 ordinary shares underlying convertible redeemable debentures.

(8) Represents 700,000 ordinary shares pledged by SAP and over which ApolloMedia has dispositive control. We intend to use proceeds from this offering to pay a settlement amount to ApolloMedia upon which time SAP and ApolloMedia have agreed that such ordinary shares would be returned to us.

(9) Represents 220,000 ordinary shares representing warrants and represents 206,110 ordinary shares underlying a term loan (or 838,574 ordinary shares if the Note were deemed to be in default within the next 60 days). We intend to retire this term loan using the proceeds from this offering.

CERTAIN RELATED TRANSACTIONS

We have entered into several agreements and arrangements with Seven Arts Pictures Inc., an entity that holds approximately 23.3% of our stock and whose majority beneficial shareholder is our Chief Executive Officer, Peter Hoffman. These transactions include:

Upon acquisition of control of our company by SAP in September 2004, we entered into an agreement with SAP under which SAP provided the services of Peter Hoffman for the amount of his contracted salary and the Los Angeles office and staff of SAP to us for the direct costs thereof. Pursuant to an intercompany agreement, SAP also from time-to-time will own limited liability companies in the United States, with all distribution rights and profits thereof for our account and provide other services for our account at no fee other than Mr. Hoffman's salary and the direct third-party costs of SAP's Los Angeles office, all of which are reflected in our financial statements. These other services will be for any reasonable requests of our management including accounting services, audits of distribution statements, collection of accounts receivable, supervision of production of motion pictures and similar day-to-day aspects of our business. SAP assigned to us any results and proceeds arising from services performed by SAP on our behalf. We granted SAP the power and authority to enter into agreements on our behalf. Although under the terms of the agreement, SAP is not to take any actions on our behalf without our approval, in practice we have not required SAP to receive our prior approval.

SAP has from time-to-time made non-interest bearing advances to us or our subsidiaries, when we have not collected our receivables because we do not have a working capital line of credit, all as judged appropriate by management. All advances are for customary working capital purposes and total approximately \$450,000 as of December 31, 2008.

Together with SAP, we entered into a settlement agreement, dated September 30, 2006, with ApolloMedia GmbH & Co. Filmproduktion KG ("ApolloMedia") related to a dispute regarding amounts ultimately payable to ApolloMedia from distribution of the motion picture Stander and one of our subsidiaries assumption of indebtedness of approximately \$2,000,000 related to Stander upon acquisition of control of our company by SAP. The Settlement Agreement fully releases us and our subsidiaries from any liability to ApolloMedia in exchange for a payment of \$1,650,000 to be made by SAP. In connection with the SAP's payment obligation of the settlement amount to ApolloMedia, we issued 700,000 ordinary shares to SAP which SAP immediately pledged to ApolloMedia to secure SAP's obligations under the settlement agreement. SAP has agreed that it will (1) return to us all ordinary shares in excess of 400,000 not necessary to satisfy SAP's obligations to ApolloMedia and (2) deliver to us from SAP's ordinary shares, any ordinary shares in excess of 400,000 in fact sold by SAP to satisfy the indebtedness to ApolloMedia under the settlement agreement. The shares pledged to ApolloMedia will be sold by it as necessary for ApolloMedia to derive net proceeds of \$1,640,000, and any pledged shares remaining after such sale (if any) will be returned to us.

We have entered into several agreements and arrangements with Seven Arts Pictures Louisiana LLC ("SAP LA"), an entity that is 60% beneficially owned by SAP, one of our controlling shareholders and a company Chief Executive Officer, Peter Hoffman. These transactions include:

A guarantee that we provided to SAP LA to cover its indebtedness under a Credit Agreement that SAP LA entered into with Advantage Capital Community Development Fund, L.L.C., dated October 11, 2007, for the acquisition and improvement of a production and post production facility located at 807 Esplanade Avenue in New Orleans, Louisiana. The aggregate borrowing amount under this facility is \$3,700,000, of which \$2,300,000 was drawn down as of December 31, 2008.

A distribution agreement that we entered into with SAP LA pursuant to which we granted SAP LA the right to distribute our motion pictures in return for a fee of 20% of the revenues generated from these films and pursuant to which SAP LA would provide us with an amount of no less than what SAP LA received from us under this agreement.

We have secured an \$8,300,000 loan (the "Arrowhead Loan") owed by Seven Arts Future Flow I ("SFF"), an entity that is 60% beneficially owned by SAP (one of our controlling shareholders and a company controlled by our Chief Executive Officer, Peter Hoffman), with liens on twelve motion pictures. SFF borrowed these funds from Arrowhead Target Fund Ltd. ("Arrowhead") in February 2006, at an interest rate of 15% per annum. Our only liability is to repay the Arrowhead Loan from the proceeds of the film assets securing the Arrowhead Loan, and we are not required to repay the Arrowhead Loan from any other of our assets or revenues. This loan is currently in default and we and SFF are negotiating with Arrowhead on the extension of the loan (see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for a description of the Arrowhead Loan).

The Seven Arts Employee Benefit Trust ("EBT") currently owns approximately 29% of our outstanding ordinary shares (see "Management – Compensation – Seven Arts Employee Benefit Trust" for a description of EBT). We advanced a loan at a nominal rate of interest totaling approximately \$3,300,000 to EBT consisting of approximately \$2,150,000 cash and 1,600,000 ordinary shares of Armadillo Investments plc ("Armadillo") carried by us at a value of approximately \$1,150,000. On October 30, 2008, the Seven Arts Employee Benefit Trust acquired 3,000,000 of our convertible preference shares from Armadillo for approximately \$2,145,000, payable \$715,000 on execution, \$715,000 six months thereafter, and \$715,000 twelve months thereafter, and for a return to Armadillo of 1,600,000 ordinary shares of Armadillo. We have guaranteed the remaining approximately \$1,430,000 due to Armadillo, which we expect to pay from the proceeds of this offering as an additional advance to EBT, potentially increasing our total advance to approximately \$3,289,000 ("Trust Loan"). On November 20, 2008, EBT converted 2,500,000 of these preference shares into 2,000,000 of our ordinary shares.

We have agreed with EBT that it will satisfy the Trust Loan after this offering by returning to us 1,000,000 of our ordinary shares and the remaining 500,000 convertible preference shares owned by EBT. EBT has pledged approximately 1,300,000 ordinary shares to Armadillo to secure the sum due to Armadillo, which pledge will be terminated upon payment by us of approximately \$1,430,000 to Armadillo from the proceeds of this offering.

Together with Seven Arts Pictures, Inc., we have guaranteed a \$4,000,000 loan of December 17, 2007 between Palm Finance Corporation and Gone To Hell Ltd., a company controlled by our Chief Operating Officer and Director Kate Hoffman. The loan was made exclusively to finance our motion picture Nine Miles Down and is secured by the distribution rights to that motion picture. The loan carries an annual rate of interest of 15% and becomes due on June 17, 2009.

We engage as employees, Kate Hoffman, who is the daughter of Peter Hoffman, our Chief Executive Officer, and Patrick Garstin, who is the son of Michael Garstin, our President.

## MARKET FOR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Our ordinary shares have traded in the past five years on several different markets. Starting in February of 2009, our shares have been quoted on the NASDAQ Capital Market under the symbol "SAPX". Starting in March of 2008 and continuing until February 12, 2009, our shares have been quoted on the Over-the-Counter Bulletin Board under the symbol "SAPxf". Our ordinary shares traded on the Alternative Investment Market in London, England from September 2004 until February 2007 under the symbol "SAPP". Our ordinary shares were listed on the PLUS Market in London, England starting in April 2007 under the symbol "SAPP". We notified our shareholders of our decision to de-list our ordinary shares on the PLUS Market on February 25, 2009 and this de-listing was approved by the shareholders at an extraordinary general meeting on March 16, 2009 and the de-listing was effective on March 24, 2009.

The following tables set out the high, low and closing sales prices on the AIM, on the PLUS Market, on the Over-The-Counter Bulletin Board and on the NASDAQ Capital Market for the periods indicated in those tables.

NASDAQ Capital Market  
Ordinary Shares Trading Activity

Period	High (dollars)	Low (dollars)	Price at Period End (dollars)
<b>Month Ended</b>			
March 2009	\$7.60	\$5.25	\$6.90
February 2009 (1)	\$6.75	\$5.05	\$5.60

(1) We began trading on the Nasdaq Capital Market on February 13, 2009.

Over-the-Counter Bulletin Board Market  
Ordinary Shares Trading Activity

Period	High (dollars)	Low (dollars)	Price at Period End (dollars)
<b>Month Ended</b>			
February 2009 (through February 11, 2009) (1)	\$6.75	\$5.25	\$6.25
January 31, 2009	\$12.50	\$4.00	\$6.50
December 31, 2008	\$9.35	\$7.25	\$8.00
November 30, 2008	\$9.60	\$5.50	\$9.60
October 31, 2008	\$9.25	\$5.80	\$8.98
September 30, 2008	\$5.75	\$2.25	\$5.75
August 31, 2008	\$1.50	\$0.55	\$2.50
<b>Fiscal Quarter Ended</b>			
December 31, 2008	\$9.60	\$5.40	\$8
September 30, 2008	\$5.75	\$0.55	\$5.75
June 30, 2008	\$2.50	\$1.80	\$2.30
March 31, 2008	\$2.10	\$2.00	\$2.10
June 30, 2008 (2)	\$2.50	\$1.80	\$2.30

(1) We ceased trading on the Over-the-Counter Bulletin Board on February 11, 2009.



(2) The information for the 2008 fiscal year only includes data from March 2008 through June 2008 as our ordinary shares only began trading on the Over-the-Counter Bulletin Board in March of 2008.

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The following represents historic trading on the Alternative Investment Market (AIM) (through February 2007) and the PLUS Market (through March 2009). We have de-listed our ordinary shares from both markets and do not believe that historic trading on these two exchanges are indicative of current or future trading on NASDAQ Capital Market, our sole current exchange.

## PLUS Market

## Ordinary Shares Trading Activity

Period	High (pence) (1)	Low (pence) (1)	Price at Period End (pence) (1)
<b>Month Ended</b>			
March 2009 (to March 24, 2009) (2)	145	95	145
February 28, 2009	105	105	105
January 31, 2009	107.5	105	105
December 31, 2008	117.5	107.5	107.5
November 30, 2008	132.5	117.5	117.5
October 31, 2008	142.5	122.5	132.5
September 30, 2008	142.5	97.5	129.3
August 31, 2008	97.5	57.5	67.25
<b>Fiscal Quarter Ended</b>			
December 31, 2008	142.5	107.5	107.5
September 30, 2008	142.5	57.5	142.5
Ended June 30, 2008	107.5	102.5	102.5
Ended March 31, 2008	97.5	92.5	92.5
Ended December 31, 2007	127.5	102.5	102.5
Ended September 30, 2007	122.5	112.5	122.5
Ended June 30, 2007	127.5	147.5	147.5
<b>Fiscal Period Ended</b>			
June 30, 2008	127.5	57.5	67.25

(1) The approximate UK pound/dollar exchange rate as of December 31, 2008 was 1:1.5.

(2) We ceased trading on the PLUS Market on March 24, 2009.

Alternative Investment Market  
Ordinary Shares Trading Activity

Period	High (pence)	Low (pence)	Price at Period End (pence)
<b>Fiscal Year Ended</b>	<b>Fiscal Year Ended</b>	<b>Fiscal Year Ended</b>	<b>Fiscal Year Ended</b>
March 31, 2007 (1)	247.5	50	147.5
March 31, 2006	100	62.5	62.5
March 31, 2005	175	95	95
March 31, 2004	337.5	87.5	175

(1) The information for the 2007 fiscal year only includes data from April 1, 2006 to February 19, 2007 as our ordinary shares ceased trading on the AIM Market on February 19, 2007.

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DESCRIPTION OF SECURITIES

General

Our authorized share capital consists of 114,636,800 ordinary shares, par value of £0.25, 3,000,000 £1 convertible preference shares, and 13,184,000 deferred shares, par value of £0.45 each.

As of the date of this prospectus, 6,870,000 ordinary shares are issued and outstanding, 500,000 preference shares are issued and outstanding and no deferred shares are issued and outstanding.

Trades of Ordinary Shares

The ordinary shares traded on the Alternative Investment Market in London, England until February 16, 2007 and were listed on the PLUS Market in London, England until March 24, 2009. The Company's ordinary shares were admitted for trading on the Over The Counter Bulletin Board market on March 4, 2008 under the symbol SAPxf; and as of February 12, 2009 are now listed for trading on the NASDAQ Capital Market under the symbol SAPX.

Redeemable Debentures

Langley Park Investment Trust PLC ("Langley") has converted as of December 31, 2008, 1,250,000 of its convertible redeemable debentures ("Debentures") into 1,000,000 ordinary shares, which are included in the ordinary shares outstanding as of December 31, 2008. Langley's remaining Debentures (approximately \$2,516,000) are convertible into ordinary shares on a 2- to-1 basis (i.e. 0.4 ordinary shares for each £1.00 of Debenture). There is no due date or required due date on our Debentures. Debentures rank junior to all our indebtedness and senior only to our ordinary or preference shares

Redeemable Preference Shares

Our convertible redeemable preference shares and their terms of issuance are discussed above in Management's Discussion and Analysis of Financial Condition and Results of Operation. All the convertible redeemed preference shares formerly owned by Armadillo Investment plc, were sold to the Seven Arts Employee Benefit Trust on October 30, 2008 as indicated in Certain Related Transactions. On November 20, 2008, EBT converted 2,500,000 of these preference shares into 2,000,000 ordinary shares and 500,000 preference shares remain outstanding, which will be returned to us for cancellation on consummation of this offering. These preference shares may be convertible into 200,000 ordinary shares based on the same formula applicable to the Debentures described above.

### Description of Ordinary Shares

The following is a description of our ordinary shares, including their material terms and provisions and as such terms and provisions are applied to our Articles of Association, as amended, and the applicable corporate laws of the United Kingdom.

All of our ordinary shares are of the same class and, once issued, rank equally as to dividends, voting powers, and participation in assets. Holders of ordinary shares are entitled to one vote for each share held of record on all matters to be acted upon by the shareholders. Holders of ordinary shares are entitled to receive such dividends as may be declared from time to time by the Board of Directors, in its discretion, out of funds legally available therefore.

Upon our liquidation, dissolution or winding up, holders of ordinary shares are entitled to receive pro rata our assets, if any, remaining after payments of all debts and liabilities and the satisfaction of preferred shareholders, if any. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds.

There are no limitations upon the rights to own securities.

There are no provisions that would have the effect of delaying, deferring, or preventing a change in control of our company.

### Annual Meeting

An Annual General Meeting shall be held once every calendar year at such time (not being more than 15 months after holding the last preceding Annual Meeting) and place as may be determined by the Directors. The Directors may, as they see fit, convene an extraordinary general meeting. An extraordinary general meeting, if requisitioned in accordance with the Companies Act of 1985 and 2006, shall be convened by the Directors or, if not convened by the Directors, may be convened by the requisitionists as provided in the Companies Act of 1985 and 2006.

### Transfer Agent

Capita Registrars, PO Box 25, Beckenham, Kent BR3 4BR is the registrar and transfer agent for the ordinary shares.

UNDERWRITING AND  
PLAN OF DISTRIBUTION

Subject to the terms and conditions of an underwriting agreement, dated February \_\_, 2009, we have agreed to sell to each of the underwriters named below, and each of the underwriters, for which Rodman & Renshaw, LLC is acting as representative, have severally, and not jointly, agreed to purchase on a firm commitment basis the number of shares offered in this offering set forth opposite their respective names below, at the public offering price, less the underwriting discount set forth on the cover page of this prospectus.

Name	Number of Shares
Rodman & Renshaw, LLC	

Total

Nature of Underwriting Commitment

The underwriting agreement provides that the underwriters are committed to purchase on a several but not joint basis all shares offered in this offering, other than those covered by the over-allotment option described below, if the underwriters purchase any of these securities. The underwriting agreement provides that the obligations of the underwriters to purchase the shares offered hereby are conditional and may be terminated at their discretion based on their assessment of the state of the financial markets. The obligations of the underwriters may also be terminated upon the occurrence of other events specified in the underwriting agreement. Furthermore, pursuant to the underwriting agreement, the underwriters' obligations are subject to continued quotation on the NASDAQ Capital Market and to various other customary conditions, representations and warranties contained in the underwriting agreement, such as receipt by the underwriters of officers' certificates and legal opinions of our counsel.

Over-Allotment Option

The selling shareholder has granted to the underwriters' representative an option, exercisable during the 45-day period after the date of this prospectus, to purchase up to 375,000 additional shares of common stock to cover over-allotments, if any, at the same price per share as we will receive for the shares that the underwriters have agreed to purchase. If the underwriters' representative exercises this option, each of the underwriters will have a firm commitment, subject to limited conditions, to purchase approximately the same percentage of these additional shares that the number of shares of common stock to be purchased by it shown in the above table represents as a percentage of the total shares offered in this offering. If purchased, these additional shares will be sold by the underwriters on the same terms as those on which the shares offered in this offering are being sold. The selling shareholder will be obligated to sell shares to the underwriters to the extent the option is exercised. The underwriters may exercise such option only to cover over-allotments made in connection with the sale of the shares of common stock offered in this offering.

## Pricing of Securities

The underwriters have advised us that they propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus, and to certain dealers that are members of the Financial Industry Regulatory Authority (FINRA), at such price less a concession not in excess of \$\_\_\_\_\_ per share. The underwriters may allow, and the selected dealers may re-allow, a concession not in excess of \$\_\_\_\_\_ per share to certain brokers and dealers. After this offering, the offering price and concessions and discounts to brokers and dealers and other selling terms may from time to time be changed by the underwriters. These prices should not be considered an indication of the actual value of our shares and are subject to change as a result of market conditions and other factors. No variation in those terms will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

Our ordinary shares are quoted on the NASDAQ Capital Market under the symbol "SAPX". On April 13, 2009, the last reported sales price of our ordinary shares was \$6.75. The public offering price for the shares was determined by negotiations between us and the underwriters at a price no greater than the mid-point between the bid and ask prices of our ordinary shares on the day prior to closing of the offering based on the function described below in Determination of Offering Price.

We cannot be certain that the public offering price will correspond to the price at which our shares will trade in the public market following this offering or that an active trading market for our shares will continue after this offering.

## Commissions and Discounts

The following table summarizes the compensation to be paid to the underwriters by us and the proceeds, before expenses, payable to us, assuming a \$\_\_\_\_\_ offering price. The information assumes either no exercise or full exercise by the underwriters' representative of its warrants.

	Per Share	Total Without Over- Allotment	With Full Over- Allotment
Public offering price	\$	\$	\$
Underwriting discount (1)	\$	\$	\$
Non-accountable expense allowance (2)	\$	\$	\$
Proceeds, before expenses, to us (3)	\$	\$	\$

(1) Underwriting discount is 7% or \$\_\_\_\_\_ per share.

(2) The non-accountable expense allowance of 1% is not payable with respect to the shares sold upon exercise of the underwriters' over-allotment option.

(3) We estimate that our total expenses for this offering, excluding the underwriters' discount and the non-accountable expense allowance, will be approximately \$\_\_\_\_\_.

(4) We estimate that the selling shareholder's total expenses of this offering, excluding the underwriters' discount and the non-accountable expense allowance, will be approximately \$\_\_\_\_\_.

### Over-allotment Option

Our affiliate, Seven Arts Employee Benefit Trust has granted the underwriters an option, exercisable for 45 days after the date of this prospectus, to purchase up to 375,000 ordinary shares solely to cover over-allotments, if any, at the same price as the initial shares of shares offered. If the underwriters fully exercise the over-allotment option, the total public offering price, underwriting discounts and proceeds (before expenses) to the selling shareholder will be \$\_\_\_\_\_, \$\_\_\_\_\_, and \$\_\_\_\_\_, respectively.

### Underwriter's Warrant

We have agreed to issue to the underwriters' representative warrants to purchase 125,000 shares at an exercise price of \$\_\_\_\_ (125% of the offering price of the shares being sold hereunder). The warrant is exercisable at any time, from time to time, in whole or in part during the four year period commencing one year from the consummation of this offering. The warrant and the 125,000 shares underlying the warrant, are deemed to be compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of the FINRA Rules. Additionally, the warrant may not be sold, transferred, assigned, pledged or hypothecated for a one-year period (including the foregoing 180-day period) following the date of this prospectus. However, the warrant may be transferred to any underwriter or selected dealer participating in the offering and their bona fide officers or partners. Although the shares underlying the warrants have been registered under the registration statement of which the prospectus forms a part, the warrant grants to holders demand and "piggy-back" rights for periods of five and seven years respectively, from the date of this prospectus with respect to the registration of the securities under the Securities Act. We will bear all fees and expenses attendant to registering the securities. The exercise price and number of shares issuable upon exercise of the warrant may be adjusted in certain circumstances, including in the event of a stock dividend, or our recapitalization, reorganization, merger or consolidation. In no event will any holder of the warrant be entitled to receive a net-cash settlement, securities or other consideration in lieu of physical settlement in shares. If the underwriters' representative fully exercises the warrants, the public offering price and proceeds (before expenses) to us will increase by \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively.

### Lock-Up

All of our officers and directors have agreed that, for a period of six months from the effective date of the registration statement of which this prospectus forms a part, they will not sell, contract to sell, grant any option for the sale or otherwise dispose of any of our equity securities, or any securities convertible into or exercisable or exchangeable for our equity securities, without the consent of the representative except for exercise or conversion of currently outstanding warrants, options and convertible debentures, as applicable, and exercise of options under an acceptable stock incentive plan. The underwriter's representative may consent to an early release from the lock-up period if, in its opinion, the market for the ordinary shares would not be adversely impacted by sales and in cases of a financial emergency of an officer, director or other shareholder. We are unaware of any officer or director who intends to ask for consent to dispose of any of our equity securities during the lock-up period.

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## Other Terms

In connection with this offering, the underwriters or certain of the securities dealers may distribute prospectuses electronically. No forms of prospectus other than printed prospectuses, free writing prospectuses, and electronically distributed prospectuses that are printable in Adobe PDF format will be used in connection with this offering.

The underwriters have informed us that they do not expect to confirm sales of shares offered by this prospectus to accounts over which they exercise discretionary authority without obtaining the specific approval of the account holder.

We have granted to the representative of the underwriters, Rodman & Renshaw, for a period of 12 months from the consummation of this offering, the right of first refusal to act on our behalf (or on behalf of our successor or subsidiary) as lead underwriter or minimally as co-manager with at least 50% of the economics; or, in the case of a three handed deal 33% of the economics, for each and every future public and private equity and public debt offerings, but excluding any debt production financing associated with the financing of a particular motion picture during such 12 month period.

## Determination of Offering Price

Our ordinary shares are quoted on the NASDAQ Capital Market under the symbol "SAPX". On January \_\_, 2009, the last reported sales price of our ordinary shares was \$\_\_\_\_. The public offering price for the shares was determined by negotiation between us and the underwriters at a price no greater than the mid-point between the bid and ask prices of our ordinary shares on the day prior to closing of the offering.

The public offering price for the shares was determined by negotiation between us and the underwriters. The principal factors considered in determining the public offering price of the shares included:

- the information in this prospectus and otherwise available to the underwriters;
- the history and the prospects for the industry in which we will compete;
- our current financial condition and the prospects for our future cash flows and earnings;
- the general condition of the economy and the securities markets at the time of this offering;
- the recent market prices of, and the demand for, publicly-traded securities of generally comparable companies; and
- the public demand for our securities in this offering.

We cannot be sure that the public offering price will correspond to the price at which our shares will trade in the public market following this offering or that an active trading market for our shares will develop and continue after this offering.

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## Stabilization

Until the distribution of the shares offered by this prospectus is completed, rules of the SEC may limit the ability of the underwriters to bid for and to purchase our securities. As an exception to these rules, the underwriters may engage in transactions effected in accordance with Regulation M under the Securities Exchange Act of 1934 that are intended to stabilize, maintain or otherwise affect the price of our ordinary shares. The underwriters may engage in over-allotment sales, syndicate covering transactions, stabilizing transactions and penalty bids in accordance with Regulation M.

- **Stabilizing Transactions.** Stabilizing transactions permit bids or purchases for the purpose of pegging, fixing or maintaining the price of our ordinary shares, so long as stabilizing bids do not exceed a specified maximum.
- **Over-Allotments.** Over-allotment involves sales by the underwriters of shares of ordinary shares in excess of the number of shares of ordinary shares the underwriters are obligated to purchase, which creates a short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares of ordinary shares over-allotted by the underwriters is not greater than the number of ordinary shares that they may purchase in the over-allotment option. In a naked short position, the number of ordinary shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing ordinary shares stock in the open market.
- **Syndicate Coverage Transactions.** Covering transactions involve the purchase of securities in the open market after the distribution has been completed in order to cover short positions. In determining the source of securities to close out the short position, the underwriters will consider, among other things, the price of securities available for purchase in the open market as compared to the price at which they may purchase securities through the over-allotment option. If the underwriters sell more ordinary shares than could be covered by the over-allotment option, creating a naked short position, the position can only be closed out by buying securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in this offering.
- **Penalty Bids.** Penalty bids permit the underwriters to reclaim a selling concession from a selected dealer when the ordinary shares originally sold by the selected dealer are purchased in a stabilizing or syndicate covering transaction.

These stabilizing transactions, covering transactions and penalty bids may have the effect of raising or maintaining the market price of our ordinary shares or preventing or retarding a decline in the market price of our ordinary shares. As a result, the price of our ordinary shares may be higher than the price that might otherwise exist in the open market.

Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the prices of our securities. These transactions may occur on NASDAQ or on any other trading market. If any of these transactions are commenced, they may be discontinued without notice at any time.

### Foreign Regulatory Restrictions on Purchase of Ordinary Shares

We have not taken any action to permit a public offering of the shares outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to this offering of ordinary shares and the distribution of the prospectus outside the United States. In addition to the public offering of the shares in the United States, the underwriters may, subject to the applicable foreign laws, also offer the shares to certain institutions or accredited persons in the following countries:

Italy. This offering of the shares has not been cleared by Consob, the Italian Stock Exchange's regulatory agency of public companies, pursuant to Italian securities legislation and, accordingly, no ordinary shares may be offered, sold or delivered, nor may copies of this prospectus or of any other document relating to the ordinary shares be distributed in Italy, except (1) to professional investors (*operatori qualificati*); or (2) in circumstances which are exempted from the rules on solicitation of investments pursuant to Decree No. 58 and Article 33, first paragraph, of Consob Regulation No. 11971 of May 14, 1999, as amended. Any offer, sale or delivery of the ordinary shares or distribution of copies of this prospectus or any other document relating to the ordinary shares in Italy under (1) or (2) above must be (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Decree No. 58 and Legislative Decree No. 385 of September 1, 1993, or the Banking Act; and (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the issue or the offer of securities in Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, inter alia, on the aggregate value of the securities issued or offered in Italy and their characteristics; and (iii) in compliance with any other applicable laws and regulations.

Germany. The offering of the shares is not a public offering in the Federal Republic of Germany. The shares may only be acquired in accordance with the provisions of the Securities Sales Prospectus Act (*Wertpapier-Verkaufsgesetz*), as amended, and any other applicable German law. No application has been made under German law to publicly market the shares in or out of the Federal Republic of Germany. The shares are not registered or authorized for distribution under the Securities Sales Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. Therefore, this prospectus is strictly for private use and the offering is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The shares will only be available to persons who, by profession, trade or business, buy or sell shares for their own or a third party's account.

France. The shares offered by this prospectus may not be offered or sold, directly or indirectly, to the public in France. This prospectus has not been or will not be submitted to the clearance procedure of the *Autorité des Marchés Financiers*, or the AMF, and may not be released or distributed to the public in France. Investors in France may only purchase the shares offered by this prospectus for their own account and in accordance with articles L. 411-1, L. 441-2 and L. 412-1 of the *Code Monétaire et Financier* and decree no. 98-880 dated October 1, 1998, provided they are "qualified investors" within the meaning of said decree. Each French investor must represent in writing that it is a qualified investor within the meaning of the aforesaid decree. Any resale, directly or indirectly, to the public of the shares offered by this prospectus may be effected only in compliance with the above mentioned regulations.

“Les actions offertes par ce document d'information ne peuvent pas être, directement ou indirectement, offertes ou vendues au public en France. Ce document d'information n'a pas été ou ne sera pas soumis au visa de l'Autorité des Marchés Financiers et ne peut être diffusé ou distribué au public en France. Les investisseurs en France ne peuvent acheter les actions offertes par ce document d'information que pour leur compte propre et conformément aux articles L. 411-1, L. 441-2 et L. 412-1 du Code Monétaire et Financier et du décret no. 98-880 du 1 octobre 1998, sous réserve qu'ils soient des investisseurs qualifiés au sens du décret susvisé. Chaque investisseur doit déclarer par écrit qu'il est un investisseur qualifié au sens du décret susvisé. Toute revente, directe ou indirecte, des actions offertes par ce document d'information au public ne peut être effectuée que conformément à la réglementation susmentionnée.”



Switzerland. This prospectus may only be used by those persons to whom it has been directly handed out by the offeror or its designated distributors in connection with the offer described therein. The shares are only offered to those persons and/or entities directly solicited by the offeror or its designated distributors and are not offered to the public in Switzerland. This prospectus constitutes neither a public offer in Switzerland nor an issue prospectus in accordance with the respective Swiss legislation, in particular but not limited to Article 652A Swiss Code Obligations. Accordingly, this prospectus may not be used in connection with any other offer, whether private or public and shall in particular not be distributed to the public in Switzerland.

United Kingdom. In the United Kingdom, the shares offered by this prospectus are directed to and will only be available for purchase to a person who is an exempt person as referred to at paragraph (c) below and who warrants, represents and agrees that: (a) it has not offered or sold, will not offer or sell, any shares offered by this prospectus to any person in the United Kingdom except in circumstances which do not constitute an offer to the public in the United Kingdom for the purposes of the section 85 of the Financial Services and Markets Act 2000 (as amended) (“FSMA”); and (b) it has complied and will comply with all applicable provisions of FSMA and the regulations made thereunder in respect of anything done by it in relation to the shares offered by this prospectus in, from or otherwise involving the United Kingdom; and (c) it is a person who falls within the exemptions to Section 21 of the FSMA as set out in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (“the Order”), being either an investment professional as described under Article 19 or any body corporate (which itself has or a group undertaking has a called up share capital or net assets of not less than £500,000 (if more than 20 members) or otherwise £5 million) or an unincorporated association or partnership (with net assets of not less than £5 million) or is a trustee of a high value trust or any person acting in the capacity of director, officer or employee of such entities as defined under Article 49(2)(a) to (d) of the Order, or a person to whom the invitation or inducement may otherwise lawfully be communicated or cause to be communicated. The investment activity to which this document relates will only be available to and engaged in only with exempt persons referred to above. Persons who are not investment professionals and do not have professional experience in matters relating to investments or are not an exempt person as described above, should not review nor rely or act upon this document and should return this document immediately. It should be noted that this document is not a prospectus in the United Kingdom as defined in the Prospectus Regulations 2005 and has not been approved by the Financial Services Authority or any competent authority in the United Kingdom.

Israel. The shares offered by this prospectus have not been approved or disapproved by the Israeli Securities Authority (ISA). The ordinary shares may not be offered or sold, directly or indirectly, to the public in Israel. The ISA has not issued permits, approvals or licenses in connection with the offering of the shares or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the shares being offered. Any resale, directly or indirectly, to the public of the shares offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Sweden. Neither this prospectus nor the shares offered hereunder have been registered with or approved by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act (1991:980) (as amended), nor will such registration or approval be sought. Accordingly, this prospectus may not be made available nor may the shares offered hereunder be marketed or offered for sale in Sweden other than in circumstances which are deemed not to be an offer to the public in Sweden under the Financial Instruments Trading Act. This prospectus may not be distributed to the public in Sweden and a Swedish recipient of the prospectus may not in any way forward the prospectus to the public in Sweden.

Norway. This prospectus has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act 1997, as amended. This prospectus has not been approved or disapproved by, or registered with, either the Oslo Stock Exchange or the Norwegian Registry of Business Enterprises. This prospectus may not, either directly or indirectly be distributed to Norwegian potential investors.

Denmark. This prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act No. 171 of 17 March 2005, as amended from time to time, or any Executive Orders issued on the basis thereof and has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other public authority in Denmark. The offering of ordinary shares will only be made to persons pursuant to one or more of the exemptions set out in Executive Order No. 306 of 28 April 2005 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market and on the First Public Offer of Securities exceeding EUR 2,500,000 or Executive Order No. 307 of 28 April 2005 on Prospectuses for the First Public Offer of Certain Securities between EUR 100,000 and EUR 2,500,000, as applicable.

The Netherlands. Underwriters may not offer, distribute, sell, transfer or deliver any of our securities, directly or indirectly, in The Netherlands, as a part of their initial distribution or at any time thereafter, to any person other than our employees or employees of our subsidiaries, individuals who or legal entities which trade or invest in securities in the conduct of their profession or business within the meaning of article 2 of the Exemption Regulation issued under the Securities Transactions Supervision Act 1995 (Vrijstellingsregeling Wet toezicht teffectenverkeer1995), which includes banks, brokers, pension funds, insurance companies, securities institutions, investment institutions, and other institutional investors, including, among others, treasuries of large enterprises who or which regularly trade or invest in securities in a professional capacity.

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## Indemnification

The underwriting agreement provides for indemnification between us and the underwriters against specified liabilities, including liabilities under the Securities Act, and for contribution by us and the underwriters to payments that may be required to be made with respect to those liabilities. We have been advised that, in the opinion of the SEC, indemnification for liabilities under the Securities Act is against public policy as expressed in the Securities Act, and is therefore, unenforceable.

## EXPERTS

The financial statements as of and for the fiscal period ended June 30, 2008 (fifteen months), March 31, 2007, and March 31, 2006 included in this prospectus have been audited by Mazars LLP, independent certified public accountants, to the extent and for the periods set forth in their report appearing elsewhere herein and are included in reliance upon such report given upon the authority of that firm as experts in auditing and accounting.

## LEGAL MATTERS

The validity of the shares sold by us under this prospectus will be passed upon for us by Sprecher Grier Halberstam LLP in London, United Kingdom. Loeb & Loeb LLP has acted as counsel for the underwriters.

## DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Article 161 of the Company's Articles of Association provides for the mandatory indemnification of directors, senior officers, former directors, as well as their respective heirs and personal or other legal representatives, or any other person, to the greatest extent permitted by the New Act. The indemnification includes the mandatory payment of expenses. The directors may cause the Company to purchase and maintain insurance for the benefit of eligible parties.

These indemnification provisions may be sufficiently broad to permit indemnification of the registrant's executive officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. No pending material litigation or proceeding involving our directors, executive officers, employees or other agents as to which indemnification is being sought exists, and we are not aware of any pending or threatened material litigation that may result in claims for indemnification by any of our directors or executive officers.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form F-1 to register with the SEC the sale of our shares. This prospectus is a part of that registration statement and constitutes a prospectus of Seven Arts. As allowed by SEC rules, this prospectus does not contain all of the information that you can find in the registration statement or the exhibits to the registration statement. You should refer to the registration statement and its exhibits for additional information that is not contained in this prospectus. We have included additional information on our company in our Form 20-FR/A filings currently available at <http://www.sec.gov/edgar.html>.

We have not authorized anyone to provide you with information that differs from that contained in this prospectus. You should not assume that the information contained in this prospectus is accurate as on any date other than the date of the prospectus.

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, in any jurisdiction to or from any person to whom it is not lawful to make any such offer or solicitation in such jurisdiction.

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Until \_\_\_\_\_, 2009, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions. No dealer, salesperson or any other person is authorized to give any information or make any representations in connection with this offering other than those contained in this prospectus and, if given or made, the information or representations must not be relied upon as having been authorized by us. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus, or an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which the offer or solicitation is not authorized or is unlawful.

## PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

## Item 6. Indemnification of Directors and Officers.

Article 161 of the Company's Articles of Association provides for the mandatory indemnification of directors, senior officers, former directors, and alternates, as well as their respective heirs and personal or other legal representatives, or any other person, to the greatest extent permitted by the New Act. The indemnification includes the mandatory payment of expenses. The directors may cause the Company to purchase and maintain insurance for the benefit of eligible parties.

## Item 7. Recent Sales of Unregistered Securities

During the past three years, we have issued the following securities (including options to acquire our ordinary shares and debt convertible into our ordinary shares). No underwriters were involved in these issuances. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation S under the Securities Act or pursuant to Section 4(2) of the Securities Act regarding transactions not involving a public offering.

Purchaser	Date of Issuance	Number of Securities	Title of Securities	Consideration
Seven Arts Employee Benefit Trust	2-Nov-08	2,000,000	Ordinary Shares	(1)
Langley Park Investment Trust PLC	15-Mar-07	1,000,000	Ordinary Shares	(2)
Seven Arts Pictures Inc.	4-Sep-04	700,000	Ordinary Shares	(3)
Unique Fidelity Engineering Ltd.	June 28 2007	34,000	Ordinary Shares	\$100,000
	August 15 2007	500,000	Ordinary Shares	\$287,000
Michael Garstin	1-Jun-08	100,000	Options	(4)
Tony Hickox	3-Jan-07	10,000	Options	(4)
Julia Verdin	3-Jan-07	10,000	Options	(4)
Elaine New	3-Jan-07	10,000	Options	(4)
Chris Bialek	3-Jan-07	10,000	Options	(4)
Philip Kendall	30-Sep-08	20,000	Options	(4)
Michael Arata	1-Jun-08	20,000	Options	(4)
Blue Rider Finance/Robert Oppenheim	22-Jan-08	50,000	Options	(5)
	21-Oct-08	12,500	Ordinary Shares	(7)
Trafalgar Capital Special Investment Fund	15-Oct-08	838,574	Convertible Note	(6)
	31-Jan-08	160,000	Options	(5)
	30-Oct-08	60,000	Options	(5)

- (1) We issued 2,000,000 ordinary shares to Seven Arts Employee Benefit Trust upon the conversion of our 2,500,000 preference shares that they held.
- (2) We issued 1,000,000 shares to Langley Park Investment Trust PLC in exchange for the conversion of £1,250,000 of a convertible debenture that they held.
- (3) We issued 700,000 ordinary shares to Seven Arts Pictures Inc. ("SAP") so that SAP could pledge those shares to settle an indebtedness that we and SAP had to ApolloMedia with regard to the motion picture Stander.
- (4) We issued these options to employees and consultants as part of a compensation and incentive program.
- (5) We issued these options in connection with financing services provided by these persons.
- (6) We issued a £1,000,000 Note with a one-year term at 9% annual interest convertible into our ordinary shares at a conversion price of £ 1.19, as adjusted by any decrease in the exchange rate from the date of issuance by the date of conversion. Unless we default under the Note, the Note holder may not convert the Note in any 60 day period into more than 2.99% of our outstanding ordinary shares.
- (7) We issued 12,500 of our ordinary shares to Robert Oppenheim pursuant to the exercise of options he had to purchase our ordinary shares for £0.15 per share.

Item 8. Exhibits and Financial Statement Schedules.

a. Exhibits

- 3.1 Articles of Association (incorporated by reference to Exhibit 3.1 to Amendment No. 10 to our Registration Statement on Form 20-F filed on May 8, 2008)
- 3.2 By-Laws and Board Memorandum of Seven Arts (incorporated by reference to Exhibit 2 to Amendment No. 12 to our Registration Statement on Form 20-F filed on December 12, 2008)
- 4.1 Specimen Ordinary Share Certificate
- 5.1 Opinion of Sprecher Grier Halberstam LLP, special UK counsel to the Registrant, as to the validity of the ordinary shares\*
- 10.1 Form of Lock-Up Agreement\*
- 10.2 Form of Underwriting Agreement\*
- 10.3 Employment Agreement for Peter Hoffman (incorporated by reference to Exhibit 3 to Amendment No. 12 to our Registration Statement on Form 20-F filed on December 12, 2008)
- 10.4 Employment Agreement for Michael Garstin (incorporated by reference to Exhibit 17 to Amendment No. 11 to our Registration Statement on Form 20-F filed on August 15, 2008)
- 10.5 Subscription Agreement, dated 2004, between Seven Arts Pictures plc and Langley Park Investments plc (incorporated by reference to Exhibit 4 to Amendment No. 2 to our Registration Statement on Form 20-F filed on December 31, 2007)
- 10.6 Subscription Agreement, dated August 2004, between Cabouchon plc and Armadillo Investments plc (incorporated by reference to Exhibit 5 to Amendment No. 2 to our Registration Statement on Form 20-F filed on December 31, 2007)
- 10.7 Loan And Security Agreement, dated as of February 15, 2006, among Arrowhead Target Fund Ltd. Seven Arts Future Flows I, LLC, Seven Arts Filmed Entertainment Limited, and Seven Arts Pictures Inc. (incorporated by reference to Exhibit 6 to Amendment No. 2 to our Registration Statement on Form 20-F filed on December 31, 2007)
- 10.8 Master Agreement, dated December 2006, among Cheyne Specialty Finance Fund L.P. and Arrowhead Consulting Group LLC and Seven Arts Pictures PLC, Seven Arts Filmed Entertainment, Ltd., Seven Arts Pictures, Inc., Seven Arts Future Flows I and affiliates (incorporated by reference to Exhibit 7 to Amendment No. 2 to our Registration Statement on Form 20-F filed on December 31, 2007)
- 10.9 Subscription Agreement, dated March 6, 2007, between Seven Arts Pictures plc and Unique Fidelity Engineering Limited (incorporated by reference to Exhibit 11 to Amendment No. 3 to our Registration Statement on Form 20-F filed on December 31, 2007)
- 10.10 Credit Agreement, dated October 11, 2007, between Seven Arts Louisiana, LLC and Advantage Capital Community Development Fund, L.L.C. (incorporated by reference to Exhibit 13 to Amendment No. 7 to our Registration Statement on Form 20-F filed on January 16, 2008)
- 10.13 Assignment Agreement, dated April 22, 2008, among Cheyne Specialty Finance Fund L.P., Seven Arts Filmed Entertainment Limited, Peter Hoffman, Seven Arts Pictures plc, Seven Arts Future Flows I LLC and other parties affiliated with Seven Arts Pictures plc. (incorporated by reference to Exhibit 16 to Amendment No. 10 to our Registration Statement on Form 20-F filed on May 8, 2008)
- 10.14 Stock Sale Agreement, dated October 2008, between Seven Arts Pictures plc, Smith & Williamson Trustees (Jersey) Limited and Armadillo Investments Ltd. (incorporated by reference to Exhibit 18 to Amendment No. 12 to our Registration Statement on Form 20-F filed on December 12, 2008)
- 10.15 Convertible Loan Agreement, dated October 15, 2008, between Seven Arts Pictures plc and Trafalgar Capital Specialized Investment (incorporated by reference to Exhibit 19 to Amendment No. 12 to our Registration Statement on Form 20-F filed on December 12, 2008)
- 10.16 Bridging Loan Agreement, dated January 31, 2008, between Seven Arts Pictures plc and Trafalgar Capital Specialized Investment (incorporated by reference to Exhibit 15 to Amendment No. 10 to our Registration Statement on Form 20-F filed on May 8, 2008)
- 10.17

- Guarantee and Debenture, dated January 31, 2008, from Seven Arts Pictures plc and Seven Arts Filmed Entertainment Limited to Trafalgar Capital Specialized Investment (incorporated by reference to Exhibit 15 to Amendment No. 10 to our Registration Statement on Form 20-F filed on May 8, 2008)
- 10.18 Intercompany Agreement, dated November 1, 2004, between Seven Arts Pictures plc and Seven Arts Pictures, Inc.
- 10.19 Letter Agreement, dated September 2, 2004, Regarding the Intercompany Agreement between Seven Arts Pictures plc and Seven Arts Filmed Entertainment Limited
- 10.20 Letter Agreement, dated September 2, 2004, Regarding the Intercompany Agreement between Seven Arts Pictures plc, Seven Arts Pictures, Inc. and Seven Arts Pictures Limited
- 10.21 Distribution Agreement, between Seven Arts Filmed Entertainment Limited and Seven Arts Louisiana LLC
- 10.22 Trust Deed, dated October 21, 2008, establishing The Seven Arts Pictures Employee Benefit Trust between Seven Arts Pictures plc and Smith & Williamson Trustees (Jersey) Limited
- 10.23 Loan Agreement, dated October 2008, relating to between The Seven Arts Pictures Employee Benefit Trust between Seven Arts Pictures plc and Smith & Williamson Trustees (Jersey) Limited
- 10.24 Operating Agreement, dated November 21, 2008, relating to The Seven Arts Pictures Employee Benefit Trust between Seven Arts Pictures plc and Smith & Williamson Trustees (Jersey) Limited
- 10.25 Loan Agreement, dated December 17, 2007, between Palm Finance Corporation and Gone to Hell Limited
- 10.26 Loan Agreement, dated May 7, 2007 among Palm Finance Corporation and affiliates of Seven Arts Pictures plc
- 21.1 List of Subsidiaries (incorporated by reference to the organizational chart of Seven Arts Pictures plc included in this registration statement on page 8
- 23.1 Consent of Mazars LLP
- 23.2 Consent of Sprecher Grier Halberstam LLP (included in exhibit 5.1)\*
- 24.1 Powers of Attorney (included on the signature page to this Registration Statement)
- \* To be filed at a future date.

b. Financial Statement Schedules

None.

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Item 9. Undertakings.

The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;
  - (b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and
  - (c) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) To file a post-effective amendment to the registration statement to include any financial statements required by §210.3-19 of Regulation S-X at the start of any delayed offering or throughout a continuous offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

- i. to respond to requests for information that is incorporated by reference into the prospectus, within one business day of receipt of such request, and to send the

incorporated documents by first class mail or other equally prompt means; and

- ii. to arrange or provide for a facility in the United States for the purpose of responding to such requests. The undertaking in subparagraph (i) above includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, United States of America on April \_\_, 2009.

SEVEN ARTS PICTURES PLC

By: /s/ Peter Hoffman

Name: Peter Hoffman

Title: Chief Executive Officer

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## POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Peter Hoffman, Michael Garstin, or any one of them, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and re-substitution for him or her and in his or her name, place and stead in any and all capacities to execute in the name of each such person who is then an officer or director of the Registrant any and all amendments (including post-effective amendments) to this Registration Statement, and any registration statement relating to the offering hereunder pursuant to Rule 462 under the Securities Act of 1933 and to file the same with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents and each of them full power and authority to do and perform each and every act and thing required or necessary to be done in and about the premises as fully as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
/s/Peter Hoffman Peter Hoffman	Chief Executive Officer, Director and Authorized Representative in the United States (Principal Executive Officer)	April 09, 2009
/s/Elaine New Elaine New	Chief Financial Officer and Director  (Principal Financial and Accounting Officer)	April 13, 2009
/s/ Michael Garstin Michael Garstin	President and Director	April 13, 2009
/s/ Kate Hoffman Kate Hoffman	Chief Operating Officer and Director	April 13, 2009
/s/ Philip Kendall Philip Kendall	Director	April 13, 2009
/s/ Julia Verdin Julia Verdin	Director	April 13, 2009
/s/ Anthony Hickox Anthony Hickox	Director	April 13, 2009

