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December 29, 2017

BY eCRB

Copyright Royalty Board
Library of Congress
James Madison Memorial Building
101 Independence Ave., SE
Washington, D.C. 20559-6000

Re: Notice of Intent to Audit Music Choice for CY 2014, 2015, and 2016

To Whom It May Concern:

Pursuant to 37 C.F.R. § 380.6(c), SoundExchange, as the sole collective designated by the Copyright Royalty Board (hereinafter, “the Board”) to collect and distribute the statutory royalties paid by Commercial Webcasters under 37 C.F.R. § 380.4(b)(1) (2011-2015) and § 380.2(a) (2016-2020), hereby notifies the Board of its intent to audit Music Choice. Specifically, SoundExchange intends to audit Music Choice for its webcast transmissions during the years 2014, 2015, and 2016. See 37 C.F.R. § 380.6(b) (stating SoundExchange may conduct an audit of a licensee “for *any or all of the prior 3 calendar years*”) (emphasis supplied).

The audit shall be conducted by Prager Metis CPAs, LLC. Prager Metis CPAs, LLC is located at 14 Penn Plaza, Suite 1800, New York, NY 10122.

Pursuant to § 380.6(c), a copy of this Notice of Intent to Audit is being served contemporaneously upon Music Choice.

Although Music Choice has not previously purported to rely on the statutory license as a Commercial Webcaster, SoundExchange is filing this Notice of Intent to Audit in view of the Copyright Royalty Board’s decision in the *SDARS III* rate proceeding that Internet transmissions available to subscribers outside their residences are not part of a Preexisting Subscription Service. SoundExchange’s purpose in filing this notice is to preserve any right SoundExchange may have to audit Music Choice’s Internet transmissions for the years identified in this notice. SoundExchange does not hereby express any conclusion as to whether Music Choice is eligible to rely on the statutory license for such transmissions, and SoundExchange does not waive the rights of copyrights owners or others to bring any claims against Music Choice with respect to its webcasting during the relevant years.

Sincerely,

A handwritten signature in blue ink, appearing to read "BE Prendergast".

Bradley E. Prendergast
Senior Counsel, Licensing & Enforcement

cc: Jenn Compton, Manager, Accounting, Music Choice (by FedEx)
Paula Calhoun, EVP & General Counsel, Music Choice (by FedEx)