

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)
)
Distribution of)
Cable Royalty Funds)
)
In the Matter of)
)
Distribution of)
Satellite Royalty Funds)

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-2013)

**Motion for Substitution of Parties
by Worldwide Subsidy Group LLC
or, Alternatively, Ryan Galaz**

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LLC dba Multigroup Claimants and Ryan
Galaz

Worldwide Subsidy Group LLC dba Multigroup Claimants (“WSG”) moves pursuant to 37 C.F.R. § 360.4(c) to substitute itself as a participant in this proceeding, in lieu of Multigroup Claimants, a sole proprietorship of Alfred Galaz (“Multigroup Claimants”). Alternatively, and as the sole owner of WSG, Ryan Galaz moves for the same in his personal capacity. WSG (and Ryan Galaz) brings this motion in accordance with the Judges’ *Order Denying Without Prejudice [WSG’s] Motion for Substitution of Parties*, issued on October 5, 2020.

FACTS

WSG is a Texas limited liability company. Multigroup Claimants was a sole proprietorship of Alfred Galaz. As set forth in prior briefing, on December 31, 2017, Alfred Galaz and Ruth Galaz collectively transferred 100% of the ownership in WSG to Ryan Galaz. Almost simultaneously, on January 1, 2018, Alfred Galaz transferred 100% of the interests held by Multigroup Claimants to Ryan Galaz. Consequently, as of January 1, 2018, there was a comprehensive commonality of ownership by Ryan Galaz of all interests held by WSG and Multigroup Claimants. Decl. of Ryan Galaz.

Because those near-simultaneous conveyances created a commonality of interest and ownership, and because Multigroup Claimants had always been engaged in the pursuit of the same type royalties as WSG, on behalf of the same copyright claimants and only pursuant to rights acquired from WSG, Ryan Galaz concluded that there was no longer a reason to conduct the business of WSG and Multigroup Claimants separately. Therefore, upon his acquisition, Ryan Galaz transferred those rights and interests previously held by Multigroup Claimants back to WSG (which rights had themselves originally been transferred to Multigroup Claimants *from*

WSG).¹ Worldwide Subsidy Group LLC assumed all the rights and obligations previously held by Multigroup Claimants, including but not limited to liabilities to third parties, a fact that is corroborated by the personal tax returns of Ryan Galaz. Decl. of Ryan Galaz.

As a result, following the transfers of December 31, 2017 and January 1, 2018, that are referenced above, all the rights and interests of WSG, and those previously held by Multigroup Claimants, have been held exclusively by WSG, which is wholly owned by Ryan Galaz. WSG's continued use of "Multigroup Claimants" as a fictitious business name, no different than WSG's use of "Independent Producers Group" and "Spanish Language Producers" as fictitious business names, was for no reason other than the demarcation and identification of the different rights pools being pursued (or intended to be pursued) by WSG. Decl. of Ryan Galaz.

Notwithstanding the foregoing, in their October 5, 2020 order, the Judges denied without prejudice a motion to substitute WSG for Multigroup Claimants. The Judges denied the motion without prejudice, stating, "WSG cites no legal authority for the proposition that a person's undocumented intent constitutes a legally effective conveyance of contractual rights. The Judges are not prepared to accept this proposition on counsel's (or Mr. Galaz's) say-so. In the absence of "documentary evidence and/or compelling legal argument (with citation to legal authority)" the Judges are unable to find that WSG is the authorized representative of the [Multigroup Claimants] claimants." Consequently, the Judges granted WSG leave to "refile its motion for substitution of parties, supported by documentary evidence and/or compelling legal argument (with citation to legal authority) that establishes that WSG has legal authority to represent the [Multigroup

¹ For purposes of clarification, WSG's business activities are (and always have been) broader than that of Multigroup Claimants. While WSG acquires and prosecutes ancillary royalty rights on a worldwide basis, Multigroup Claimants' activities were (and always had been) limited to the collection of cable/satellite retransmission royalties in the United States.

Claimants'] claimants, whether by virtue of a legally effective conveyance of contractual rights or any other means.” Order at 3-4.

In its prior motion, a declaration was submitted by Ryan Galaz, explaining that as the prior recipient of all interests of Multigroup Claimants, and as the sole owner of WSG (from whom Multigroup Claimants had obtained all its interests), he had “merged” all interests into WSG. This merging was according to the personal election of Ryan Galaz. Ryan Galaz did not earlier memorialize his placement of Multigroup Claimants’ interests into WSG, and did not need to do so for his own personal accounting purposes. Rather, it was a “transfer” that occurred within the “four corners of Ryan Galaz’s mind” that had no consequence on either WSG’s or Multigroup Claimants’ contractual obligations, and was never considered to be of any unique legal consequence. Nonetheless, it was a “transfer” of interests, “out of one pocket, and into the other”, which Ryan Galaz has already affirmed. Decl. of Ryan Galaz. While Ryan Galaz’s declaration constituted a public memorialization of his transfer of personal interests to his wholly-owned company, and could itself be deemed “documentary evidence” of the same, Ryan Galaz has nonetheless additionally executed a formal transfer to Worldwide Subsidy Group LLC of the interests previously held by Multigroup Claimants’. See discussion, *infra*.

ARGUMENT

- A. Ryan Galaz has executed a formal transfer of Multigroup Claimants’ interests to Worldwide Subsidy Group LLC, obviating any challenge that such transfer did not occur or has not been documented.**

It is hornbook law that an oral agreement is equally as enforceable as a written agreement, and an oral assignment of rights is as valid as a written assignment of rights.² See, e.g., *Skirball v. Rico Radio Pictures, Inc.*, 134 Cal. App. 2d 843, 861 (1955); California Civil Code Section 1622, et seq.; *Murray v. Lichtman*, 339 F.2d 749, 752 (D.C. Cir. 1964)³ Consequently, if Ryan Galaz (as the undisputed recipient of all Multigroup Claimants' interests) had transferred all such interests to a third party, the existence of such transfer would be satisfied merely by the confirmation thereof by Ryan Galaz (as the transferor) and the third party transferee. *Id.* The enforceability of such transfer would not depend upon the existence or non-existence of a written transfer of interests, as an oral transfer would be equally effective. *Id.*

In the situation before the Judges, Ryan Galaz transferred all of Multigroup Claimants' interests that he had personally acquired from Alfred Galaz, to an entity wholly owned by Ryan Galaz, i.e., WSG. No different than the circumstance that would exist if Ryan Galaz had transferred such rights to a third party, the enforceability of such transfer would not rely upon the existence or non-existence of a written transfer of interests, and the existence of such transfer

² Notably, and as the Judges have previously ruled, the assignment of a right to collect retransmission royalties is *not* an assignment of a copyright interest, and is *not* therefore subject to any requirement that such transfers be reflected in a written instrument. See, e.g., *Ruling and Order Regarding Claims and Separate Opinion*, Docket #2008-1 CRB CD 98-99 (Phase II), at 12 (June 18, 2014). *Memorandum Opinion and Ruling on Validity and Categorization of Claims*, Docket ##2012-6 CRB CD 2004-2009 (Phase II) and Docket ##2012-7 CRB SD 1999-2009 (Phase II), at 36. Moreover, the Judges have previously ruled that it is not within the authority of the Judges to address whether such transfers are capable of challenge under any applicable Statute of Frauds, even presuming that an adverse participant in these proceedings had standing to challenge a transfer on such basis. *Id.*

³ Because 100% of the agreements granting WSG the authority to make claim in these proceedings are expressly subject to California law, California law on the subject of contracts is applicable, and the only source of legal citation herein.

would be satisfied merely by the confirmation thereof by the transferor and the transferee (as already demonstrated by the declaration of Ryan Galaz).

Notwithstanding, and to quash any suggestion that Ryan Galaz (in his personal capacity) did not validly transfer to WSG all interests previously held by Multigroup Claimants (which interests were themselves acquired from WSG), Ryan Galaz has now additionally executed a document formally acknowledging his transfer of such interests to WSG. See **Exhibit A**.

Based on the foregoing, WSG has validated that it is the holder of all interests previously held by Multigroup Claimants, the very interests being prosecuted in this proceeding. On such basis, WSG submits that its motion should be granted and, pursuant to 37 C.F.R. § 360.4(c), WSG should be substituted as a participant in this proceeding, in lieu of Multigroup Claimants.

B. Alternatively, Ryan Galaz submits that he may be substituted for Multigroup Claimants in this proceeding.

If for *any* reason the Judges believe that WSG has failed to provide sufficient documentary evidence of the transfer of Multigroup Claimants' interests to WSG, WSG and Ryan Galaz alternatively move that Ryan Galaz be substituted as a party in these proceedings, in lieu of Multigroup Claimants. The Judges have previously received a wealth of evidence as to the January 2018 transfer of Multigroup Claimants' interests to Ryan Galaz, which remains undisputed.⁴

⁴ The Judges have received a copy of the transferring instrument, the declaration of the transferor (Alfred Galaz), and the declaration of the transferee (Ryan Galaz). See *Multigroup Claimants' Response to Order to Show Cause*, at Exhibit H (Feb. 28, 2020); *Multigroup Claimants' Reply In Support of Response to Order to Show Cause*, Decl. of Alfred Galaz (March 22, 2020); *Worldwide Subsidy Group LLC Motion for Substitution of Parties*, Decl. of Ryan Galaz (June 21, 2020).

As noted in WSG's prior motion, the provision under which this motion is premised, 37 C.F.R. § 360.4(c), states in pertinent part:

“... If the good faith efforts of the Copyright Royalty Board to contact the copyright owner or filer are frustrated because of outdated or otherwise inaccurate contact information, the claim may be subject to dismissal. . . .”

37 C.F.R. § 360.4(c).

Such provision makes clear that the purpose of such provision is not to summarily dismiss a claim if the “legal name and/or address of the copyright owner entitled to royalties or the person or entity filing the claim changes”, but to address those changes, and seek to have the filer (of the July claim) amend their claim in order to avoid “frustrating” contact with such claimant. Obviously, no issue has ever existed with “contacting” the representative of the interests being prosecuted, which has been represented by the undersigned legal counsel at all times. As a result, prohibiting either Alfred Galaz's or Ryan Galaz's transfer of their interests could risk injury to the very interests being conveyed, and would *per se* constitute an unreasonable restraint on alienation. Regardless of whether the Judges deem WSG or Ryan Galaz to be the appropriate holder of Multigroup Claimants' interests, literally no articulated issue exists as to an ability for any of those entities to be contacted by the Copyright Royalty Board.

Moreover, as previously noted, the transfer of interests to WSG will have no consequence on either WSG's or Multigroup Claimants' contractual obligations. No differently, a transfer of interests to Ryan Galaz would have no consequence on any party's contractual obligations. As such, if the Judges deem that WSG has somehow failed to provide sufficient documentary evidence of its acquisition of Multigroup Claimants' interests, then those interests remain in the possession of Ryan Galaz, since Ryan Galaz has indisputably provided

documentation confirming that Alfred Galaz transferred Multigroup Claimants to him. Under that circumstance, Ryan Galaz should be substituted in lieu of Multigroup Claimants.

CONCLUSION

For the reasons set forth herein, Worldwide Subsidy Group LLC hereby requests that the Judges formally substitute Worldwide Subsidy Group LLC dba Multigroup Claimants in the stead of Multigroup Claimants, a sole proprietorship of Alfred Galaz, in this proceeding.

Alternatively, in the event of the denial thereof, Worldwide Subsidy Group LLC and Ryan Galaz move that Ryan Galaz be substituted in lieu of Multigroup Claimants.

Respectfully submitted,

October 14, 2020

_____/s/
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LLC dba Multigroup Claimants and Ryan
Galaz

CERTIFICATE OF SERVICE

I certify that on October 14, 2020, I caused a copy of the foregoing pleading to be served on all parties registered to receive notice by eCRB by filing through the eCRB filing system.

_____/s/_____
Brian D. Boydston, Esq.

EXHIBIT A

**TRANSFER OF INTERESTS
TO WORLDWIDE SUBSIDY GROUP LLC**

Effective January 1, 2018, for and in consideration of the sum of one dollar and other good and valuable consideration, Ryan Galaz hereby transfers to Worldwide Subsidy Group LLC, any and all right, title, and interests previously held by Multigroup Claimants and Spanish Language Producers, sole proprietorships of Alfred Galaz, including but not limited to any interest as an owner or economic interest holder in such interests. Ryan Galaz acknowledges that the interests previously held by Multigroup Claimants and Spanish Language Producers were transferred to him effective January 1, 2018, and it is his intention, belief and representation that such interests did immediately vest with Worldwide Subsidy Group LLC, an entity solely owned by Ryan Galaz, in accordance with this post-facto memorialization.

Worldwide Subsidy Group LLC, its agents, employees, officers, consultants, directors, successors and assigns, shall assume all obligations to which the Multigroup Claimants interests and Spanish Language Producers interests were subject, and shall indemnify and hold harmless Ryan Galaz from and against any and all damages, liabilities, losses, expenses, taxes, costs or claims (including attorneys' fees). The term "claims" means any claim or right or demand to assert or recover money for a debt or for actual or exemplary damages or for any restitution, statutory or regulatory penalty, or any other remedy providing for recovery of money. Such right remains exclusive to Ryan Galaz, and any attempt to transfer such right to a third party shall be deemed null and void *ab initio*.

This agreement and transfer is approved by Ryan Galaz and all owners of Worldwide Subsidy Group LLC in accordance with the articles of organization and the regulations of the company.

Ryan Galaz

RYAN GALAZ,

in his personal capacity

DATED: 10/14/2020

Ryan Galaz

RYAN GALAZ,

as the authorized representative of
Worldwide Subsidy Group LLC

DATED: 10/14/2020

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**RYAN GALAZ’S DECLARATION IN SUPPORT OF
WORLDWIDE SUBSIDY GROUP LLC’S
MOTION FOR SUBSTITUTION OF PARTIES**

I, RYAN GALAZ, declare and state as follows:

1. I submit this declaration in support of the *Motion for Substitution of Parties by Worldwide Subsidy Group LLC or, alternatively, Ryan Galaz*. The following facts are within my personal knowledge, and if called upon I could and would testify competently thereto.

2. I am the principal and sole owner of Worldwide Subsidy Group, LLC, a Texas limited liability company (“WSG”). Multigroup Claimants was a sole proprietorship of Alfred Galaz. As set forth in prior briefing, on December 31, 2017, Alfred Galaz and Ruth Galaz collectively transferred 100% of the ownership in WSG to me. Almost simultaneously, on January 1, 2018, Alfred Galaz transferred 100% of the interests held by Multigroup Claimants to me. Consequently, as of January 1, 2018, there was a comprehensive commonality of ownership by me of all interests held by WSG and Multigroup Claimants.

3. Because the near-simultaneous conveyances created a commonality of interest and ownership, and because Multigroup Claimants had always been engaged in the pursuit of the same type royalties as WSG, on behalf of the same copyright claimants and only pursuant to rights acquired from WSG, I concluded that there was no longer a reason to conduct the business of WSG and Multigroup Claimants separately. Therefore, upon my acquisition, I transferred those rights and interests previously held by Multigroup Claimants back to WSG (which rights had themselves originally been transferred to Multigroup Claimants *from* WSG). Worldwide Subsidy Group LLC assumed all the rights and obligations previously held by Multigroup Claimants, including but not limited to liabilities to third parties, a fact that is corroborated by my personal tax returns.

4. As a result, following the transfers of December 31, 2017 and January 1, 2018, that are referenced above, all the rights and interests of WSG, and those previously held by Multigroup Claimants, have been held exclusively by WSG, which is wholly owned by me. WSG's continued use of "Multigroup Claimants" as a fictitious business name, no different than WSG's use of "Independent Producers Group" and "Spanish Language Producers" as fictitious business names, was for no reason other than the demarcation and identification of the different rights pools being pursued (or intended to be pursued) by WSG.

5. WSG and I have previously characterized this as a "merging" of all interests into WSG. This merging was not by "operation of law", nor did WSG or I ever suggest it to be. Rather, it was a "merging" according to my personal election. I did not earlier memorialize my placement of Multigroup Claimants' interests into WSG, i.e., my "transfer" of Multigroup

Claimants' interests back to WSG, nor did I need to do so for my own personal accounting purposes. Rather, it was a "transfer" that occurred within my mind that had no consequence on either WSG's or Multigroup Claimants' contractual obligations, and was never considered to be of any unique legal consequence. It was a "transfer" of interests, "out of one pocket, and into the other", which I hereby affirm.

6. Notwithstanding, and to quash any suggestion that I (in my personal capacity) did not validly transfer to WSG all interests previously held by Multigroup Claimants (which interests were themselves acquired from WSG), I have additionally executed a document formally acknowledging my transfer of such interests to WSG. That document is attached as Exhibit A to the *Motion for Substitution of Parties by Worldwide Subsidy Group LLC or, alternatively, Ryan Galaz*.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 14th day of October 2020, in Everett, Massachusetts.



Ryan Galaz

Proof of Delivery

I hereby certify that on Wednesday, October 14, 2020, I provided a true and correct copy of the Motion for Substitution of Parties by Worldwide Subsidy Group LLC or, Alternatively, Ryan Galaz to the following:

Settling Devotional Claimants (SDC), represented by Matthew J MacLean, served via ESERVICE at matthew.maclean@pillsburylaw.com

Public Television Claimants (PTC), represented by Ronald G. Dove Jr., served via ESERVICE at rdove@cov.com

Canadian Claimants Group, represented by Victor J Cosentino, served via ESERVICE at victor.cosentino@larsongaston.com

Joint Sports Claimants (JSC), represented by Michael E Kientzle, served via ESERVICE at michael.kientzle@apks.com

National Association of Broadcasters (NAB) aka CTV, represented by John Stewart, served via ESERVICE at jstewart@crowell.com

MPA-Represented Program Suppliers (MPA), represented by Gregory O Olaniran, served via ESERVICE at goo@msk.com

Signed: /s/ Brian D Boydston