Before the
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LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	Docket No. 2006-3 CRB DPRA

THE WRITTEN DIRECT WITNESS STATEMENTS & EXHIBITS OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA, AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

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WITNESS STATEMENT OF NICHOLAS FIRTH ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Nicholas Firth and I am Chairman and Chief Executive Officer of BMG Music Publishing Worldwide, the third largest music publisher in the world. I attended McGill University and Harvard Business School, and I have been involved in music publishing for 44 years.

2. Based on my extensive experience in music publishing, and consistent with my career-long interest in supporting songwriters and composers, I make this statement to (1) describe the role of music publishers in the music and entertainment industries; and (2) demonstrate the need for an increase in the statutory mechanical royalty rate.

3. To summarize, an increase in the statutory mechanical rate is needed for the following reasons, among others:

a. To provide a reasonable economic rate of return to music publishers for their substantial and ever-increasing investments in advance payments to, and creative support for, the songwriters they represent.

b. To ensure that the share of total royalties received by the owners of musical compositions under the mechanical license is comparable to the share of total royalties they receive — for the same compositions — under other forms of licenses.

c. To permit the owners of musical compositions to enter into mechanical licenses at rates that are commensurate with what they have been able to negotiate where no statutory cap limits the royalties they may receive.

d. To offset reductions by record companies in the mechanical rate paid to music publishers as a result of controlled composition clauses in recording agreements.

My Background in Music Publishing

4. Music publishing is my family's tradition. My grandfather and great uncle, Louis and Max Dreyfus, owned Chappell & Company in New York and London and also served as directors of the American Society of Composers, Authors and Publishers ("ASCAP"). My career in music publishing began in 1962, when I joined the Chappell Group's London office as a Management Trainee.

5. In 1968, Chappell was purchased by Polygram, and I moved to New York to work in PolyGram's newly-formed music publishing business. From 1981-1984, I served as President of Chappell International and Vice-President of the PolyGram Publishing Division. Some of my most memorable deals at Chappell included signing Pink Floyd shortly before their album *The Wall* was released and acquiring E.H. Morris's non-U.S. business. I left Chappell in 1984, when PolyGram sold Chappell. By the time I

left, Chappell was operating in 23 countries and was PolyGram's most profitable division.

6. Throughout my career, I have remained active in industry associations and organizations. I have negotiated numerous music publishing industry agreements in the United States, Europe and the Far East. I also serve on the boards of ASCAP, National Music Publishers' Association, Inc. ("NMPA"), the International Music Publishers' Association ("IMPA"), and the Third Street Music School Settlement. I was honored to be inducted into the Songwriters' Hall of Fame and to receive the Abe Olman Publisher Award in 2003. I now serve on the Board of the Songwriters' Hall of Fame and one of my objectives in that capacity, as in all the work that I do, is to raise awareness and ensure appropriate credit for songwriters who make the music and without whom there would be no music business.

BMG Music Publishing

7. In 1987, Bertelsmann AG, a German media company, purchased the RCA, Arista and Ariola record labels and formed BMG. I was asked to lead the newly-formed BMG Music Publishing group. I immediately recognized that BMG's existing music publishing business was very small and had received relatively little attention from the company — unlike PolyGram, which had considered music publishing a major priority. One of my challenges was to build BMG Music Publishing into a worldwide, full-fledged music publishing company.

8. Under my leadership, BMG Music Publishing has become one of the leading music publishers in the world, with 36 offices in 25 countries. Our growth has been the result of both signing and developing new songwriters and acquiring over

200 catalogues and publishing companies in 15 countries. Most notably, we have acquired Zomba Music Publishing, France's Editions Durand and Salabert, and Italy's premier music publisher, G. Ricordi. We also acquired numerous catalogues, including those of Fleetwood Mac, B.B. King, Barry Manilow, and Peter Cetera (Chicago). Some of my favorite acquisitions, as a music fan, include Gilbert Bécaud's catalogue ("What Now My Love"), which was our first acquisition, Santana's early catalogue, which includes "Samba Pa Ti," and EG Music (Bryan Ferry/Roxy Music/King Crimson).

9. We own copyrights and represent some of the most well-known past and present talents from all genres of music and from all over the world, including Nelly, Maroon 5, R. Kelly, Justin Timberlake, Linkin Park, Christina Aguilera, Coldplay, Shania Twain, Britney Spears, Robbie Williams, Keane, Joss Stone, Alanis Morissette, The Bee Gees, The Eurythmics, Korn, Limp Bizkit, Ne-Yo, Peter Maffay, Rammstein, Elvis Costello, Beck, Erykah Badu, The Cure, Annie Lennox, Wu-Tang Clan and Chingy.

10. Our songwriters have had their works recorded by numerous well-known artists including Mariah Carey, Kelly Clarkson, Alicia Keys, Black Eyed Peas, Eminem, Usher, Jessica Simpson, Shakira, George Michael, Outkast, Dido, No Doubt, Hilary Duff, 50 Cent, Destiny's Child, Faith Hill, Lonestar, Eric Clapton, Jay-Z, Bryan Adams, Sandy & Junior, Sasha, Brandy, Tiziano Ferro, Celine Dion, Westlife, Sonique, D'Angelo, Tina Turner, Mary J. Blige, Kenny Chesney, Martina McBride, Lucia Dalla, Josh Groban, Michael Bublé, Cher, Rod Stewart, Elvis Presley and Frank Sinatra.

11. Our roster of producer-songwriters includes internationally-recognized names such as Max Martin (catalogues of Britney Spears, Kelly Clarkson),

Mutt Lange (Shania Twain, Def Leppard), Jorgen Elofsson (Il Divo, Britney Spears, Westlife), Chad Hugo of The Neptunes (No Doubt, Mariah Carey), Manuel Seal (Mariah Carey, Usher), The Matrix (Korn, Shakira), Cool & Dre (The Game, Mary J. Blige) and Per Magnusson (Britney Spears, Il Divo).

12. Although we have assembled a formidable catalogue of Anglo-American popular music, at its outset BMG Music Publishing was a new company competing with larger multinationals that owned existing standard catalogues. I therefore decided to focus our growth objectives on three "niche" areas: contemporary Christian music, Classical music, and the Production Music Library business, which commissions and distributes music (both musical compositions and master recordings) specifically written and recorded for inclusion in audio and audio-visual productions such as advertisements, broadcast programs, films and videos.

13. As a result of our efforts, BMG Music Publishing now comprises one of the largest and most diverse catalogues in the world. In addition to our strong position in pop music, we are the world's largest publisher of both Classical and contemporary Christian music and the leading Production Music Library group. Soon after I joined the company, we opened a country music office in Nashville, which is also the home of our active Christian music division. Our catalogue of classical music includes works by Ravel ("Bolero"), Saint-Saens, Debussy, Poulenc and Xenakis and our acquisition of Ricordi in 1994 brought us the works of legendary composers Verdi, Puccini, Rossini, Donizette and Respighi.

14. We also have a strong presence in film and television music. Our Film and TV department has licensed many of our works in recent films including *The*

Chronicles of Narnia, *8 Mile*, *Spiderman*, *Sweet Home Alabama*, *The Scorpion King*, *Shrek*, *The Dukes of Hazzard*, *Wedding Crashers*, *The Sisterhood of the Traveling Pants*, *Monster-In-Law*, *Robots*, *Coach Carter*, *Shark Tale*, *Collateral*, *V for Vendetta*, *The Pink Panther*, *Date Movie*, *The Constant Gardener*, *King Kong* and *Starsky & Hutch*. We have also placed works in hit television programs including *Malcolm In The Middle*, *The Sopranos*, *The OC*, *CSI* and *ER*.

15. In 2004, BMG's and Sony Music's record labels merged into Sony-BMG Music Entertainment. BMG Music Publishing, however, remained wholly-owned by its parent Bertelsmann AG but separated from the recorded music operations.

16. Consistent with our focus on the importance of supporting and developing songwriters, BMG Music Publishing provides songwriters with a variety of essential services. We are involved in discovering, developing and financially supporting songwriters, providing songwriters with musical feedback and guidance, facilitating collaborations between songwriters, promoting and licensing their works, and ensuring that they are appropriately compensated and that their rights are protected.

Artist & Repertoire

17. One of the most important things I did to grow and develop BMG's music publishing business was to build up our creative departments' "Artist and Repertoire" ("A&R") in every country in which we operate. Our A&R efforts are substantial and multi-faceted, ranging from talent-scouting, providing financial support to young songwriters, helping songwriters improve their songwriting skills, editing their compositions, facilitating collaborations, promoting our songwriters and their works to record companies and other licensees, and song-plugging, which involves persuading others to record or otherwise use our songwriters' works.

18. In the United States alone, we employ 18 full-time employees in our A&R efforts. They are based in our New York, Los Angeles, Nashville and Miami offices. Our total investment in A&R, including salaries, travel and entertainment expenses and demo costs (but excluding advances paid to songwriters) amounts to approximately $4.6 million per year, or 4% of our revenues. Below, I describe our A&R efforts in greater detail.

Discovering New Songwriters

19. By virtue of the efforts of our A&R professionals, we have been able to find and sign talented songwriters from all over the world. Our roster currently includes approximately 230 active songwriters, producers and recording artists and, in 2005 alone, we discovered and signed 42 new songwriters, 27 of whom were unknown artists or "baby bands" who had not released a commercial record and 15 of whom were established musicians. Notable signings during 2005 included Pitbull, All-American Rejects, Slayer, Damion Marley, Ne-Yo, T-Pane and Kirk Franklin.

20. The art of discovering new talent is relationship-based. Because of our years of industry experience, we have come to know most — if not all — of the key players (including managers and lawyers) in the industry, and they bring many leads to our attention. Our A&R staff routinely attends showcases and other similar events all over the country. In addition, aspiring songwriters often send us demos that they have made using their home recording equipment. Our goal is to identify and sign talent at the earliest possible stage, which in many cases is before a record deal is entered into.

21. After we have identified prospects, the next step is to evaluate their talent. Informed by our experience in the music industry, we assess their likelihood of

success, focusing on their skill, potential and, in the case of singer-songwriters, their marketability. If we decide to pursue an agreement with a songwriter, a courtship process begins, as many young songwriters draw interest from a variety of publishers. One member of our creative staff, usually the professional who first identified the talent, typically acts as a sponsor during the entire process, taking the lead role in evaluating, courting, and hopefully signing the songwriter.

22. A few examples of recent signings illustrate the different ways we find previously unknown talents and assess their abilities.

a. BMG Nashville's most recent signing is singer-songwriter Jason Michael Carroll. Carroll's attorney brought Carroll to our attention during discussions regarding another of the attorney's clients. Carroll's first single, which he wrote entirely himself, was the country single most-added to radio rotations during several recent weeks. We are eagerly anticipating the release of his album in the first quarter of 2007.

b. BMG discovered a band called Yellowcard at a small club in Anaheim, CA, where it was performing along with four other bands. Our A&R staff immediately recognized the band's raw talent and energy. We followed the band for a couple of months and watched as its audience grew. We signed Yellowcard shortly thereafter, and later the same year its debut album was released, ultimately selling two million copies.

c. We found the band Maxeen when we received an album called *Tribute to the Police*, which contained songs by various artists, including Maxeen. The album had been released by the label The Militia Group,

with which BMG had a relationship. We liked Maxeen's lead singer's voice, and immediately got in touch with the group. At the time, Maxeen was putting the finishing touches to an independent album and was looking to grow its audience, which we saw as an opportunity to offer help in hopes of convincing Maxeen to sign with us. After several meetings over a three-month period, we signed the band and, in turn, helped it sign with Warner Bros. Records, a major record label. Their debut album is to be released in April 2007.

23. Although record companies also search out and find previously unknown talents, our role and the role of other music publishers in finding talent has been critical for many musicians. There have been numerous instances in which we have signed talented singer-songwriters and producer-songwriters who were either passed over or dropped by record companies. A few examples prove the point: Brian Davis signed with BMG Nashville in 2003, after being showcased and courted ("shopped"), unsuccessfully, to record companies in 2000; Tania Hancheroff signed to our affiliated company Zomba in 2003, after failing to obtain a record company deal in 2002; Kelly Archer was dropped by her record label in 2004, but signed with us in 2006. Each of these singer-songwriters, after working with us for a few years, is currently attracting strong interest from record companies, and is likely to sign with one of them in the near future.

Our Agreements with Our Songwriters

24. Once we decide to sign a songwriter to a publishing agreement, we negotiate contractual terms, usually with his or her lawyer. Almost without exception,

the agreements require BMG Music Publishing to provide a substantial advance payment to the songwriter. These advances are often made before a record is released and almost always are made well in advance of the time we can hope to earn and collect any revenue under the agreements. It typically takes 18 months or more after the initial payment is made to collect any revenue on a particular song. It is not an overstatement to say that, in most cases, these advances keep the songwriters fed and clothed, and without them many aspiring songwriters would drop out of the business.

25. Advance payments are structured in a variety of ways. In contracts with pure songwriters, advances are typically paid either as monthly draws or a portion on signing with the rest on a monthly basis. For producer-songwriters, approximately half of the advance is usually paid at signing, with the balance paid as songs are released on major label albums. And, finally, for singer-songwriters, the typical contract also usually involves approximately half of the advance paid at signing with the remainder paid upon the commercial release and licensing of the songwriter's first album.

26. Our advances are substantial in size, and maintaining a roster of songwriters requires a significant capital investment by the music publisher. The average advance we paid to new songwriters in 2005 was approximately $186,000. Although this figure reflects relatively large advances paid to more well-known songwriters, even our median advance in 2005 was $75,000. Cumulatively, we spent almost $8 million on advances to new songwriters in 2005 and our total spending on advances, to both new and previously-signed songwriters, was almost $30 million. This represented over 20% of our total revenue, a proportion that has remained broadly consistent in recent years.

27. Even as we pay such large advances to songwriters, our agreements with songwriters are providing us with a reduced share of mechanical royalty revenues. Although the average royalty split between songwriters and publishers used to be approximately 50:50, the share percentage payable to the songwriter has increased. Current agreements are more appropriately termed co-publishing arrangements, under which songwriters receive not only the 50% share of royalties traditionally allocated to them for songwriting but also half of the 50% traditionally allocated for publishing (*i.e.*, for a total of 75%). Thus, our more recent agreements generally guarantee us only 25% of both domestic and foreign royalty revenues, with the balance owed to the songwriters.

28. In negotiating the size of their advances and their share of royalties, songwriters frequently benefit from competition between publishers who are interested in securing their services, and who are therefore motivated to provide the most generous advances possible. For artists who appear particularly likely to be successful, bidding wars have resulted in particularly high advances and royalty shares. That said, regardless of whether our agreements are with "baby" acts or established musicians, and despite our declining share of royalty revenues, substantial advances that continue to increase in size have been, and continue to be, a staple condition of songwriters' contracts with publishers. No matter what the mechanical royalty rate has been, publishers have always supported songwriters with substantial advances.

29. Although contractually we are entitled to recoup our advances, the nature of our business is that many, if not most, of the songwriters in whom we invest ultimately are not commercially successful. Songwriters who do not achieve commercial success never are required to return advances. Thus, each year we write off millions of

dollars of advances that were previously given to songwriters. From the inception of BMG Music Publishing in 1987 to the end of 2005, we have written off approximately 55% of our advances/payments.

Our Ongoing Creative Assistance to Our Songwriters

30. Each of our creative professionals is committed to helping our songwriters develop their skills and ultimately produce professional quality compositions and recordings that will be successful in the marketplace. Songwriters are assigned to professionals based on prior relationships, geographical location and areas of expertise. In many cases, the sponsor of the songwriter's signing continues to oversee his or her creative development. Our artist development efforts have helped produce and enhance the careers of many popular and successful artists, including Beck, Linkin Park, Maroon 5, The Calling, Yellowcard, Cypress Hill, Keane, Coldplay, M.I.A., Kings of Convenience and M People.

31. Our creative assistance takes many forms. Our creative professionals listen to, constructively criticize and edit our songwriters' songs before they are demoed and subsequently marketed to record labels and the film and television community ("pitched"). In some cases, our creative staff also manages our songwriters' daily appointment books and keeps them informed about artists' recording schedules and song needs via a "Who's Looking List," which we distribute by email on a regular basis. This list helps our songwriters focus their efforts on producing compositions that might fill immediate needs in the marketplace.

32. On occasion, we also serve as a type of "headhunter" for our songwriters for the purpose of finding them personal managers and booking agents. For

example, Jon McLaughlin, one of our recent signings, needed a personal manager so we introduced him to Darren Gilmore, a young manager who we knew to have other clients similar to McLaughlin and who we therefore thought would be a good fit. They agreed to work together and their relationship has worked well. We were also responsible for obtaining a booking agent called The Agency Group, a large international music booking firm, for our band Maxeen. This relationship has also been successful, as The Agency Group has successfully landed Maxeen tours with Blink 182 and Maroon 5, among other well-known bands.

33. We also play a pivotal role in what we believe is the art of songwriter collaboration. We screen co-writing requests made to our songwriters and solicit potential co-writing opportunities on their behalf. For our Pop/Rock department, we have two employees dedicated to facilitating co-writing opportunities for our songwriters. Ninety percent of the songs that are written by our songwriters are the result of collaborations with other songwriters or with recording artists directly. We placed Toxic, one of our producers, with Keyshia Cole, one of our artists, for Cole's most recent record. Together, they wrote a song called "Love pt1 1" that turned out to be a highlight of her debut album, *The Way It Is*. The album went on to sell over 1.4 million copies. For Cole's next album, we have put our producers Havoc, Toxic and the Platinum Brothers in touch with Cole, and we are expecting similar success from the album, which is due to be released in Spring 2007.

34. We also facilitate songwriting partnerships by hosting a variety of regular events that bring our songwriters together. For example, we host breakfasts and luncheons for new artists to perform for our songwriters and these events have resulted in

several co-written songs. In addition, our Nashville office hosts regular retreats ("Song Camps") to which songwriters from our offices around the world are invited. At these Song Camps, which last four or five days, songwriters have the opportunity to meet each other and generate ideas for new, jointly-written compositions, while we arrange writing sessions and demo sessions and provide free food, lodging, transportation and entertainment. Song Camps have already resulted in several popular hits, including Kenny Chesney's "Young," Trace Adkins' "Rough and Ready" and Brooks and Dunn's "That's What It's All About." We look forward to many more in the future as we continue this unique tradition.

35. The assistance we provide does not stop there. We maintain a studio in our Nashville office for our contemporary Christian business. We also have two employees dedicated to working with our pop/rock songwriters to create demo recordings. Finally, from time-to-time, we provide recoupable advances for singer-songwriters to invest in home recording equipment, which is becoming more sophisticated each day.

36. In light of all of our contributions — both financial and creative — it is fair to say that, in many cases, music publishers are primarily responsible for facilitating the early development stages of the process of recording an album.

Promoting Our Songwriters and Their Works

37. Our promotional efforts involve work on behalf of both our songs and our songwriters. Song-plugging, or finding opportunities to license our songs, is a central part of our responsibility. During most weeks, our creative professionals attend between 20 and 25 meetings to pitch songs to record label A&R executives, producers,

artists and managers. In addition, we are heavily involved in soliciting both recording artists and record producers to perform and produce our songwriters' songs, as well as songwriters to compose works for recording artists who need writing assistance.

38. Our roster now includes an increasing number of singer-songwriters and producer-songwriters. Currently, approximately 60% of our roster are singer-songwriters and approximately 20% are producer-songwriters. A small percentage of our songwriters are actually singers *and* producers of their own works. Pure songwriters, in contrast, now represent only about 10% of our roster.

39. We advance all aspects of the careers of singer-songwriters and producer-songwriters, often by lending our assistance to helping them find record company contracts to exploit their skills. For example, after signing an 18-year-old singer-songwriter Tamar, we introduced her to, and were involved in her meetings with, several record labels, including all of the majors. Tamar ultimately signed a contract with J Records. We also helped our producer-songwriter team known as The Collective, which writes music targeted for a younger audience. After signing The Collective, we arranged several meetings with record labels in New York and Los Angeles, ultimately leading to a contract with Walt Disney Records.

40. Our licensing efforts are by no means limited to maximizing the use of our songs on records. An important tool in promoting our songs and our songwriters is finding synchronization ("synch") opportunities with television programs, films, advertisers, music supervisors, studios, video game manufacturers and many others. Our work with the well-known band Maroon 5 is a clear example of the value of synch licensing in raising the profile of an up-and-coming band. In 2001, we received a

demo for Maroon 5, which was then signed to Octone Records, an independent record label. We established a relationship with the band's manager and lawyer and signed a publishing agreement in May 2002. When the band's album was released in June 2002, it did not make an immediate impact. We believed strongly in the band and pitched the songs to film and television music producers. Eventually, we brokered a deal with a new jeans company called Mavi Jeans to use one of Maroon 5's singles in a television commercial. We also arranged to have the band's single "Harder to Breathe" played in three popular television shows. These opportunities increased Maroon 5's exposure and ultimately helped the band sell 10 million copies of its debut album.

41. As this example demonstrates, our role in promoting our singer-songwriters does not end when they sign recording contracts. For example, Maroon 5's label, Octone, an independent, entered into an agreement allowing J Records, a major record label, to market the band's album as its own, but J Records was slow to express interest in and commit marketing dollars to the band. We worked to convince J Records to increase its marketing efforts on behalf of the group and only then did the album achieve its commercial success. We continue to maintain a close relationship with the band and participated heavily in the development of the group's second album, which is due to be released in 2007. Our ongoing assistance has involved visiting the band's studios, reviewing its songs and providing constructive feedback.

42. Similarly, our efforts to promote our songs do not stop after they have been recorded for the first time. Instead, we continue to look for opportunities to keep them alive in new recordings. A good example of our ability to secure multiple recordings of the same composition is a song called "Evergreen." This song, which is

currently achieving great success in England, was written by one of our songwriters named Jorgen Elofsson. The song was first recorded by the popular group Westlife and was later recorded and released as a single by Will Young, who won first place in the *Pop Idol* television talent show. His single went to number one in three weeks, selling two million copies. Gareth Gates, the runner-up on *Pop Idol*, also recorded "Evergreen," making it the B-side of his single. Both Young and Gates will be including their recordings of "Evergreen" on their upcoming albums. Our work with "Evergreen" is a classic music publishing story of obtaining multiple revenue streams from a single work.

Licensing and Other Administrative Responsibilities

43. In addition to our creative efforts, we take responsibility for a variety of administrative tasks that would be overwhelming if left to songwriters to handle on their own. One of the most important administrative tasks we perform is mechanical licensing, which is the licensing of our songs on records.

44. Mechanical licensing administration is a complicated process. When a record company produces an album, it ordinarily requests a mechanical license either directly from the applicable music publisher(s) or from The Harry Fox Agency, Inc. ("HFA"), the collecting agent responsible for administering mechanical rights for most music publishers in this country. The music publisher is responsible for confirming the number of songs and the ownership shares on the applicable album that are controlled by its songwriters and checking the record company's calculation of the applicable penny rate payable for each song. The record company is then required to obtain a license and pay the music publisher (or HFA) all royalties that are due. We have a team of employees dedicated exclusively to performing our mechanical licensing functions.

45. This licensing process involves several recurring challenges:

a. One common problem is rate calculation disputes. In many cases, record labels incorrectly calculate the mechanical royalty due under applicable controlled composition clauses, which are common provisions in recording agreements whereby record companies contractually lower the statutory mechanical rate payable to artists and producers. These clauses typically call for the payment of some reduced percentage of the statutory mechanical rate and also place a cap on the total amount of mechanical royalties payable on any particular album. Before record companies will pay any royalties, they often demand that the publisher prove that their calculation of royalties pursuant to the controlled composition clause was in fact incorrect. We regularly follow up with record companies to ensure prompt payment, but the reality is that record companies frequently hold mechanical royalties that should otherwise be payable for many months after they are properly due.

b. Another common obstacle is sample clearance. If, in creating a new song, the songwriter and/or producer used any portion of a previously-created song (a "sample"), the songwriter must obtain approval from the publisher that owns the rights to the original, or sampled, song and negotiate the ownership percentages (commonly referred to as "splits") with respect to the new song. We handle this process on behalf of our songwriters. The process involves, among other tasks, confirming ownership percentages among multiple music publishers, determining if

any of the publishers is subject to a controlled composition clause and, if so, calculating the applicable royalty rate.

46. Record companies have added to these difficulties in several ways. First, in many cases record companies distribute records even before going through the formality of obtaining mechanical licenses, despite the requirement in the Copyright Act that they obtain a license prior to distribution. Second, audits reveal that in many cases record companies hold copyright royalties in "suspense," which means they are accruing the costs on their books but not paying them out in cash to the owners of the rights to musical compositions. Third, we have discovered that, when entering into agreements with new music services such as YouTube, some record companies have been representing that they are entitled to license all of the relevant publishers' rights when in fact they do not own or control those rights. BMG Music Publishing tries very hard to minimize disputes with record companies so as to cooperate in commerce and ensure that our songwriters' careers continue to progress. Nevertheless, these aggressive practices create considerable hardship and result in increased administrative and legal costs for publishers and prevent our timely receipt of our rightful royalties.

47. Our synch licensing responsibilities are different but no less challenging. When synch license requests are initiated by licensees, we are responsible for obtaining approval from the songwriters and any other music publishers that have controlling interests in the copyrights and, in many cases, coordinating with record companies to license the synch right. Once all copyright owners have given their approvals, which often requires payment of a fee, we negotiate the terms of the synch license and, after agreement has been reached, we issue the license. We have seven

employees dedicated to negotiating synch licenses and three employees dedicated to drafting synch agreements.

48. Synch licensing, like mechanical licensing, is complicated by several factors. First, the growing number of songs increasingly complicates the synch licensing process. Although, a few years ago, the number of songs available for license was generally limited to those that are immediately recognizable to the public, today licensees are willing to use songs written by unknown artists as well. This has vastly increased the universe of songs to which we must maintain the capacity to license. In addition, opportunities to license songs for commercials must be weighed against the consequences of linking songs to particular products. Allowing a song to be used for a product may leave an unfavorable impression with the consumer, thus causing a negative impact on the market for future uses of the song. As advocates for our songwriters, we help them weigh the costs and benefits of particular licensing opportunities.

49. Our administrative responsibilities are not limited to licensing. For example, we assume the responsibility of registering our songs with the U.S. Copyright Office and its counterparts around the world. We also represent the interests of songwriters in legal proccedings such as this tribunal and participate in negotiating industry-wide agreements with various partners to ensure the continued protection of the rights of our songwriters.

Our Work to Facilitate the Distribution of Music in Digital Form

50. BMG Music Publishing, like other publishers, has contributed to the commercialization of new technologies in the best way we can — by actively licensing our works to as many new users as possible. We have been willing and in fact

eager to make agreements with digital companies seeking voluntary licenses to distribute our songs, so long as they are willing to do so legally and to compensate our songwriters appropriately.

51. Earlier this year, we licensed our North American catalogues to Gracenote, a digital entertainment company seeking to distribute song lyrics on the web. The theft of song lyrics is an example of online piracy at its most virulent. Gracenote was the first company to attempt to provide lyrics legally, though many other websites had been distributing lyrics without regard to the copyrights of our songwriters. We were glad to be the first to make an agreement to facilitate the legal distribution of lyrics on the Internet and thus ensure that songwriters are compensated for their written compositions.

52. We have also been active in licensing the use of our songs as ringtones. Long before advancements in telephone handset technology made record companies relevant players in the market for ringtones, music publishers like BMG were licensing monophonic and polyphonic versions of their songs for this purpose. In our early negotiations with content aggregators, who acted on behalf of online providers, we played a major role in bargaining to establish ringtone license rates. Since the emergence of mastertones, which are ringtones produced from master recordings, we have granted licenses to major record companies that allow them, in turn, to grant licenses to ringtone service providers and telecommunication companies at the rates that were previously established in license agreements with content aggregators.

The Need for Increased Mechanical Royalty Rates

53. NMPA, together with several organizations representing songwriters, have proposed increased mechanical royalties for both physical and digital

product. These increases are essential, in my view, to incent songwriters and to enable music publishers to fulfill the essential role that we play in the creation of new music, while providing us a reasonable return on our substantial investments.

54. BMG Music Publishing's revenues from mechanical royalties have declined since 2001, as has the share of our total revenues attributable to mechanical royalties. Although mechanical revenues were approximately 70-75% of our total revenue from 1995-2001, they represented only 56% of our total revenue in 2005.

55. The declining share of revenue that we receive from mechanical royalties is, in my view, the result of a variety of different factors. The decline in the sale of recorded music in recent years — markedly different from the prior record of substantial growth in record sales — has had an obvious and adverse effect on our mechanical royalty revenues.

56. Furthermore, the fact that publishers' revenues are capped by a statutory ceiling prevents us from fully profiting from successful hit records. Even though record companies may have initial production costs that limit their earnings on the first several thousand records they sell, once their volume of sales takes them past the break-even point, their profits increase dramatically. While their costs are quickly amortized as their sales increase, publishers, on the other hand, earn precisely the same amount, measured in only a few cents per record, on each record sold — no matter how successful a song turns out to be. Music is a hits-driven business, yet music publishers are relatively less able to benefit from their successes than record companies.

57. In addition, controlled composition clauses, which are included in virtually all artist and producer contracts, are both prevalent and increasingly expansive.

The original controlled composition clauses typically provided that if the artist controlled (wrote) her/his composition, the record company would be required to pay only some reduced fraction of the mechanical royalties due. From such a relatively simple contractual requirement, these provisions have grown dramatically in scope and complexity. They now take up significant portions of virtually all record company contracts and often seek, for example, to set rates for lyrics and video exploitations. All of these provisions have the same, single purpose: to allow record companies to retain ever greater amounts of money otherwise due songwriters and their publishers.

58. These controlled composition clauses have dramatically reduced the mechanical royalties paid, to the point where songwriters consistently receive significantly less than the already low compulsory rate on all of their songs that are recorded. As noted above, on average, these clauses fix the mechanical royalties payable by the record company at approximately 75% of the current statutory rate and impose a cap on the total number of songs on each CD for which any mechanical royalties are payable. In addition, these clauses often restrict copyright owners to grandfathered rates that were applicable to songs written and recorded decades ago, prior to statutory increases in the mechanical royalty. It is because of provisions such as these that our iconic artist-songwriter Carlos Santana, for example, continues to receive l ess than two cents for most of the legendary songs he wrote and recorded in the 1970s.

59. The declining share of revenue that we receive from mechanical royalties is particularly indefensible, in my view, because it stands in contrast to the increasing market value for our music. One need only look to the vibrant and burgeoning market for film, television, commercial and video game synch licenses (not to mention

the booming online world). In these important markets, the standard division of fees between owners of the composition and owners of the sound recording is generally 50:50 — in other words, parity. Conversely, the proportion of fees that songwriters earn from mechanical royalties amount to nothing close to the revenue that goes to owners of the sound recordings.

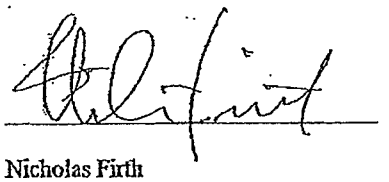
60. There are, in my view, two essential economic components of a recording — the written composition by a songwriter and the recorded performance by an artist. Fundamentally, it makes no sense to me that the owners of the former are so much less compensated than the owners of the latter. In my opinion, this is due in part to the fact that the mechanical royalty was originally set at a mere two cents. Although the statutory rate has increased somewhat over time, increases from such a low historical base have not resulted in a rate that reflects current market realities or an appropriate division of the economic pie. Had the two cent rate been adjusted only for inflation — let alone to reflect the increasing value of music — it would today be over 40 cents, more than four times its current level. Regardless of the reason for the low mechanical royalty, this tribunal has the opportunity to correct this historical injustice.

61. In conclusion, I am convinced that increases in the mechanical rates for both physical and digital copies are essential to ensuring that songwriters continue to have an adequate opportunity and incentive to produce great music, and publishers earn an appropriate economic return on our investments so that we may continue to provide songwriters with the assistance and services that are necessary to the process of creating great new songs.

Declaration

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 29, 2006
New York, NY



Nicholas Firth
Chairman and Chief Executive Officer,
BMG Music Publishing

SHORT-FORM SYNCHRONIZATION LICENSE
BMG MUSIC PUBLISHING NA, INC.
245 FIFTH AVENUE, 8TH FLOOR
NEW YORK, NY 10016

Date: October 17, 2006
Effective as of as of commercial release of the Production – T/B/D

Electronic Arts Inc.
209 Redwood Shores Parkway
Redwood City, California USA 94065-1175

Ladies and Gentlemen:

The following will set forth the terms and conditions upon which we have agreed to license the following composition (the "Composition") in connection with the following production (the "Production"):

1.	COMPOSITION:	SEE ATTACHED SCHEDULE "A"
	Writers:	SEE ATTACHED SCHEDULE "A"
	Ownership and/or Control:	SEE ATTACHED SCHEDULE "A"
2.	PRODUCTION:	THE SIMS 2 - PETS (VIDEOGAME)
3.	GRANT OF RIGHTS:	

In consideration of the fee specified below, we hereby grant to you the following non-exclusive, limited rights:

a. The limited right to cause or authorize the fixation of the Composition as part of the entire Production on "Disks" (i.e. magnetic diskettes and optical disks, to be played on all platforms and formats now known and hereinafter devised, which are in a read-only format where the viewer may randomly access the images of the Production but the Composition is on a separate audio track in which the order, outcome and contents of the Composition itself [i.e. the music and/or lyrics] cannot be isolated, altered or manipulated in any manner by the viewer) and to sell and distribute such Disks to the public for use in conjunction with a playback system or mechanism in accordance with the terms, conditions and limitations contained in this license agreement.

b. The limited right to exhibit the Production, in-context only and for demonstration purposes only: (i) at industry trade shows, (ii) at retail store kiosks, street team give-aways, cover mounts and (iii) on your proprietary Web site only, provided that (A) the Composition cannot be downloaded, altered or manipulated, or accessed independent of the Production; (B) you have secured a public performance license from ASCAP; and (C) no more than sixty thirty seconds (0:60) of the Composition is

made available. The foregoing rights shall include the right to transmit the Composition as part of the rotation for jukebox use, provided that the Composition cannot be digitally copied, duplicated or distributed in any manner or medium in whole or in part, directly or indirectly, and such use does not permit the viewer to access the Composition in a non-linear (i.e., non-sequential) manner; and, further provided, such use does not allow the addition of variable content in the reproduction concerned. For the avoidance of doubt, exhibition, broadcast and/or transmission of the Composition on television and radio stations and systems is not included within the grant of rights hereunder and is expressly reserved by us.

c. The limited right to cause or authorize the fixation of the Composition as used in the Production to be included in electronic press kits to be distributed solely for promotional purposes and not for a fee.

d. The limited right to include the Composition in cross-sell trailers in other Electronic Arts products and promotional broadcast features (e.g., "making of" features aired on MTV or Entertainment Tonight), and all ad and promos excluding broadcasts on Radio, All Television Media and in Theatres.

4. USAGE OF THE COMPOSITION IN THE PRODUCTION:

- Type:	Background Vocal menu and in-game
- Maximum duration	Up to the Full Use with more than one rotation

5. TERRITORY: The World

6. TERM: Life of copyright of the Compositions and any extensions and renewals

7. FEE: SEE ATTACHED SCHEDULE "A"

8. OPTIONS: None

9. CREDIT:

We shall be accorded a credit in the Production or on the accompanying label copy. Such credit shall be in the same location, and of the same size and prominence as the credit afforded to other compositions embodied in the Production, substantially in the following form, for our share:

SEE ATTACHED SCHEDULE "A"

10. COPY:

You agree to furnish us with three (3) copies of the Production for each format, in the packaging and form as sold/distributed

11. MOST FAVORED NATIONS:

Our consent to the foregoing is given with the proviso that no co-publisher and no master recording owner of the Composition used in the Production shall receive a proportionately more favorable License Fee. In the event that you pay our co-publisher and/or master recording owner of the Composition used in the Production a higher pro-rata fee than the License Fee paid to us

hereunder, you shall pay to us the difference between such higher pro-rata fee and that License Fee paid to us.

12. WARRANTY AND INDEMNIFICATION:

We hereby warrant only that we have the right to license the Composition for the purposes set forth herein and this license is given and accepted without any other warranty or recourse. If this warranty should be breached, in whole or in part, pursuant to a final adverse judgment in a court of competent jurisdiction, our liability with respect thereto shall be limited to the Fee, if any, heretofore paid by you to us for this license. You hereby warrant and represent that the Production will not violate or infringe upon any common law or statutory rights of any party including, without limitation, contractual rights, copyrights and rights of privacy. You agree to indemnify, defend, and hold us harmless from any claim, including our attorneys fees, resulting from a breach of this warranty.

13. LAW AND JURISDICTION:

This license agreement has been entered into in the State of New York, and the validity, interpretation and legal effect of this license agreement shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a controversy will be brought in the courts located within the State and County of New York and not elsewhere. This license agreement shall not be changed or modified, or any covenant, representation, warranty or provision hereof waived, except by an agreement in writing signed by the party to be charged.

14. RESTRICTIONS:

You are not authorized to (i) alter the fundamental character of the music or the lyrics of the Composition, (ii) use the title or subtitle of the Composition as the title of the Production, (iii) use the story of the Composition, (iv) print lyrics from the Composition, (v) translate or adapt the lyrics of the Composition, (vi) make and/or distribute phonorecords of the Composition, (vii) use the Composition in any device containing nudity or sexually explicit/vulgar language, or (viii) make any use of the Composition other than as expressly set forth above.

15. ALTERATION:

Excluding your rights to shorten the playing time of the Composition or to edit for profanity in the soundtrack of the Production (which will not change or diminish any of your other obligations under this agreement), or to delete the Composition from the soundtrack of the Production, you will not alter or permit others to alter the soundtrack of the Production so that the placement therein of the Composition is changed in any manner whatsoever from that described in paragraph 4, after the initial release of the Production whether by sale or howsoever.

16. RESERVATION OF RIGHTS:

We reserve all rights not expressly granted to you in this license agreement including, but not limited to, the right to broadcast, transmit and/or download the Composition through electronic, telephonic, optical or other means, except as set forth in paragraph 3(b) hereinabove. All rights granted hereunder are granted on a non-exclusive basis.

17. ASSIGNMENT:

The rights granted to you pursuant to this license agreement shall only be assignable by you for the sole purpose of the exploitation of the Production, provided that you guarantee that the third party assignee will adhere to the limitations and restrictions set forth in this license agreement, and provided further that any disposition of any copies of the Production shall at all times be subject to the terms and conditions hereof. This license agreement itself shall not be assignable by you except to a parent, subsidiary, affiliated or controlling corporation or to any party owning, or acquiring, a substantial portion of your stock or assets or to an entity merged into or consolidated with you. We may assign this license agreement to any third party. Any assignment made in violation of the restrictions contained in this license agreement shall be null and void *ab initio*.

Notwithstanding anything to the contrary contained in this license agreement, you shall acquire no rights hereunder until actual receipt by us of the applicable license fee set forth herein and until this agreement is fully executed by us.

Very truly yours,

BMG Music Publishing NA, Inc.

By: Anne K. Pohl

Anne K. Pohl
Director Film & TV Music Licensing
Federal Tax I.D. #95-3104625

READ AND AGREED:

By: _____

Print: Patrick J. O'Brien
VP, Business Affairs
For and on behalf of
Electronic Arts Inc.

SCHEDULE "A"

	Composition	Writer(s)	Ownership and/or Control	Total Fee:	Credit(s)
1.	"Boy Hunter"	Graham Edwards, Lauren Christy, Scott Spock, Skye Sweetnam	ASCAP - 25% BMI - 50%	$3,750.00	Courtesy of Careers-BMG Music Publishing, Inc. (BMI)/BMG Songs, Inc. (ASCAP). Under License from BMG Film & TV Music
				$3,750.00	

Ringtone & Ringback Publishing Clearance

This agreement ("Agreement") is made as of the date of final execution below ("Effective Date"), by and between The Orchard Enterprises, Inc. ("The Orchard"), 100 Park Avenue, 17th Floor, New York, New York 10017, and BMG Music Publishing NA, Inc. & Zomba Enterprises, Inc. ("Publisher"), 245 5th Ave., New York, New York 10016.

WHEREAS, Publisher controls the music publishing rights in and to certain Compositions (as defined below);

WHEREAS, The Orchard owns or controls the distribution rights to certain master recordings ("Masters"); and

WHEREAS, The Orchard desires to obtain and Publisher desires to grant a license to arrange and record each Composition to create Ringtones and Ringbacks (as defined below) from the Masters, to be distributed by means of electronic transmission pursuant to the rights granted in Section 4 below;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Definitions.

(a) "Composition" is a musical composition which is owned and/or controlled by Publisher, and which is made available to Licensee hereunder subject to the terms and conditions set forth in this Agreement and to any restrictions thereon imposed by Publisher or the composers thereof for use in the creation of Ringtones and Ringbacks. With respect to any composition owned or controlled by Publisher only in part, The Orchard shall be obligated to make appropriate payments to any third parties that own or control portions of the Composition not owned or controlled by Publisher. A list of all Compositions is attached hereto as Schedule B, and may be supplemented from time to time upon written approval of Publisher.

(b) "Ringback" means the use of an actual sound recording to replace the ringing sound a cell phone caller hears with an audio recording (instead of "ring, ring").

(c) "Ringtone" is a digital file containing an excerpt, not to exceed forty-five (45) seconds, of a Composition embodied in an actual sound recording of the Composition, capable of digital transmission to a mobile telephone handset to replace the ringing sound a cell phone caller hears with an audio recording (instead of "ring, ring").

2. Territory. The Territory shall be the United States and its territories and possessions.

3. Term. The Term shall commence on the Effective Date and continue for a period of two (2) years. Publisher shall have no obligation to renew or extend this Agreement following expiration of the Term, and may decline to do so in its discretion.

4. Grant of Rights. Publisher grants to the Orchard the non-exclusive right during the Term and throughout the Territory:

(a) to create Ringtones and Ringbacks of the Compositions in transmittable digital data formats;

(b) to reproduce the Ringtones and Ringbacks onto The Orchard's computer server(s) solely for its internal business purposes and for ultimate distribution to consumer end-users;

(c) to distribute, deliver and transmit, and to permit The Orchard's sublicensees (listed on Schedule A attached hereto, as such may be altered from time to time) to deliver, distribute and transmit, the Recordings over the internet (or any successor global computer network) or over a regional wireless transmission network (e.g., SMS or WAP) for transfer onto consumers' individual mobile telephone handsets solely for such consumers' personal use;

(d) to promote and advertise The Orchard's and its sublicensee(s)' service(s) using segments of Ringtones and Ringbacks not to exceed forty-five (45) seconds. Such right shall extend to mobile and web-based promotion and advertising, and not to television and radio.

(f) Except as otherwise provided herein, no right is granted to The Orchard hereunder to use the Compositions in connection with any advertisement, commercial or in any printed form, including but not limited to isolating or positioning a Ringtone or Ringback in a way that could be construed as advertising or promoting any product or service, including any promotion of The Orchard's products or services. Notwithstanding the foregoing, direct links to web sites selling recordings embodying the Compositions or direct links to web pages providing information on the songwriters and performing artists of the Compositions shall not be deemed a prohibited use hereunder. For the avoidance of doubt, no rights are granted in any Masters and no rights are granted other than those expressly referred to herein.

5. Advance & Royalty.

(a) The Orchard shall pay to Publisher a non-returnable advance in the amount of US Ten Thousand ($10,000.00) Dollars payable promptly following The Orchard's receipt of this fully executed agreement. Such advance shall be deemed a pre-payment of the Royalties hereunder and shall be recoupable from all monies payable or becoming payable by The Orchard to or on behalf of Publisher hereunder.

(b) In consideration for the rights granted herein, The Orchard shall pay to Publisher an amount equal to the greater of ten (10%) percent of the wholesale price received by The Orchard from its sublicensee(s) or Twelve and One Half (.125) Cents, for each Ringtone or Ringback sold by The Orchard's sublicensee(s) (the "Royalty"). In the event The Orchard agrees to (or has agreed to) pay to another publisher of any musical composition compensation in excess of the Royalty for the uses described herein, then effective as of the date of such agreement, The Orchard shall immediately pay to Publisher an amount equal to such excess compensation, and this agreement shall be deemed amended effective as of the date of such agreement to include such more favorable compensation provision.

6. Accounting.

(a) The Orchard shall render to Publisher an accounting on a quarter annual basis, forty-five (45) days after quarter end, accompanied by payment of any amounts due. Any balance due under $50 shall be rolled into the following quarter and paid only when the balance exceeds $50 (or with the last statement, if applicable).

(b) Publisher shall have the right to audit The Orchard's books and records to verify the accuracy of such statements, once with respect to any statement, once in each year, at Publisher's expense, at the place where The Orchard maintains such records, during The Orchard's normal business hours and on at least thirty (30) days' prior notice. Any objection relating to any accounting statement, or any lawsuit arising therefrom, must be made (and any lawsuit commenced), no later than two (2) years after the date the statement is rendered and Publisher hereby waives any longer statute of limitations that may be permitted by law.

(c) The Orchard shall permit Publisher on-line access to portions of The Orchard's sales reporting system to allow Publisher to monitor its sales and estimated royalty activity hereunder.

7. Other Important Provisions.

(a) All notices hereunder shall be given by certified mail, return receipt requested, or by messenger or courier, to the respective addresses below:

To Publisher:	To Orchard:	with a copy to:
BMG Music Publishing NA, Inc. & Zomba Enterprises, Inc 245 5th Ave. New York, NY 10016 Attn: VP of Legal/Business Affairs	The Orchard Enterprises, Inc. 100 Park Avenue, 17th Floor New York, NY 10017 Attn: Mr. Stanley Schneider,	Dimensional Associates LLC 1091 Boston Post Rd. Rye, NY 10580 Attn: Mr. Joel Schoenfeld

(b) (i) Publisher warrants and represents that it has the right and authority to enter into this Agreement and to grant to The Orchard all rights specified; all of the Compositions as noted in Schedule A are owned or controlled by Publisher and shall not infringe on the copyrights or other rights of any person or entity; and that The Orchard shall have the right to exploit same in all manner hereunder free from adverse claim and without any obligation to make any payment of any nature to any person or entity (including co-publishers and writers), other than the amounts due to Publisher described in Article 5 above.

(ii) The Orchard warrants and represents that:

(A) it has the right and authority to enter into this Agreement and that the conduct of its distribution activities complies with all applicable laws;

(B) it shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the territory;

(C) upon receipt of written instructions from Publisher, the Orchard shall not, to the extent permitted by law, license any third party that, to the best of The Orchard's knowledge, is engaged in piracy, illegal activities or other unauthorized use of the Ringtones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor; and

(D) The Orchard shall either own, control or have valid and enforceable licenses with the applicable rightsholders with respect to all aspects of its ringtone services including, without limitation, any Masters.

(iii) Each party shall defend and indemnify the other party (including its directors, members, officers, employees and other representatives) against any third party claims or expenses and losses resulting from breach, or a claim which if true would constitute a breach, of the respective warranty, or other breach of this Agreement, including reasonable outside attorneys' fees and litigation expenses. The indemnified party shall give the indemnifying party prompt notice of any claim. The indemnifying party shall defend the other party at the indemnifying party's expense with counsel approved by such other party (which approval shall not be unreasonably withheld).

(c) The Orchard and/or its (sub)licensees shall be responsible for securing, and paying for, whatever performance licenses are required in connection with its Ringtone and/or Ringback services throughout the Territory. For the avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies which may be payable in connection with Ringtones and/or Ringbacks, if any, and no public performance license is granted hereunder.

(d) Publisher agrees that it shall, and it shall instruct in writing its attorneys, accountants and other professional advisors to, hold in confidence and not communicate, transmit, publish, disseminate or otherwise disclose any of the terms and conditions of this Agreement or any information regarding The Orchard's business learned in the course of dealing or performance hereunder (collectively, "Confidential Information"). Confidential Information shall not include information which (i) at or prior to the time of disclosure was known to or independently developed by Publisher, except to the extent unlawfully appropriated by Publisher; (ii) at or after the time of disclosure becomes generally available to the public through no wrongful or negligent act or omission on Publisher's part; (iii) Publisher receives from a third party free to make such disclosure without breach of any legal obligation; or (iv) is required to be disclosed pursuant to any statute, regulation, order, subpoena or document discovery request (as to which Publisher shall give The Orchard prompt notice). The fulfillment of Publisher's obligations under this subparagraph are integral to the success of Orchard's business dealings and The Orchard shall be entitled to injunctive relief to enforce the provisions hereof without limitation of its other rights. Neither party shall issue any press releases or other forms of publicity materials which make reference to the other party or this Agreement without prior consent of such other party.

(e) Neither party shall be deemed in breach of this Agreement unless the other party has given the breaching party notice, and the breaching party has failed to cure such breach within thirty (30) days after receipt of such notice. In no event shall any breach entitle either party to terminate this

Agreement or rescind the rights granted hereunder, but rather the aggrieved party shall only be entitled to damages reasonably related to the breach concerned and no penalty shall be awarded to either party.

(l) This Agreement supersedes any prior discussions or agreements regarding the subject matter hereof. This Agreement does not create a partnership or joint venture. This Agreement shall not be binding, nor shall any change to this Agreement be binding, unless signed by both parties. This Agreement shall be governed by New York law and the parties hereby grant to the U.S. District Court for the Southern District of New York, or the Supreme Court of the State of New York, New York County, exclusive jurisdiction to hear any disputes arising herefrom.

The Orchard Enterprises, Inc.

By: _____
Greg Scholl, President & CEO

Date of execution:

21 MARCH 06

BMG Music Publishing NA, Inc. & ~~Zomba Enterprises, Inc~~

By: _____

Name/title of signatory: _____

Zomba Enterprises, Inc.

By: _____

Schedule A

Orchard's Sublicensees

Sprint

Verizon

T-Mobile

Cingular

Schedule B

"Compositions"

Clip Name	Songwriter	Ownership %
Brothers & Sisters	GUY BERRYMAN, JON BUCKLAND, WILL CHAMPION, CHRIS MARTIN	100
Easy To Please	GUY BERRYMAN, JON BUCKLAND, WILL CHAMPION, CHRIS MARTIN	100
Home	MICHAEL JAMES HUCKNALL, STEVEN LEWISON, PETE LEWISON	25
Only Superstition	GUY BERRYMAN, JON BUCKLAND, WILL CHAMPION, CHRIS MARTIN	100
The Way You Want It	TIM RICE-OXLEY, TOM CHAPLIN, RICHARD HUGHES	100
He's My Help	FREEMAN DARNELL DAVIS	100
I Surrender All	FREEMAN DARNELL DAVIS	100
It Shall Come To Pass	FREEMAN DARNELL DAVIS	100
Now Faith	FREEMAN DARNELL DAVIS	100
Pop From The Top	BILL KENNER, ROBERT ELLIS ORRALL	50
Pop Muzik ('89 remix)	Robin Scott	100
Christmas Without You	THOMAS CAIN/JON TIVEN/SALLY TIVEN	25
Christmas Without You	THOMAS CAIN/JON TIVEN/SALLY TIVEN	50
Fake	MICHAEL HUCKNALL, D. JOHNSON, MARK JAMES, J.JOHNSON, GOTA YASHIKI, SARA BROWN, STEVEN LEWISON, KEVIN ROBSON, IAN KIRKHA	2.5
World Turning (Fleetwood Mac)	LINDSEY BUCKINGHAM CHRISTINE MCVIE	50
Say You Love Me (Fleetwood Mac)	CHRISTINE MCVIE	100
Over My Head (Fleetwood Mac)	CHRISTINE MCVIE	100
Don't Stop (Fleetwood Mac)	CHRISTINE MCVIE	100
Bump N'Grind	R. KELLY	100
You Remind Me Of Something	R. KELLY	100
Sex Me	R. KELLY	100
Step In The Name Of Love	R. KELLY	100
I Can't Sleep, Baby (If I)	R. KELLY	100
I Wish	R. KELLY	100
Honey Love	R. KELLY	100
Ignition	R. KELLY	100
I Believe I Can Fly	R. KELLY	100

Clip Name	Songwriter	Ownership %
Drop It Like It's Hot	CHAD HUGO, PHARRELL WILLIAMS, CALVIN BROADUS	33.34
Let Me Love You	KAMERON HOUFF, SCOTT SPENCER STORCH, SHAFFER SMITH	25
Baby Blue	JOAN JETT/KATHLEEN HANNA	0
Baby Blue	JOAN JETT/KATHLEEN HANNA	0
Fetish	JOAN JETT	100
Handyman	JOAN JETT/KENNY LAGUNA	100
The French Song	JOAN JETT/KENNY LAGUNA	100
Baby Blue	JOAN JETT/KATHLEEN HANNA	0
Love Is Pain	JOAN JETT/KENNY LAGUNA	100
Secret Love	JOAN JETT/KENNY LAGUNA	100
Cherry Bomb	JOAN JETT, KIM FOWLEY	37.5
Coney Island Whitefish	JOAN JETT/KENNY LAGUNA	100
Fetish (XXX)	JOAN JETT	100
Coming Home	ANDREW FROMM, JEFFREY FRANZEL, SANDY LINZER	33.34
All the Way	TAM PATRICK	100
A World of Fantasy	TAM PATRICK, R. EMMETT, M. LEVINE, G. MOORE	100

SHORT-FORM SYNCHRONIZATION LICENSE
BMG MUSIC PUBLISHING NA, INC.
245 FIFTH AVENUE, 8TH FLOOR
NEW YORK, NY 10016

Date: March 13, 2006
Effective as of March 1, 2006

Blind Decker Productions, Inc.
c/o Lantana
3000 W. Olympic Blvd.
Building 3, Suite 2430
Santa Monica, CA 90404

Ladies and Gentlemen:

The following will set forth the terms and conditions upon which we have agreed to license the following composition (the "Composition") in connection with the following production (the "Production"):

1. COMPOSITION: "Just What I Needed"

   Writer(s): Ric Ocasek

   Ownership and/or Control: 100% (ASCAP)

2. PRODUCTION: the television program, Brotherhood, Episode #108

3. GRANT OF RIGHTS:

In consideration of the license fee specified below, we hereby grant to you the following non-exclusive limited rights:

a. The limited right, license, privilege and authority to record the Composition in timed-relation with the Production, but not otherwise, and to make copies of such recordings only in any form now or hereafter known, including negatives, prints video, digital media necessary for "sequential, linear" exhibitions and broadcasts, solely as hereinafter provided for, in accordance with the terms, conditions and limitations contained herein. As used in this license agreement, the term "sequential, linear" shall mean a predetermined order or sequence that allows for passive viewing only; the order, outcome and contents of which, including the music, lyrics and/or placement of the Composition, cannot be selected, altered or manipulated by the viewer other than through the performance of VCR and DVD type functions (e.g. stop, play, fast forward, rewind, pause and addressable locator codes provided that there is no manipulation of the Composition). For the purposes hereof, the inclusion of "chapter stops" (i.e. addressable locator codes) on the applicable storage device, or the inclusion of expository material/interviews with directors, filmmakers, and/or other personnel involved

with the Production, contained on a separate audio or audio-visual track, shall not be deemed to constitute non-linear manipulation.

b. The right to exhibit, transmit, distribute, broadcast, reproduce, or otherwise exploit the Composition as included in the Production in the Territory, in all sequential, linear forms of media now known or hereafter devised (excluding only theatrical exhibition), including, but not limited to (i) "Free Television" (i.e. via network, syndication and/or independent local telecasts), (ii) "Basic Cable Television" (i.e. via television transmitted into the home via cable, satellite or direct broadcast where no fee is charged to the consumer for particular programming), (iii) "Pay Cable Television" (i.e. so-called 'subscription cable' and similar delivery systems, where a fee is paid by the consumer for a particular channel or tier of programming), (iv) "Pay-Per-View Television" (i.e. where a fee is paid by the consumer for a particular program), (v) "Non-theatrical Exhibition" (e.g. in-transit exhibition via plane, train or ship, and exhibition at military bases, museums, libraries and educational institutions), and (vi) the Internet and virtual private networks (VPN), provided that (A) you shall not permit and you shall ensure that no third party permits any viewer of the Production to alter or manipulate the Composition (or any portion thereof) in connection therewith, or access the Composition independent of the Production; (B) the length of that portion of the Composition used in timed-relation with the Production is not greater than the timing limitation set forth in paragraph 4 below; and (C) a valid public performance license from the applicable performance rights society(ies) has been secured for all Web sites streaming the Production. Notwithstanding the foregoing, you shall not have the right to use the Composition in any form of media which does not embody the Production substantially as originally released (excluding so-called Director's cuts, editor's cuts, special editions, foreign language versions and versions for the hearing impaired).

c. The right to cause or authorize the fixation of the Composition as part of the entire Production, in substantially its original form, on "Videograms" (i.e. video cassettes, video tapes and other sequential, linear audio-visual devices now known or hereafter devised which are intended primarily for home or personal use) and to sell, lease, rent and distribute such Videograms to the public in the Territory for home use in conjunction with a playback system or mechanism. Notwithstanding the above, you shall not have the right to use the Composition in any device which does not embody the Production substantially as originally released (excluding so-called Director's cuts, editor's cuts, special editions, foreign language versions and versions for the hearing impaired). For the purposes hereof, the inclusion of "chapter stops" (i.e. addressable locator codes) on the applicable storage device, or the inclusion of expository material/interviews with directors, filmmakers, and/or other personnel involved with the Production, contained on a separate audio or audio-visual track, shall not be deemed to constitute non-linear manipulation.

d. The foregoing shall include the right to include the portion of the Production containing the Composition, in context, for ads, clips and trailers promoting the Production (but excluding co-/cross promotions) in all media now known or hereafter devised (excluding only theatrical exhibition), including, but not limited to (i) all television media, (ii) "Non-theatrical Exhibition" (e.g. in-transit exhibition via plane, train or ship, and exhibition at military bases, museums, libraries and educational institutions), (iii) on "Videograms" (i.e. video cassettes, video tapes and other sequential, linear audio-visual devices now known or hereafter devised which are intended primarily for home or personal use); (iv) the Internet and virtual private networks (VPN), provided that (A) you shall not permit and you

shall ensure that no third party permits any viewer of the trailer to alter or manipulate the Composition (or any portion thereof) in connection therewith, or access the Composition independent of the trailer; (B) the length of that portion of the Composition used in timed-relation with the trailer is not greater than the timing limitation set forth in paragraph 4 below; and (C) a valid public performance license from the applicable performance rights society(ies) has been secured for all Web sites streaming the trailer.

4. USAGE:

- Number: One (1)
- Type: Background Vocal
- Duration: Two Minutes Fifty-One Seconds (2:51)
- Scene: Michael and Kaith are in his car on a supposed mini-vacation - she turns on the radio

5. TERRITORY: The World

6. TERM: Seven (7) years commencing March 1, 2008 and terminating February 28, 2013, except with respect to Videograms the term is Life of Copyright

7. LICENSE FEE: (i) Twenty Thousand Dollars ($20,000.00), payable upon execution hereof;

(ii) Payment shall be made payable to BMG Music Publishing NA, Inc. and sent to: BMG Film &Television Music, Attention: Anne K. Pohl, 245 Fifth Avenue, 8th Floor, New York, New York 10016.

8. OPTIONS:

A. We grant to you the following option(s) to extend the rights granted under this license agreement:

Based upon our receipt of Ten Thousand Dollars ($10,000.00) from you, the limited right to extend the Term of the rights as set forth above for Life of Copyright commencing upon the expiration of the current Term.

B. You must exercise the above option(s) by written notice to us prior to the expiration of the current Term. Such notice must be accompanied by the applicable payment in order to effect the valid exercise of the option. If we do not receive such notice prior to the expiration of the current Term, then the option(s) are deemed withdrawn and invalid.

9. PERFORMING RIGHTS:

The right to exhibit and/or broadcast, as applicable, the Production in the Territory by means described above is and shall be available only under the following circumstances:

Television And Other Broadcasts: You shall cause the broadcaster(s) of the Production to secure, and pay for, whatever public performance licenses are required in connection with the broadcast of the Production throughout the

Territory. For avoidance of doubt, it is acknowledged and agreed that the License Fee shall not be inclusive of public performance monies and no public performance license is granted hereunder.

10. RESTRICTIONS:

You are not authorized to (i) alter the fundamental character of the music or the lyrics of the Composition, (ii) use the title or subtitle of the Composition as the title of the Production, (iii) use the story of the Composition, (iv) print lyrics from the Composition, (v) translate the Composition (excluding translation of the Composition for subtitles and foreign language versions in context with the Production), (vi) make phonorecords of the Composition, or (vii) make any use of the Composition other than as set forth above. Specifically, the terms of this license agreement are limited to the use of the Composition as originally cleared and fixed in the Production (i.e. manner, placement, use) for the media licensed herein, it being understood that such restriction shall not prohibit standard production editing required to implement the broadcast and/or distribution rights granted under this license agreement.

11. CUE SHEETS:

You agree to furnish us with a cue sheet of the Production within sixty (60) days after the full execution of this license agreement.

12. CREDIT:

If any other publisher of a licensed composition used in the Production receives a credit in the Production, we shall be accorded a similar credit. Such credit shall be in the same location, and of the same size and prominence as the credit afforded the other publisher(s) having licensed compositions embodied in the Production, substantially in the following form:

As provided

13. MOST FAVORED NATIONS:

Our consent to the foregoing is given with the proviso that no master recording owner of the Composition used in the Production shall receive a proportionately more favorable remuneration of any kind including, but not limited to, the Fee. In the event that you pay the master recording owner of the Composition a higher pro-rata fee than the Fee paid to us hereunder, you shall pay to us the difference between such higher pro-rata fee and that Fee paid to us.

14. WARRANTY AND INDEMNIFICATION:

We hereby warrant only that we have the right to license the Composition for the purposes set forth herein and this license is given and accepted without any other warranty or recourse. If, pursuant to an adverse judgment in a court of competent jurisdiction, it is found that this warranty should be breached, in whole or in part, our liability with respect thereto shall be limited to the license fee heretofore paid by you, to us, for this license. You will give us prompt notice of any claim relating thereto and we shall have the right to assume the defense thereof.

15. LAW AND JURISDICTION:

This license agreement has been entered into in the State of New York, and the validity, interpretation and legal effect of this license agreement shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a

controversy will be brought in the courts located within the State and County of New York and not elsewhere. This agreement shall not be changed or modified, or any covenant, representation, warranty or provision hereof waived, except by an agreement in writing signed by the party to be charged.

16. RESERVATION OF RIGHTS:

We reserve all rights not expressly granted to you in this license agreement. All rights granted hereunder are granted on a non-exclusive basis.

17. ASSIGNMENT:

The rights granted to you pursuant to this license agreement shall be assignable by you to any third party but remain primarily liable for obligations and provided further that any use or disposition of any copies of the Production shall at all times be subject to the terms and conditions hereof. This license agreement itself shall not be assignable by you except to a subsidiary, affiliated or controlling corporation or to any party owning, or acquiring, a substantial portion of your stock or assets, or to a party acquiring ownership of the Production, or the right to distribute and exploit the Production in a particular territory and/or for a particular time period. Any assignment made in violation of the restrictions contained in this license agreement shall be null and void *ab initio*.

Notwithstanding anything to the contrary contained in this license agreement, you shall acquire no rights hereunder until actual receipt by us of the applicable license fee set forth herein.

Very truly yours,

BMG MUSIC PUBLISHING NA, INC.

By: Anne K Pohl
Anne K. Pohl
Director Film & TV Music Licensing
Federal Tax I.D. #95-3104625

READ AND AGREED:
BLIND DECKER PRODUCTIONS, INC.

By: [signature]

Print: Chad Tomasoski
For and on behalf of
Blind Decker Productions, Inc.

JC 03 13 06 Brotherhood 108 – Just What I Needed

SHORT-FORM SYNCHRONIZATION LICENSE
BMG MUSIC PUBLISHING NA, INC.
245 FIFTH AVENUE, 8TH FLOOR
NEW YORK, NY 10016

Date: April 4, 2006
Effective as of July 19, 2005

MTV Networks
1633 Broadway
New York, NY 10019

Ladies and Gentlemen:

The following will set forth the terms and conditions upon which we have agreed to license the following composition (the "Composition") in connection with the following production (the "Production"):

1. COMPOSITION: "She Will (Be Loved)"

   Writer(s): Adam Levine, Jesse Carmichael, Ryan Dusick, James Valentine, Mickey Madden

   Ownership and/or Control: 100% (BMI)

2. PRODUCTION: The television program, MTV's Laguna Beach, Season 1, Episode #111

3. GRANT OF RIGHTS:

In consideration of the license fee specified below, we hereby grant to you the following non-exclusive limited rights:

a. The right, license, privilege and authority to record the Composition in timed-relation with the Production, but not otherwise, and to make copies of such recordings only in the form of negatives and prints necessary for "sequential, linear" exhibitions and broadcasts, solely as hereinafter provided for, in accordance with the terms, conditions and limitations contained in this license agreement. As used in this license agreement, the term "sequential, linear" shall mean a predetermined order or sequence that allows for passive viewing only; the order, outcome and contents of which, including the music, lyrics and/or placement of the Composition, cannot be selected, altered or manipulated by the viewer other than through the performance of now-existing VCR and DVD player functions (i.e. stop, play, fast forward, rewind and pause).

b. The right to exhibit and/or broadcast, as applicable, the Production in the Territory, in all sequential, linear forms of media now known or hereafter devised (excluding theatrical exhibition) by means of (i) "Free Television" (i.e. via network, syndication and/or independent local telecasts), (ii) "Basic Cable Television" (i.e. via television

transmitted into the home via cable, satellite or direct broadcast where no fee is charged to the consumer for particular programming), (iii) "Pay Cable Television" (i.e. so-called 'subscription cable' and similar delivery systems, where a fee is paid by the consumer for a particular channel or tier of programming), (iv) "Pay-Per-View Television" (i.e. where a fee is paid by the consumer for a particular program), (v) "Non-theatrical Exhibition" (i.e. in-transit exhibition via plane, train or ship, and exhibition at military bases, museums, libraries and educational institutions), and (vi) the Internet provided that (A) you shall not permit and you shall ensure that no third party permits any viewer of the Production to alter or manipulate the Composition (or any portion thereof) in connection therewith, or access the Composition independent of the Production; (B) the length of that portion of the Composition used in timed-relation with the Production is not greater than the timing limitation set forth in paragraph 4 below; and (C) a valid public performance license from the applicable performance rights society(ies) has been secured for all Web sites streaming the Production. Notwithstanding the foregoing, you shall not have the right to use the Composition in any form of media which does not embody the Production substantially as originally released (excluding foreign language versions and versions for the hearing impaired).

c. The right to cause or authorize the fixation of the Composition as part of the entire Production, in substantially its original form, on "Videograms" (i.e. video cassettes, video tapes and other sequential, linear audio-visual devices now known or hereafter devised which are intended primarily for home use) and to sell, lease, rent and distribute such Videograms to the public in the Territory for home use in conjunction with a playback system or mechanism. Notwithstanding the above, you shall not have the right to use the Composition in any device which does not embody the Production substantially as originally released (excluding foreign language versions and versions for the hearing impaired). For the purposes hereof, the inclusion of "chapter stops" (i.e. addressable locator codes) on the applicable storage device shall not be deemed to constitute non-linear manipulation.

d. The foregoing shall include the right to include the portion of the Production containing the Composition, in context, for trailers promoting the Production (but excluding co-/cross promotions) in all media including but not limited to (i) all television media (ii) radio, (iii) "Non-theatrical Exhibition" (i.e. in-transit exhibition via plane, train or ship, and exhibition at military bases, museums, libraries and educational institutions), (iv) Theatrical Exhibition, (v) on "Videograms" (i.e. video cassettes, video tapes and other sequential, linear audio-visual devices now known or hereafter devised which are intended primarily for home use); (vi) the Internet by means of audiovisual streaming only, provided that (A) you shall not permit and you shall ensure that no third party permits any viewer of the trailer to download (on a permanent or limited basis), store, redistribute, alter or manipulate the Composition (or any portion thereof) in connection therewith, or access the Composition independent of the trailer; (B) the length of that portion of the Composition used in timed-relation with the trailer is not greater than the timing limitation set forth in paragraph 4 below; and (C) a valid public performance license from the applicable performance rights society(ies) has been secured for all Web sites streaming the trailer. Notwithstanding the foregoing, you shall not have the right to use the Composition in any form of media which does not embody the Production substantially as originally released (excluding foreign language versions and versions for the hearing impaired).

4. USAGE:

- Number of uses: One (1)

	- Type:	Background Instrumental
	- Maximum duration:	Two Minutes Fifteen Seconds (2:15)
	- Scene:	Composition is played at the end of the episode
5.	TERRITORY:	The World
6.	TERM:	Life of Copyright
7.	LICENSE FEE:	(i) Twenty Thousand Dollars ($20,000.00), payable upon execution hereof; (ii) Payment shall be made payable to BMG Music Publishing NA, Inc. and sent to: BMG Film & Television Music, Attention: Anne K. Pohl, 245 Fifth Avenue, 8th Floor, New York, New York 10016.
8.	OPTIONS:	None

9. PERFORMING RIGHTS:

The right to broadcast the Production in the Territory by means described above is and shall be available only under the following circumstances:

Television And Other Broadcasts: You shall be responsible for securing, and paying for, whatever public performance licenses which are required in connection with the broadcast of the Production throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the License Fee shall not be inclusive of public performance monies and no public performance license is granted hereunder.

10. RESTRICTIONS:

You are not authorized to (i) alter the fundamental character of the music or the lyrics of the Composition, (ii) use the title or subtitle of the Composition as the title of the Production, (iii) use the story of the Composition, (iv) translate the Composition, (v) make phonorecords of the Composition, (vi) parody the Composition, or (vii) make any use of the Composition other than as set forth above. Specifically, the terms of this license agreement are limited to the use of the Composition as originally cleared and fixed in the Production (i.e. manner, placement, use) for the media licensed herein, it being understood that such restriction shall not prohibit standard production editing required to implement the broadcast and/or distribution rights granted under this license agreement.

11. CUE SHEETS:

You agree to furnish us with a cue sheet of the Production within thirty (30) days after the full execution of this license agreement.

12. MOST FAVORED NATIONS:

Our consent to the foregoing is given with the proviso that no other publisher of a composition used in the Production and no master recording owner of the Composition shall receive a proportionately more favorable remuneration of any kind including, but not limited to, the Fee. In the event that you pay any other publisher and/or master recording owner of the Composition a higher pro-rata fee

than the Fee paid to us hereunder, you shall pay to us the difference between such higher pro-rata fee and that Fee paid to us.

13. CREDIT:

If any other publisher of a licensed composition used in the Production receives a credit in the Production, we shall be accorded a similar credit. Such credit shall be in the same location, and of the same size and prominence as the credit afforded the other publisher(s) having licensed compositions embodied in the Production, substantially in the following form:

As provided

14. WARRANTY AND INDEMNIFICATION:

We hereby warrant only that we have the right to license the Composition for the purposes set forth herein and this license is given and accepted without any other warranty or recourse. If, pursuant to a final adverse judgment in a court of competent jurisdiction, it is found that this warranty should be breached, in whole or in part, our liability with respect thereto shall be limited to the license fee heretofore paid by you, to us, for this license. You will give us prompt notice of any claim relating thereto and we shall have the right to assume the defense thereof.

15. LAW AND JURISDICTION:

This license agreement has been entered into in the State of New York, and the validity, interpretation and legal effect of this license agreement shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a controversy will be brought in the courts located within the State and County of New York and not elsewhere. This agreement shall not be changed or modified, or any covenant, representation, warranty or provision hereof waived, except by an agreement in writing signed by the party to be charged.

16. RESERVATION OF RIGHTS:

We reserve all rights not expressly granted to you in this license agreement. All rights granted hereunder are granted on a non-exclusive basis.

17. ASSIGNMENT:

The rights granted to you pursuant to this license agreement shall only be assignable by you for the sole purpose of the exploitation of the Production, provided that you guarantee that the third party assignee will adhere to the limitations and restrictions set forth in this license agreement, and provided further that any use or disposition of any copies of the Production shall at all times be subject to the terms and conditions hereof. This license agreement itself shall not be assignable by you except to a subsidiary, affiliated or controlling corporation or to any party owning, or acquiring, a substantial portion of your stock or assets. Any assignment made in violation of the restrictions contained in this license agreement shall be null and void *ab initio*.

THIS SPACE INTENTIONALLY LEFT BLANK

Notwithstanding anything to the contrary contained in this license agreement, you shall acquire no rights hereunder until actual receipt by us of the applicable license fee set forth herein.

Very truly yours,

BMG MUSIC PUBLISHING NA, INC.

By: _____
Anne K. Pohl
Director Film & TV Music Licensing
Federal Tax I.D. #95-3104625

READ AND AGREED:

By: _____

Print: Anita Chinkes
SVP Music and Media Licensing
Business and Legal Affairs

For and on behalf of
MTV Networks

September 16, 2005

AG.com, Inc.
One American Road
Cleveland, OH 44144

RE: BMG Music Publishing NA, Inc. –w- AG.com, Inc. – Ring Tone License Agreement dated April 1, 2005 (the "Agreement")

Gentlemen:

The following shall constitute an amendment to the referenced Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. Territory

Effective upon date hereof and continuing through the remainder of the Term the Territory shall be deemed to be the United States, the Dominican Republic and Puerto Rico.

Except as modified above, the Agreement is hereby ratified and remains in full force and effect.

Accepted and Agreed:

BMG Music Publishing NA, Inc.

By: _____

AG.com, Inc.

By: _____

September 16, 2005

AG.com, Inc.
One American Road
Cleveland, OH 44144

RE: Zomba Enterprises Inc. -w- AG.com, Inc. – Ring Tone License Agreement dated April 1, 2005 (the "Agreement")

Gentlemen:

The following shall constitute an amendment to the referenced Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. Territory

Effective upon date hereof and continuing through the remainder of the Term the Territory shall be deemed to be the United States, the Dominican Republic and Puerto Rico.

Except as modified above, the Agreement is hereby ratified and remains in full force and effect.

Accepted and Agreed:

Zomba Enterprises Inc.

By: Peter Brewing

AG.com, Inc.

By: B.P. Brown

RING TONE LICENSE

Agreement made February 1, 2005 between Zomba Enterprises, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Telecast Mobile, 21031 Ventura Blvd., Suite 610, Woodland Hills, CA 91364 (hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on February 1, 2005 and expiring on January 31, 2006 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition, and record up to thirty-(30) seconds of an Arrangement (the "Recording(s)");

(ii) To transform the Recordings into mobile ring tone formats or to incorporate up to thirty (30) seconds of a Composition as embodied in a pre-existing master recording (a "Master Recording") into a ring tone format (individually and collectively, a "Ring Tone");

(iii) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")

(iv) Subject to paragraph 1(b) below, to synchronize Ring Tones with graphic images (a "Graphic") (collectively, a "Graphic Tone") which may be viewed solely on a Customer's mobile telephone;

(v) To download or otherwise transmit Ring Tones or Graphic Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as a ringing alert on such mobile telephones;

(vi) To promote and advertise segments of the Graphic Tones or Ring Tones (not to exceed thirty (30) seconds each) on Customer's mobile phones and Licensee's and/or Third Party Companies' web site(s) for the sole purpose of allowing a Customer to preview a Ring Tone before purchasing same.

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Notwithstanding anything to the contrary contained herein, each Graphic Tone shall be subject to Licensor's prior written approval and shall be listed on Schedule "B" attached hereto.

(c) Schedule "A" and Schedule "B" may be amended, in Licensor's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, Licensor may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

(d) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. Licensor reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that Licensor shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) Ring Tones: With respect to each individual Download of a Ring Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded (the "Ring Tone Royalty"), provided that in no circumstances shall the Ring Tone Royalty be less than the Licensor Share of each applicable Composition multiplied by $.10 per Download irrespective of the price (if any) actually charged;

(b) Graphic Tones: With respect to each individual Download of a Graphic Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by fifteen percent (15%) of the actual price charged to Customers for each Graphic Tone Downloaded (the "Graphic Tone Royalty"), provided that in no circumstances shall the Graphic Tone Royalty be less than the Licensor Share of each applicable Composition multiplied by $.20 per Download irrespective of the price (if any) actually charged;

(c) Advance: An advance of $500 recoupable from all Royalties payable hereunder.

(d) If at any time during the Term hereof Licensee pays any royalty, fixing or other service fee in connection with its Ring Tone or Graphic Tone service within the Territory to any other owner or administrator of musical compositions higher than the Ring Tone Royalty, Graphic Tone Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting of (i) all Ring Tones and Graphic Tones Downloaded; and (ii) all Ring Tones and Graphic Tones created. Each accounting shall report each Composition by title, song code number (as indicated on Schedules A and B), the number of Downloads and the resultant applicable Royalties due hereunder and be accompanied by payment to Licensor of all Royalties due. All accountings and resultant royalties and fees shall be forwarded to Zomba Enterprises, Inc., 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones and Graphic Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records. Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever.

8. (a) Licensor represents, warrants and agrees as follows (with respect to the Licensor Share of the Compositions described in Schedules A and B):

(i) Licensor has full right, power and authority to enter into this agreement and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) The Compositions are original copyrighted works and in no way infringe the copyright or other rights of any third party.

(iii) Licensor will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Licensor administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this agreement upon the terms and conditions set forth herein.

(ii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iii) Upon receipt of written instruction from Licensor, Licensee shall not, to the extent permitted by law, license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(iv) Licensee shall either own or control and/or have valid and enforceable licenses with the applicable rights holders with respect to all aspects of their Ring Tone service including, without limitation, any Master Recordings and/or Graphics.

(c) Each party (for these purposes, "Indemnitor") shall indemnify, defend and hold the other party ("Indemnitee"), its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. Indemnitee shall notify Indemnitor of any claim presented to Indemnitee by a third

party. Indemnitor shall defend any third party claim, at its sole expense, with counsel approved by Indemnitee, except that, at Indemnitee's option, Indemnitee may defend the claim (at Indemnitor's sole expense) and shall consult with Indemnitor about choice of counsel and the conduct of the proceeding. No such claim asserted by a third party may be settled by Indemnitee without Indemnitor's prior written consent (such consent not to be unreasonably withheld or delayed), so long as Indemnitor is actively defending such claim in a manner consistent with industry norms, unless Indemnitee shall agree not to seek indemnity from Indemnitor for any settlement payment made by Indemnitee to the claimant.

9. (a) For the avoidance of doubt, no rights are granted in any Master Recordings of the Composition(s) or Graphics, and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

11. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

Zomba Enterprises, Inc.

By: _____

Telecast Mobile

By: _____

SCHEDULE A

TITLE	WRITER	% CONTROLLED
Breaking the Habit	Linkin Park	100%
Don't Stay	Linkin Park	100%
Easier to Run	Linkin Park	100%
Figure 09	Linkin Park	100%
From The Inside	Linkin Park	100%
In The End	Linkin Park	100%
Lying From You	Linkin Park	100%
One Step Closer	Linkin Park	100%
Papercut	Linkin Park	100%
A Place for My Head	Linkin Park	100%
Runnway	Linkin Park	100%
Somewhere I Belong	Linkin Park	100%

December 20, 2005

Opera Telecom, Inc.
12310 Pinecrest Road, Suite 304
Reston, VA 20191

Re: Ring Tone License Agreement between Opera Telecom, Inc. and BMG Music Publishing NA, Inc. dated December 1, 2004 (the "Agreement")

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. The Term of Agreement shall continue without interruption until December 31, 2006.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

BMG Music Publishing NA, Inc.

By: _____

Agreed and Accepted:

Opera Telecom, Inc.

By: _____

December 20, 2005

Opera Telecom, Inc.
12310 Pinecrest Road, Suite 304
Reston, VA 20191

Re: **Ring Tone License Agreement between Opera Telecom, Inc. and Zomba Enterprises Inc. dated December 1, 2004 (the "Agreement")**

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. The Term of Agreement shall continue without interruption until December 31, 2006.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Zomba Enterprises Inc.

By: Peter Brieff

Agreed and Accepted:

Opera Telecom, Inc.

By: Frank Ford

RING TONE LICENSE

Agreement made November 1, 2004 between BMG Music Publishing NA, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Advanced Internet, Inc., 996 Old Eagle School Road, Wayne, PA 19087(hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on November 1, 2004 and expiring on October 31, 2005 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition, and record up to thirty (30) seconds of an Arrangement (the "Recording(s)");
(ii) To transform the Recordings into mobile ring tone formats or to incorporate up to thirty (30) seconds of a Composition as embodied in a pre-existing master recording (a "Master Recording") into a ring tone format (individually and collectively, a "Ring Tone");
(iii) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")
(iv) Subject to paragraph 1(b) below, to synchronize Ring Tones with graphic images (a "Graphic") (collectively, a "Graphic Tone") which may be viewed solely on a Customer's mobile telephone;
(v) To download or otherwise transmit Ring Tones or Graphic Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as a ringing alert on such mobile telephones;
(vi) To promote and advertise segments of the Graphic Tones or Ring Tones (not to exceed thirty (30) seconds each) on Customer's mobile phones and Licensee's and/or Third Party Companies' web site(s) for the sole purpose of allowing a Customer to preview a Ring Tone before purchasing same.

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Notwithstanding anything to the contrary contained herein, each Graphic Tone shall be subject to Licensor's prior written approval and shall be listed on Schedule "B" attached hereto.

(c) Schedule "A" and Schedule "B" may be amended, in Licensor's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, Licensor may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

(d) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. Licensor reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that Licensor shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) Ring Tones: With respect to each individual Download of a Ring Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded (the "Ring Tone Royalty"), provided that in no circumstances shall the Ring Tone Royalty be less than the Licensor Share of each applicable Composition multiplied by $.13 per Download irrespective of the price (if any) actually charged;

(b) Graphic Tones: With respect to each individual Download of a Graphic Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by fifteen percent (15%) of the actual price charged to Customers for each Graphic Tone Downloaded (the "Graphic Tone Royalty"), provided that in no circumstances shall the Graphic Tone Royalty be less than the Licensor Share of each applicable Composition multiplied by $.20 per Download irrespective of the price (if any) actually charged;

(c) Fixing Fee: For each Composition initially converted to a Ring Tone or Graphic Tone, a one-time non-recoupable fixing fee equal to the Licensor Share of each applicable Composition multiplied by $25 (the "Fixing Fee"). For avoidance of doubt, if a Fixing Fee for a particular Composition is paid in connection with the creation of a Ring Tone, an additional Fixing Fee will not be due if such Ring Tone is later converted to a Graphic Tone. Conversely, if a Graphic Tone is initially created by Licensee, an additional Fixing Fee will not be due if the applicable Composition is later exploited solely as a Ring Tone.

(d) Advance: An advance of $10,000 recoupable from all Royalties payable hereunder.

(e) If at any time during the Term hereof Licensee pays any royalty, fixing or other service fee in connection with its Ring Tone or Graphic Tone service within the Territory to any other owner or administrator of musical compositions higher than the Ring Tone Royalty, Graphic Tone Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting of (i) all Ring Tones and Graphic Tones Downloaded; and (ii) all Ring Tones and Graphic Tones created. Each accounting shall report each Composition by title, song code number (as indicated on Schedules A and B), the number of Downloads and the resultant applicable Royalties due hereunder and be accompanied by payment to Licensor of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to BMG Music Publishing NA, Inc., 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones and Graphic Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records. Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever.

8. (a) Licensor represents, warrants and agrees as follows (with respect to the Licensor Share of the Compositions described in Schedules A and B):

(i) Licensor has full right, power and authority to enter into this agreement and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) The Compositions are original copyrighted works and in no way infringe the copyright or other rights of any third party.

(iii) Licensor will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Licensor administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this agreement upon the terms and conditions set forth herein.

(ii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iii) Upon receipt of written instruction from Licensor, Licensee shall not, to the extent permitted by law, license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(iv) Licensee shall either own or control and/or have valid and enforceable licenses with the applicable rights holders with respect to all aspects of their Ring Tone service including, without limitation, any Master Recordings and/or Graphics.

(c) Each party (for these purposes, "Indemnitor") shall indemnify, defend and hold the other party ("Indemnitee"), its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. Indemnitee shall notify Indemnitor of any claim presented to Indemnitee by a third party. Indemnitor shall defend any third party claim, at its sole expense, with counsel approved by Indemnitee, except that, at Indemnitee's option, Indemnitee may defend the claim (at Indemnitor's sole expense) and shall consult with Indemnitor about choice of counsel and the conduct of the proceeding. No such claim asserted by a third party may be settled by Indemnitee without Indemnitor's prior written consent (such consent not to be unreasonably withheld or delayed), so long as Indemnitor is actively defending such claim in a manner consistent with industry norms, unless Indemnitee shall agree not to seek indemnity from Indemnitor for any settlement payment made by Indemnitee to the claimant.

9. (a) For the avoidance of doubt, no rights are granted in any Master Recordings of the Composition(s) or Graphics, and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

11. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

BMG Music Publishing NA, Inc.

By: _____

Advanced Internet, Inc.

By: _____

Exhibit A BMG

Air Force Ones	Nelly	12.50%	328714
All About You	2Pac	9.16%	157446
All Eyez On Me	2Pac	55.00%	
Amazed	Lonestar	33.34%	212924
Angels	Robbie Williams	50.00%	174155
Better Dayz	2Pac	30.00%	
Boys Don't Cry	The Cure	100.00%	124522
Bring the Pain	Method Man	100.00%	132010
CG 2	Nelly	23.00%	328896
Clocks	Coldplay	100.00%	335734
Come On Over	Christina Aguilera	31.00%	239923
Country.Grammar	Nelly	50.00%	229718
Da Rockwilder	Method Man & Redman	16.66%	222510
Danger	Mystikal	33.34%	386626
Dilemma	Nelly	10.00%	328901
Dirrty	Christina Aguilera	22.50%	342516
Don't Turn Around	Ace of Base	16.67%	24920
Fighter	Christina Aguilera	50.00%	
Get The Party Started	Pink	70.00%	323918
Girlfriend	NSync	33.34%	387496
Girlfriend	B2K	95.00%	
Harder To Breathe	Maroon 5	100.00%	328944
He Wasn't Man Enough For Me	Toni Braxton	6.00%	234252
Hell Yeah	Ginuwine	85.00%	452612
His Strength Is Perfect	Steven Curtis Chapman	66.67%	28260
Hit em up	2Pac	28.75%	
Holidae In	Chingy	33.34%	464055
Hot In Herre	Nelly	22.50%	328711
Hotel	Cassidy	25.00%	842272
How Far	Martina McBride	33.34%	555861
How You Gonna Act	Tyrese	46.00%	351151
Hypnotize	Notorious BIG	4.17%	201558
I Like That	Houston	0.00%	879485
If Tomorrow Never Comes	Ronan Keating	50.00%	136938
Jenny From The Block	Jennifer Lopez	70.00%	344359

Karma Chameleon	Culture Club	20.00%	148778
Let's Get Down	Bow Wow	10.00%	836943
Letter 2 My Unborn Child	2Pac	21.25%	
Letters From Home	John Michael Montgomery	50.00%	839899
Life Goes On	LeAnn Rimes	33.34%	139519
Love At First Sight	Mary J. Blige	53.80%	454117
Mad @ me	Chingy	50.00%	454057
Milkshake	Kelis	50.00%	655584
Miss Independent	Kelly Clarkson	37.50%	394612
Never Scared	Bone Crusher	18.00%	657550
Nineteen Something	Mark Wills	50.00%	328421
One Call Away	Chingy	50.00%	454048
Pimp Juice	Nelly	50.00%	328706
Rap Superstar	Cypress Hill	50.00%	232450
Reach	S Club	50.00%	23110
Ride With Me	Nelly	23.33%	229721
Sandstorm	DaRude	0.00%	237437
Shake Ya Tailfeather	Nelly	45.00%	454187
She Will Be Loved	Maroon 5	100.00%	328948
Sorry 2004	Ruben Studdard	20.00%	836905
Stay The Night	IMX	0.00%	53046
Thugz Mansion	2Pac	60.00%	
Until the End of Time	2Pac	7.50%	
Watch Out	Beatnuts	25.00%	222980
We Built This City	Starship	50.00%	2787
We Got The Beat	The Go Go's	100.00%	2438
White Flag	Dido	15.00%	453645
Wurrs My Cash	Chingy	50.00%	454045

RING TONE LICENSE

Agreement made November 1, 2004 between Zomba Enterprises Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Advanced Internet, Inc., 996 Old Eagle School Road, Wayne, PA 19087(hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on November 1, 2004 and expiring on October 31, 2005 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition, and record up to thirty (30) seconds of an Arrangement (the "Recording(s)");

(ii) To transform the Recordings into mobile ring tone formats or to incorporate up to thirty (30) seconds of a Composition as embodied in a pre-existing master recording (a "Master Recording") into a ring tone format (individually and collectively, a "Ring Tone");

(iii) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")

(iv) Subject to paragraph 1(b) below, to synchronize Ring Tones with graphic images (a "Graphic") (collectively, a "Graphic Tone") which may be viewed solely on a Customer's mobile telephone;

(v) To download or otherwise transmit Ring Tones or Graphic Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as a ringing alert on such mobile telephones;

(vi) To promote and advertise segments of the Graphic Tones or Ring Tones (not to exceed thirty (30) seconds each) on Customer's mobile phones and Licensee's and/or Third Party Companies' web site(s) for the sole purpose of allowing a Customer to preview a Ring Tone before purchasing same.

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Notwithstanding anything to the contrary contained herein, each Graphic Tone shall be subject to Licensor's prior written approval and shall be listed on Schedule "B" attached hereto.

(c) Schedule "A" and Schedule "B" may be amended, in Licensor's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, Licensor may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

(d) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. Licensor reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that Licensor shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) Ring Tones: With respect to each individual Download of a Ring Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded (the "Ring Tone Royalty"), provided that in no circumstances shall the Ring Tone Royalty be less than the Licensor Share of each applicable Composition multiplied by $.13 per Download irrespective of the price (if any) actually charged;

(b) Graphic Tones: With respect to each individual Download of a Graphic Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by fifteen percent (15%) of the actual price charged to Customers for each Graphic Tone Downloaded (the "Graphic Tone Royalty"), provided that in no circumstances shall the Graphic Tone Royalty be less than the Licensor Share of each applicable Composition multiplied by $.20 per Download irrespective of the price (if any) actually charged;

(c) Fixing Fee: For each Composition initially converted to a Ring Tone or Graphic Tone, a one-time non-recoupable fixing fee equal to the Licensor Share of each applicable Composition multiplied by $25 (the "Fixing Fee"). For avoidance of doubt, if a Fixing Fee for a particular Composition is paid in connection with the creation of a Ring Tone, an additional Fixing Fee will not be due if such Ring Tone is later converted to a Graphic Tone. Conversely, if a Graphic Tone is initially created by Licensee, an additional Fixing Fee will not be due if the applicable Composition is later exploited solely as a Ring Tone.

(d) Advance: An advance of $5,000 recoupable from all Royalties payable hereunder. Reference is made to the advance of $10,000 previously paid in connection with the BMG Agreement dated November 1, 2004 (the "BMG Advance"). Each party acknowledges and agrees that $5,000 of the BMG Advance shall be treated as the advance hereunder.

(e) If at any time during the Term hereof Licensee pays any royalty, fixing or other service fee in connection with its Ring Tone or Graphic Tone service within the Territory to any other owner or administrator of musical compositions higher than the Ring Tone Royalty, Graphic Tone Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting of (i) all Ring Tones and Graphic Tones Downloaded; and (ii) all Ring Tones and Graphic Tones created. Each accounting shall report each Composition by title, song code number (as indicated on Schedules A and B), the number of Downloads and the resultant applicable Royalties due hereunder and be accompanied by payment to Licensor of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to Zomba Enterprises Inc., 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones and Graphic Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records. Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in

the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever.

8. (a) Licensor represents, warrants and agrees as follows (with respect to the Licensor Share of the Compositions described in Schedules A and B):

(i) Licensor has full right, power and authority to enter into this agreement and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) The Compositions are original copyrighted works and in no way infringe the copyright or other rights of any third party.

(iii) Licensor will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Licensor administers with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this agreement upon the terms and conditions set forth herein.

(ii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iii) Upon receipt of written instruction from Licensor, Licensee shall not, to the extent permitted by law, license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(iv) Licensee shall either own or control and/or have valid and enforceable licenses with the applicable rights holders with respect to all aspects of their Ring Tone service including, without limitation, any Master Recordings and/or Graphics.

(c) Each party (for these purposes, "Indemnitor") shall indemnify, defend and hold the other party ("Indemnitee"), its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. Indemnitee shall notify Indemnitor of any claim presented to Indemnitee by a third party. Indemnitor shall defend any third party claim, at its sole expense, with counsel approved by Indemnitee, except that, at Indemnitee's option, Indemnitee may defend the claim (at Indemnitor's sole expense) and shall consult with Indemnitor about choice of counsel and the conduct of the proceeding. No such claim asserted by a third party may be settled by Indemnitee without Indemnitor's prior written consent (such consent not to be unreasonably withheld or delayed), so long as Indemnitor is actively defending such claim in a manner consistent with industry norms, unless Indemnitee shall agree not to seek indemnity from Indemnitor for any settlement payment made by Indemnitee to the claimant.

9. (a) For the avoidance of doubt, no rights are granted in any Master Recordings of the Composition(s) or Graphics, and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

11. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

Zomba Enterprises Inc.

By: _____

Advanced Internet, Inc.

By: _____

Zomba Schedule A

1985	BOWLING FOR SOUP	20.00	5877058
(YOU DRIVE ME) CRAZY	Britney Spears	81.25	5211251
...BABY ONE MORE TIME	Britney Spears	100.00	5362904
A NIGHTMARE ON MY STREET	DJ JAZZY JEFF & THE FRESH PRINCE	100.00	5368149
ALL I WANNA DO IS MAKE LOVE TO YOU	Heart	100.00	5387748
AS LONG AS YOU LOVE ME	Backstreet Boys	100.00	5380367
BACK TO YOUR HEART	Backstreet Boys	100.00	5383824
BOILER	Limp Bizkit	100.00	5386365
BREAK STUFF	Limp Bizkit	95.00	5384028
BREAKING THE HABIT	Linkin Park	100.00	5392693
BUMP 'N' GRIND	R. Kelly	100.00	5372577
BUMP, BUMP, BUMP	B2K (Feat. P. Diddy)	90.00	5391435
BYE BYE BYE	N'Sync	100.00	5385331
CALL, THE	Backstreet Boys	100.00	5386082
CANNONBALL	The Breeders	100.00	5372925
CRAWLING	Linkin Park	100.00	5386394
DEAD	Korn	100.00	5384802
DEAD PRESIDENTS	Jay Z	25.00	5016589
DID MY TIME	Korn	100.00	5454465
DRINKIN' BONE	Tracy Byrd	50.00	5454061
EVERYBODY (BACKSTREET'S BACK)	Backstreet Boys	100.00	5380373
EVERYTHING I DO I DO IT FOR YOU	Bryan Adams	18.75	5370521
EVERYTHING I'VE KNOWN	KORN	100.00	5656977
EVERYTIME	Britney Spears	85.00	5657981
FALLING AWAY FROM ME	Korn	100.00	5384803
FEELIN' ON YO BOOTY	R. Kelly	100.00	5386115
FIESTA	R. Kelly	75.00	5386103
FLY	Sugar Ray	18.67	5380311
FOREVER AND FOR ALWAYS	Shania Twain	60.00	5361084
FREAKS COME OUT AT NIGHT	Whodini	100.00	5367146
FRESH PRINCE OF BEL-AIR	Fresh Prince of Bel Air (Opening Theme Music)	100.00	5380970
FROM THA CHUUUCH TO DA PALACE	Snoop Dog	15.00	5391497
FROM THE BOTTOM OF MY BROKEN HEART	Britney Spears	100.00	5383325
FROM THIS MOMENT ON	Shania Twain	40.00	5360840
GIRL ALL THE BAD GUYS WANT	Bowling For Soup	50.00	5390056
GIRLFRIEND	B2K	95.00	
HAPPY PEOPLE	R. Kelly	100.00	5862208
HATE ME NOW	Nas	75.00	5385786
HERE TO STAY	Korn	100.00	5389385
HOLLER IF YA HEAR ME	2PAC	16.25	5377726
HONEY	MARIAH CAREY	3.88	5497492

HYSTERIA	Def Leppard	100.00	5367383
I DO (CHERISH YOU)	98 Degrees	100.00	5385860
I HATE EVERYTHING	GEORGE STRAIT	100.00	5870123
I JUST WANNA LOVE U (GIVE IT 2 ME)	Jay-Z	0.94	5387395
I WANNA ROCK	Twisted Sister	100.00	5366774
I WANT IT THAT WAY	Backstreet Boys	100.00	5383611
I WISH	R. kelly	100.00	5395781
IF I COULD TURN BACK THE HANDS OF TIME	R. kelly	100.00	5382173
IGNITION	R. Kelly	100.00	5391240
I'LL NEVER BREAK YOUR HEART	Backstreet Boys	100.00	5378401
I'M ALREADY THERE	Lonestar	66.67	5387087
I'M YOUR ANGEL	R. Kelly	100.00	5382181
IN THE END	Linkin Park	100.00	5386396
IT ONLY HURTS WHEN I'M BREATHING	Shania Twain	50.00	5381089
IT'S MY LIFE	No Doubt	25.00	5368189
IT'S MY LIFE	Bon Jovi	33.34	5385557
JENNY FROM THE BLOCK	Jennifer Lopez	15.00	5390904
LOVE AT 1ST SIGHT	Mary J. Blige	45.00	5454117
LUCKY	Britney Spears	75.00	5385553
MAKE ME BAD	Korn	100.00	5384508
MY GENERATION	Limp Bizkit	100.00	5386381
N 2 GETHER NOW	Limp Bizkit	40.00	5218162
NOOKIE	Limp Bizkit	100.00	5384027
NUMB	Linkin Park	100.00	5392761
NUMB/ENCORE	JAY Z & LINKIN PARK MASH UP EP	50.00	5521319
ONE STEP CLOSER	Linkin Park	100.00	5386392
OOPS!...I DID IT AGAIN	Britney Spears	100.00	5385543
PARENTS JUST DON'T UNDERSTAND	DJ Jazzy Jeff and the Fresh Prince	100.00	5358165
POUR SOME SUGAR ON ME	Def Leppard	100.00	5367387
QUIT PLAYING GAMES (WITH MY HEART)	Backstreet Boys	50.00	5378280
RIGHT NOW	KORN	100.00	5656965
ROCK YOUR BODY	Justin Timberlake	33.34	5391198
RUMP SHAKER	Wreckx-N-Effect	7.08	5372264
SENORITA	Justin Timberlake	33.34	5391195
SHOW ME THE MEANING OF BEING LONELY	Backstreet Boys	50.00	5393787
SO SEXY	Twista	80.00	5841025
SOMEBODY SOMEONE	Korn	100.00	5384813
SOMETIMES	Britney Spears		5211547
STEP IN THE NAME OF LOVE	R. Kelly	100.00	5391419
SUMMER GIRLS	LFO	50.00	5226762
TALK DIRTY TO ME	Poison	100.00	5366173
THANK YOU FOR BEING A FRIEND	Golden Girls Theme	100.00	5391118

THAT DON'T IMPRESS ME MUCH	Shania Twain	50.00	5380835
THOIA THOING	R. Kelly	100.00	5454158
WE'RE NOT GONNA TAKE IT	Twisted Sister	100.00	5366771
WHEN A WOMAN'S FED UP	R. Kelly	100.00	5382156
YA'LL WANT A SINGLE	KORN	100.00	5659983

New Digital Media Agreement

THIS AGREEMENT (the "Agreement") is made as of November 1, 2004 (the "Effective Date"), by and between, on the one hand; SONY BMG MUSIC ENTERTAINMENT, 550 Madison Avenue, New York, New York 10022, and its United States and Canadian affiliates and entities listed on Schedule A (collectively, "SONY BMG"), and, on the other hand, BMG Music Publishing NA, Inc., 1540 Broadway, New York, NY 10036 and Zomba Enterprises, Inc., 1540 Broadway, New York, NY 10036 (collectively, "BMGMP" or "you").

WHEREAS SONY BMG desires to exploit various master recordings now or later owned or controlled by SONY BMG (the "SONY BMG Masters") in a variety of new digital music products, formats and services (described more fully herein, and defined herein, collectively, as the "New Digital Media Products");

WHEREAS, various of the SONY BMG Masters (defined herein as the "Relevant SONY BMG Masters") now or may later embody BMGMP Compositions (defined herein), or parts thereof;

WHEREAS, each of BMGMP and SONY BMG wish to enable SONY BMG to exploit BMGMP Compositions embodied on Relevant SONY BMG Masters (defined herein as the "Relevant BMGMP Compositions") in the New Digital Media Products;

WHEREAS, among other things, in an effort to deter piracy, and to ensure that the parties receive appropriate compensation for the digital distribution of Relevant SONY BMG Masters and BMGMP Compositions, the parties wish to further the goal of providing for the widespread but secure exploitation of Relevant BMGMP Compositions in the New Digital Media Products;

WHEREAS, the parties wish to enter into licenses pursuant to which Relevant SONY BMG Masters may be exploited in the manner described herein via the New Digital Media Products, and wish to agree upon the royalties and licensing methodology applicable to such licenses; and

WHEREAS, the parties wish to set forth in this Agreement their sole, exclusive and definitive understanding of the methodology and royalty rates applicable to the exploitation of the Relevant BMGMP Compositions, as embodied in the Relevant SONY BMG Masters, in connection with the New Digital Media Products described herein, during the Relevant Term (defined herein) and in the Territory; to have this Agreement supersede all understandings, claims, interpretations and agreements regarding the subject matter hereof; and during the Relevant Term to not assert any positions between each other regarding the subject matter hereof that are contrary to terms set forth herein;

NOW THEREFORE, without waiving any legal positions or arguments that either party may wish to assert after the expiration of the applicable term hereof, all of which are expressly reserved, in consideration of the mutual promises set forth herein, the sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

1.1 The "Audio-Related Royalty" shall mean the mechanical royalty payable to BMGMP with respect to audio-only uses (and not audio-visual uses) of BMGMP Compositions embodied in Relevant SONY BMG Masters in Dual Disc Products, Multi-Session Audio Products, and Locked Content Products. Except with respect to Locked Content Products, the Audio-Related Royalty shall be computed in the same manner as the mechanical royalty payable to BMGMP with respect to the use of those identical Relevant SONY BMG Masters in the Comparable Standard CD pursuant to the terms of the mechanical licenses applicable to such Comparable Standard CD (the "Standard CD Mechanical"). With respect to Locked Content Products, SONY BMG shall calculate the Audio-Related Royalty by using mechanical royalty rate that would otherwise be applicable if the Locked Content Product were a "digital phonorecord delivery", distributed as of the date such BMGMP Composition is unlocked, in accordance with the terms of section 115(c)(3)(E) of Title 17 of the United States Code.

1.2 An "Audiovisual Recording" shall mean video footage that is owned or controlled by, or licensed to, SONY BMG, and that embodies a SONY BMG Master (for example, a Promotional Video, or live concert footage). Notwithstanding the foregoing, any full-length motion picture, trailer or complete episode of any television program shall be excluded from the definition of Audiovisual Recording and shall not be subject to this Agreement, or to any of the royalty rates provided for herein or to be agreed upon or established pursuant to this Agreement, provided, however, that nothing herein shall limit SONY BMG from utilizing a portion of any full-length film or television program, and including such portion, as an Audiovisual Recording on a Dual Disc Product pursuant to the terms of this Agreement, or to exploit the same in a Digital Video Product. For the avoidance of doubt, the license to SONY BMG contemplated herein shall not include the right to exploit, or to authorize any other Person (including without limitation, Sony Pictures Entertainment Inc. and any other SONY BMG-affiliated entities, other than an entity directly owned or controlled, in whole or in part, by SONY BMG) to exploit, any Audiovisual Recording created in connection with any Dual Disc Product, or Audiovisual Recording licensed by SONY BMG hereunder for use in a Dual Disc Product, other than solely as embodied in the Dual Disc Product or as permitted pursuant to paragraph 2.5 as a Digital Video Product, as applicable.

1.2.1. A "BMGMP Composition" shall mean a musical composition (including any cleared "samples") in which the rights which are the subject matter of this Agreement are owned or controlled, in whole or in part, by BMGMP in the Territory, and which are made available, to the extent of BMGMP's ownership or control thereof, and to the extent of its rights, for the purposes described herein, subject to the terms and conditions set forth in this Agreement and to any existing explicit restrictions or limitations thereon imposed by BMGMP or pursuant to the Songwriter Agreements. With respect to any such musical composition which may be owned or controlled by BMGMP only in part, the term "BMGMP Composition" shall only refer to that portion of the musical composition controlled by BMGMP. Furthermore, in the event that BMGMP owns or controls any musical composition only for a period of time during the Relevant Term, then such musical composition may be considered a BMGMP Composition only for such period of time, and BMGMP shall use best reasonable business efforts to provide SONY BMG with reasonable notice in connection therewith, including by notifying SONY BMG of any writers that predeceased any applicable renewal term of copyright during the Relevant Term. Notwithstanding the foregoing, any failure by BMGMP to provide the notice described in the preceding sentence shall not constitute a breach of this Agreement. SONY BMG acknowledges that BMGMP may, in the normal course of business, and otherwise, lose rights with respect to musical compositions, in which event such compositions may cease to be BMGMP

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Compositions hereunder, and BMGMP shall have no liability to SONY BMG with respect to the unavailability of such musical compositions.

1.3 A "Comparable Standard CD" shall mean a single-session audio-only compact disc playable in a Red Book-audio-standard compact disc player or other Red Book-audio-compatible player that embodies the same or virtually the same "set" of sound recordings contained on the relevant Dual Disc Product or Multi-Session Audio Product that is the subject of this Agreement, or, in the event there is no actual single-session audio-only compact disc, the audio-only record equivalent thereof embodying all or substantially all of the SONY BMG Masters contained on the Standard Audio Side (defined in subparagraph 1.6) of a Dual Disc Product or the "First Session" (defined in subparagraph 1.16) of a Multi-Session Audio Product, provided that such Standard Audio Side or "First Session" does not exceed a conventional standard-length single disc CD.

1.4 A "Digital Video Product" shall mean only (a) an EMD Music Video Sale, or (b) an Exhibition-Only Video Stream, or (c) a Limited Video Download.

1.5 The "Digital Video Product Term" shall mean the period commencing on (a) the first date that SONY BMG releases a Digital Video Product in the Territory or (b) April 1, 2005, whichever is earlier, and ending (x) if SONY BMG releases a Digital Video Product before April 1, 2005, on the date five hundred and forty eight (548) days from the date of the product's release, or (y) if SONY BMG does not release a Digital Video Product before April 1, 2005, on September 30, 2006.

1.6 A "Dual Disc Product" shall mean a single optical disc consisting of two separate "sides" or separately accessible "sessions" (i.e., each session shall be self-contained and may be independently accessed from the other sessions, so that the consumer is not playing or accessing two (2) sessions from the same playback device at once): (a) a Standard CD "side" or separately accessible "session" with a playing time not to exceed approximately REDACTED minutes, playable in a Red Book-audio-standard compact disc player or other Red Book-audio-compatible player (the "Standard Audio Side"), and (b) an audiovisual, or audio and audiovisual side or separately accessible "session" with a playing time for the audiovisual material not to exceed approximately REDACTED minutes, playable in a DVD player or other consumer electronics device equipped with a DVD drive (the "AV Side") subject to the following additional limitations. The audio content contained on the Standard Audio Side shall consist of the same or substantially the same sound recordings as those on the Comparable Standard CD (where applicable), and shall be approximately equivalent in length to the length of a single full-length "album" that is embedded in a single disc. The AV Side may include Promotional Videos or other Audiovisual Recordings, musical underbeds, spoken word interviews, and/or lyric displays and/or other visual or audio-visual content, but the AV Side may not include commercial advertisements or endorsements. The AV Side may also include some or all of the same audio content contained on the Standard Audio Side, but in a different audio format or formats solely for the purpose of enabling compatibility with certain playback devices (e.g., Super Audio CD ("SACD"), DVD-Audio, and/or 5.1 mix surround sound). For clarity, and without limitation, any disc released in the "CD Extra," "Enhanced CD," "Hybrid CD" or "Combo Pack," or "CD Plus" configuration that embodies any audio-visual content shall not be deemed a Dual Disc Product and is not governed by this Agreement, and the parties reserve their respective rights and positions with respect to such products. For clarity, notwithstanding anything to the contrary in this Agreement, including without limitation, in subparagraph 1.16, a standard DVD shall not be deemed a Dual Disc Product and shall not be subject to the rates or other provisions contained in this Agreement.

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1.7 The "Dual Disc Product Term" shall mean the period from the Effective Date through and including December 31, 2006. Notwithstanding the foregoing, SONY BMG shall have not less than thirty-six (36) months from the initial release of any individual title of a Dual Disc Product embodying a Relevant SONY BMG Master released prior to December 31, 2006 to continue to manufacture and distribute such Dual Disc Product title. No rights are granted herein to SONY BMG to manufacture or distribute any new Dual Disc Product title after December 31, 2006, which title had not been released prior to December 31, 2006.

1.8 An "EMD Music Video Sale" shall mean an individual, "a la carte," permanent digital download of a digital file embodying a Promotional Video or other Audiovisual Recording, but shall not include any Promotional Video or other Audiovisual Recording, or other embodiment of a SONY BMG Master in an audiovisual work fixed on a Standard CD, Dual Disc, DVD, film, or any other optical disc or other "physical" media. An EMD Music Video Sale shall not, however, include an audiovisual work (including a Promotional Video or other Audiovisual Recording) embodied in, distributed, or otherwise transmitted as, a Telecommunication Personalization Product.

1.9 Intentionally omitted without implication.

1.10 An "Exhibition-Only Video Stream" shall mean a non-permanent exhibition of a Promotional Video or other Audiovisual Recording via a generally-accepted, industry-standard, streaming media technology (e.g., RealSystem G2 from RealNetwork, or Microsoft Windows Media Technologies) that does not result in a digital download, other permanently playable fixation in a digital file, or other permanently playable copy of the Promotional Video or Audiovisual Recording being made on the end user's computer or other playback device. An Exhibition-Only Video Stream shall not, however, include an audiovisual work (including a Promotional Video or other Audiovisual Recording) embodied in, distributed, or otherwise transmitted as, a Telecommunication Personalization Product.

1.11 A "Limited Video Download" shall mean an individual, "a la carte," conditioned, "timed-out," or limited digital download of a digital file embodying a Promotional Video or other Audiovisual Recording, but shall not include any Promotional Video or other Audiovisual Recording, or other embodiment of a SONY BMG Master in an audiovisual work fixed on a Standard CD, Dual Disc, DVD, film, or any other optical disc or other "physical" media. A Limited Video Download shall not, however, include an audiovisual work (including a Promotional Video or other Audiovisual Recording) embodied in, distributed, or otherwise transmitted as, a Telecommunication Personalization Product.

1.12 A "Locked Content Product" shall mean a disc or file, whether embodied on a computer hard-drive, a consumer playback device, or any other portable media (a) embodying (an) audio-only recording(s) of (a) SONY BMG Master(s) that is encrypted or otherwise protected by digital rights management ("DRM"), (b) that is resident on a computer hard drive, consumer electronic device, or other digital storage medium at the point of sale, and (c) is either (i) not otherwise accessible to the consumer without additional payment (that is, payment in addition to the payment for the computer hard drive, consumer electronic device, or other digital storage medium itself) and/or authorization, or (ii) accessible by a consumer for no more than three "free" plays during a limited time period, solely in an effort to induce the consumer to make an additional payment to permanently "unlock" the disc or file (the latter, a "Trial Locked Content Product"). If and to the extent that a disc or file otherwise meeting the definition in the preceding sentence also contains Promotional Videos or other Audiovisual Recordings, those Audiovisual

Recordings shall be considered and treated as an EMD Music Video Sale for the purposes of and subject to the terms of this Agreement.

1.13 The "Locked Content Term" shall mean the period from the Effective Date through and including December 31, 2006, provided, however, that with respect to Locked Content Products sold on or before December 31, 2006, the consumer shall be permitted to unlock any encrypted content following the expiration of the Locked Content Term.

1.14 A "Master Ringback" shall mean an audio-only electronic file or code that is created from a segment of a SONY BMG Master (and, for the avoidance of doubt, that is not a so-called "monophonic" or "polyphonic" ringtone or ringback) and that is transmitted from a remote server, and which will be heard on the telecommunications device (e.g., a telephone, pager, or Blackberry™) of a caller during the period of time between the initiation of the call or other communication by the caller and the earlier of: (i) termination of the call or other communication by the caller or (ii) acceptance of the call or other communication by the intended recipient or telecommunications network (e.g., voicemail). A Master Ringback may, together with the segment of the SONY BMG Master, incidentally incorporate non-melodic tones or other sounds indicating to the person placing the communication that the recipient is being contacted (e.g., simulating the sounds of a ringing telephone).

1.15 A "Master Ringtone" shall mean an audio-only electronic file or code that is created from a segment of a SONY BMG Master (and, for the avoidance of doubt, that is not a so-called "monophonic" or "polyphonic" ringtone or ringback) and that is transmitted to, and then made resident on, a wireless telecommunications device (e.g., a telephone, pager, or Blackberry™), and which will cause such device to announce the reception of an incoming telephone call or other communication or message, or alert the receiver as to the fact that there is a communication or message, by playing the segment of the SONY BMG Master.

1.16 A "Multi-Session Audio Product" shall mean an audio-only optical disc or discs or other recorded media embodying (a) a Standard Audio Side (defined in subparagraph 1.6 above), with a playing time not to exceed approximately sixty (60) minutes consisting of the same or substantially the same sound recordings as those on a Comparable Standard CD (where applicable), and approximately equivalent in length to the length of a single full-length "album" (the "First Session"), and (b) a second, separately accessible "side" or "session" consisting of the same or substantially the same sound recordings as those on the First Session, except those recordings may be (i) re-mastered or re-mixed in an alternative listening format for the sole purpose of enabling compatibility with certain playback devices (e.g., SACD, or 5.1 mix surround sound) (the "Second Session"), or (ii) embodied in DRM-protected (i.e., "copy-protected") digital media files intended for use in connection with a computer. For the avoidance of doubt, and subject to the last two sentences of paragraph 1.6, if an optical disc or discs embodies or embody any audiovisual content, the disc(s) shall be considered as if it/they were a Dual Disc Product for the purpose of calculating the royalties to be paid to BMGMP pursuant to any license covering the use of Relevant BMG Masters on such disc(s), and shall otherwise be governed by paragraph 2.4 of this Agreement. For the avoidance of doubt, any disc released in the "CD Extra," "Enhanced CD," "Hybrid CD" or "Combo Pack," or "CD Plus" configuration that embodies any audio-visual content shall not be deemed a Multi-Session Audio Product hereunder.

1.17 The "Multi-Session Audio Product Term" shall mean the period from the Effective Date through and including December 31, 2006. Notwithstanding the foregoing, (i) with respect to any record that is a Multi-Session Audio Product solely as a result of the fact that it includes a

"copy-protected" or "DRM-protected" additional session (or sessions) (each, a "Copy Protected Multi-Session Audio Product"), SONY BMG shall have the right to manufacture, distribute, sell and otherwise exploit any Copy Protected Multi-Session Audio Product created during the Multi-Session Audio Product Term in perpetuity, provided that for exploitations of Copy Protected Multi-Session Audio Product created during the Multi-Session Audio Product Term and exploited after the expiration of the Multi-Session Audio Product Term, SONY BMG shall pay BMGMP royalties at a rate negotiated in good faith between SONY BMG and BMGMP, or in the event that the parties are unable to agree upon a rate, at a rate equal the then-applicable current market rates and subject to the then-applicable practices for Copy Protected Multi-Session Audio Products in lieu of the rates set forth in section 2.2.2 below; and (ii) SONY BMG shall have not less than twelve (12) months from the initial United States release of any individual title of a Multi-Session Audio Product embodying a Relevant SONY BMG Master released prior to December 31, 2006 to continue to manufacture and distribute such Multi-Session Audio Product title. Following the expiration of Multi-Session Audio Product Term and pending the determination of a rate for any post-Multi-Session Audio Product Term exploitations of Copy Protected Multi-Session Audio Products created during the Multi-Session Audio Product Term, SONY BMG shall continue to account and pay BMGMP royalties calculated in accordance with the rates for exploitations of Copy Protected Multi-Session Audio Products during the Multi-Session Audio Product Term; provided, however that promptly following the determination of a rate for such post-Multi-Session Audio Product Term exploitations, SONY BMG shall retroactively adjust BMGMP's royalty account in accordance with such new rates and, to the extent applicable, shall promptly pay BMGMP any difference as a result thereof. No rights are granted herein to SONY BMG to manufacture or distribute any new Multi-Session Audio Product title after December 31, 2006, which title had not been released prior to December 31, 2006.

1.18 The "New Digital Media Products" shall mean only Dual Disc Products, Multi-Session Audio Products, Locked Content Products, Telecommunication Personalization Products, and Digital Video Products.

1.19 The "New Digital Media Audio Cap" shall mean a "cap" that sets a maximum aggregate payment for the use of all of the musical compositions (and, if such cap is exceeded, reduces the payment for the use of controlled compositions, on a *pro rata* basis) on a Dual Disc Product, Multi-Session Audio Product, or Locked Content Product (subject to paragraph 2.3.2) featuring Relevant BMGMP Compositions, and that shall be equal to the Standard Audio Cap that sets the maximum aggregate payment for the use of all of the identical or substantially identical musical compositions embodied in the identical or substantially identical sound recordings contained on the Comparable Standard CD; provided, however, that solely for purposes of calculating the New Digital Media Audio Cap with respect to Dual Disc Products, *if* the sub-distributor price for the audio-only Comparable Standard CD version of the Dual Disc Product or Multi-Session Audio Product concerned qualifies as a "budget", "midprice" or other reduced rate record and the sub-distributor price for the Dual Disc Product or Multi-Session Audio Product, as applicable, equals or exceeds the standard top-line sub-distributor price for the initial release of the Dual Disc Products or Multi-Session Audio Products applicable to the majority of SONY BMG's active-roster artists (other than SONY BMG's "developing artist" series) whose records are embodied in Dual Disc Products, *then* SONY BMG shall not reduce the mechanical royalty rate or "cap" as a result of such Comparable Standard CD being a "budget", "midprice" or other qualifying reduced rate record, but shall instead calculate the "cap" as though the Comparable Standard CD was a "top line" record. The New Digital Media Audio Cap shall apply only where a Standard Audio Cap would otherwise apply to set a maximum aggregate payment for the use of all of the musical compositions embodied in the identical

sound recordings contained on the Comparable Standard CD. Except as provided for herein with respect to any applicable "controlled composition" clause, no provision contained in any artist, side artist, producer, "outside controlled writer," or other agreement shall apply to further "cap," reduce, adjust or diminish in any way the Audio-Related Royalty, or any of the other royalties contained in this Agreement. If there is no "controlled composition" clause applicable to the Comparable Standard CD, or if there is no Comparable Standard CD, then there shall be no New Digital Media Audio Cap (and, in the case of Dual Disc Products, no Product Cap (defined in subparagraph 2.1.4 below)). For the avoidance of doubt, if the Relevant BMGMP Compositions contained on the Comparable Standard CD are not subject to a "controlled composition" clause, the New Digital Media Audio Cap shall not apply to reduce or diminish the mechanical royalty payable to BMGMP for the use of those same Relevant BMGMP Compositions embodied in the identical Relevant SONY BMG Masters contained on the comparable New Digital Media Product. In calculating the New Digital Media Audio Cap, each sound recording contained on the Comparable Standard CD shall be counted once, regardless of how many times such sound recording may appear on the New Digital Media Product. Notwithstanding anything contained in this definition or this Agreement, in the event that the Standard Audio Cap is increased as a result of an increase in the Statutory Mechanical Rate from the rate in effect as of the Effective Date, then, with respect to any New Digital Media Products licensed hereunder, the New Digital Media Audio Cap, and, for Dual Disc Products, the Product Cap (defined in subparagraph 2.1.4) shall also be increased by an amount equal to the increase in the Standard Audio Cap (the "Stat Rate Uplift Amount"). To the extent that SONY BMG is required pursuant to any mechanical license to pay any publisher a mechanical royalty (a) at a rate greater than the current full Statutory Mechanical Rate for the use of any composition on a New Digital Media Product, or (b) for multiple uses of the same composition on a New Digital Media Product (*e.g.*, for the use of the composition on both the Standard CD Side and the AV Side of a Dual Disc Product, or on both the "First Session" and "Second Session" of a Multi-Session Audio Product) in excess of the current full Statutory Mechanical Rate applicable for a single use, then SONY BMG shall be responsible for paying all amounts in excess of the single, full Statutory Mechanical Rate payment, and such amounts shall not be applied towards the New Digital Media Audio Cap, the Product Cap (defined in subparagraph 2.1.4 below), or to otherwise reduce any amounts otherwise payable to BMGMP hereunder.

1.20 A "Promotional Video" shall mean a video of the type that is shown on MTV2 or VH-1, that embodies a SONY BMG Master, and which is generally used in the industry to promote the sale of such master.

1.21 A "Relevant BMGMP Composition" shall mean any BMGMP Compositions embodied in whole or in part on a SONY BMG Master.

1.22 "Relevant SONY BMG Master" shall mean any SONY BMG Master embodying a BMGMP Composition, in whole or in part.

1.23 "Relevant Term" shall mean the Dual Disc Term, the Multi-Session Audio Product Term, the Locked Content Term, the Telecommunication Personalization Products Term, or the Digital Video Product Term, whichever is pertinent.

1.24 The "Sell Off Period" is defined in paragraph 7 below.

1.25 "Songwriter Agreement(s)" shall mean those agreements pursuant to which BMGMP has acquired rights with respect to any BMGMP Composition, which may be modified from time to time.

1.26 "SONY BMG" shall mean, collectively, SONY BMG Music Entertainment and its United States and Canadian affiliates and entities listed on Schedule A. For the avoidance of doubt, other than Sony Music Downloads LLC, SONY BMG does not include any non-record company (including, without limitation, any affiliated music publishing, television, motion picture or consumer-electronic company), or any record club affiliate or entity, including, without limitation, BMG Music Service or Columbia House Record Club.

1.27 A "SONY BMG Master" shall mean any master recording owned or controlled by SONY BMG, including, but not limited to, any Relevant SONY BMG Master.

1.28 The "Standard Audio Cap" shall mean a "cap" established pursuant to a "controlled composition" clause that sets a maximum aggregate payment for the use of all of the musical compositions on a Comparable Standard CD (and, if such cap is exceeded, reduces the payment for the use of controlled compositions, on a *pro rata* basis). For the avoidance of doubt, to the extent any "controlled composition" clause references a minimum compulsory rate in the United States and/or Canada, such reference shall be construed to mean the Statutory Mechanical Rate as defined below.

1.29 The "Statutory Mechanical Rate" shall mean (i) for records manufactured, sold and not returned in the United States, the royalty applicable to a compulsory mechanical license obtained pursuant to section 115 of the U.S. Copyright Act, 17 U.S.C. § 115; and (ii) for records manufactured, sold and not returned in Canada, the rate in effect pursuant to agreement between the CMRRA and the CRIA, or if no such agreement exists, the rate prevailing in Canada on a general basis with respect to the use of musical compositions on so-called "top line" audio records (e.g., the CMRRA rate).

1.30 A "Telecommunications Personalization Product" shall mean either a Master Ringtone or a Master Ringback.

1.31 The "Telecommunication Personalization Products Term" shall mean the period from the Effective Date through and including December 31, 2006. Notwithstanding the foregoing, a consumer who has purchased, prior to December 31, 2005, a Ringback Tone embodying a Relevant SONY BMG Master, shall have no less than twelve (12) months from the date of purchase to continue to use that Ringback Tone.

1.32 The "Territory" shall mean the United States and Canada.

2. <u>Agreements as to Licensing Methodology and Royalty Rates.</u>

2.1 **Dual Disc Products.**

2.1.1 *Agreement to Issue Licenses.* (a) BMGMP hereby agrees to issue licenses, or cause licenses to be issued, to SONY BMG to synchronize, reproduce and distribute, solely in the Territory and (subject to paragraph 7) only during the Dual Disc Product Term, Relevant BMGMP Compositions as embodied in Relevant SONY BMG Masters contained on Dual Disc Products created by SONY BMG on the terms set forth herein. BMGMP also agrees to issue licenses, or cause licenses to be issued, to SONY BMG to embody and display the lyrics of the Relevant BMGMP Compositions embodied in Relevant SONY BMG Masters on such products, with the understanding that the scope of the right to embody and display lyrics hereunder shall be analogous to the manner and way such lyrics have been

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traditionally displayed in connection with Standard CD products (e.g., on liner notes and J-cards), and to enable the consumer to select, retrieve and display the entire lyric of a BMGMP Composition over a static image while listening to that BMGMP Composition or any other composition on the Dual Disc Product concerned. Notwithstanding the preceding sentence, any such license to exploit lyrics hereunder shall not include the right to create a "karaoke" session or version of any Relevant BMGMP Composition, or to permit the lyrics automatically to be displayed at the same time they are being performed. For the avoidance of doubt, BMGMP is not agreeing to license SONY BMG to further reproduce or otherwise exploit lyrics separate and apart from their inclusion on the Dual Disc Product concerned and/or separate and apart from the Relevant SONY BMG Masters to which they relate.

(b) Each Dual Disc Product requires new and separate mechanical licenses from those applicable to any comparable "single-session" audio-only CD (or any other product). For the avoidance of doubt, this Agreement grants SONY BMG no right to license any BMGMP Composition embodied in a Promotional Video or other Audiovisual Work included on the Dual Disc Product to a third-party for use as original programming, or as part of a motion picture, trailer, short film, documentary or television program, or for any purpose other than as the Dual Disc.

(c) SONY BMG shall, with respect to Audiovisual Recordings embodied on Dual Disc Products, identify to BMGMP as soon as reasonably practicable in advance of, but not later than fifteen (15) days prior to, the initial commercial release of any such product taking into account the creative process and creative considerations, the titles and a general description of the proposed use, and if available a copy of the Dual Disc Product, for any Relevant BMGMP Compositions embodied in any Audiovisual Recording contained thereon, provided that SONY BMG's non-repetitive, inadvertent failure to do so in any instance shall not constitute a breach of this Agreement. BMGMP shall endeavor to obtain any applicable consent from its writer(s) for the use of the Relevant BMGMP Composition in the Audiovisual Recording and shall notify SONY BMG not later than ten (10) days following BMGMP's receipt of the notice concerned. In the event a songwriter denies consent for the proposed use in an Audiovisual Recording on a Dual Disc Product, BMGMP shall notify SONY BMG of the same and SONY BMG shall not include or otherwise use any such BMGMP Composition as to which it has received such notice in the Audiovisual Recording concerned as part of any proposed Dual Disc Product in contravention of the restriction, following SONY BMG's receipt of such notice. If such BMGMP Composition has been exploited under the terms hereof prior to SONY BMG receiving notice denying songwriter consent, SONY BMG shall cease any further manufacture, distribution or other exploitation of a Dual Disc Product embodying such BMGMP Composition, in derogation of such limitation or restriction, promptly following SONY BMG's receipt of such notice, and shall take such other necessary steps as may be reasonably requested by BMGMP in connection therewith.

2.1.2 *Audio-Related Royalty.* With respect to any exploitation of a Dual Disc Product, SONY BMG will pay BMGMP the Audio-Related Royalty for the audio-only uses of BMGMP Compositions embodied in Relevant SONY BMG Masters contained on the Standard Audio Side of Dual Disc Products. BMGMP shall not assert a claim to receive mechanical royalties for audio-only uses of BMGMP Compositions embodied in Relevant SONY BMG Masters contained on the AV Side of Dual Disc Products, as defined and set forth in paragraph 1.6 above, unless a) such BMGMP Composition was not otherwise contained on the Standard Audio Side, or b) the New Digital Media Audio Cap is not otherwise exceeded for all compositions embodied on the Standard Audio Side.

2.1.3 *AV-Related Royalty:* With respect to any exploitation of a Dual Disc Product, SONY BMG will pay BMGMP, in addition to the Audio-Related Royalty set forth above, synchronization royalties in connection with the Audiovisual Uses of BMGMP Compositions embodied in Relevant SONY BMG Masters contained on the AV Side of Dual Disc Products (the "AV-Related Royalty"). The AV-Related Royalty shall be computed as follows, subject to the qualifications contained in subparagraphs 2.1.4 below (and pro-rated to reflect BMGMP's ownership or control).

2.1.3.1 SONY BMG will pay BMGMP a royalty of six (U.S.) cents ($.06) for each full, or substantially full, Promotional Video or other Audiovisual Recording embodying a Relevant SONY BMG Master contained on a Dual Disc Product exploited in the United States, and the equivalent of six (U.S.) cents ($.06) in Canadian dollars for each full, or substantially full, Promotional Video or other Audiovisual Recording embodying a Relevant SONY BMG Master contained on a Dual Disc Product exploited in Canada.

2.1.3.2 SONY BMG will pay BMGMP a royalty of one (U.S.) cent ($.01) per minute of playing time, pro rated for fractions of a minute, for all partial (i.e., not full or substantially full) Promotional Videos and other Audiovisual Recordings embodying BMGMP Compositions contained on a Dual Disc Product exploited in the United States, and the equivalent of one (U.S.) cent ($.01) per minute of playing time in Canadian dollars, pro rated for fractions of a minute, for all partial (i.e., not full or substantially full) Promotional Videos and all other Audiovisual Recordings embodying a Relevant SONY BMG Master contained on a Dual Disc Product exploited in Canada. For the avoidance of doubt, SONY BMG shall not edit or otherwise truncate any otherwise full or substantially full Promotional Video or Audiovisual Recording in a manner primarily intended to frustrate the payment of the full royalty set forth in paragraph 2.1.3.1, rather than the royalty set forth in this paragraph 2.1.3.2.

2.1.4 ***Product Cap.*** Subject to the terms and qualifications contained in the Agreement, including but not limited to the qualifications contained in paragraph 1.1 (defining the "Audio-Related Royalty"), where (and only where) the Audio-Related Royalty is subject to a Standard Audio Cap, the maximum amount of royalties payable, in the aggregate, by SONY BMG to all music publishers for all audio-only and audio-visual uses of musical compositions embodied in SONY BMG Masters contained on any Dual Disc product will be One (U.S.) Dollar and Twenty-Five Cents ($1.25) for each Dual Disc Product sold in the United States and not returned, and the equivalent of One (U.S.) Dollar and Twenty-Five Cents ($1.25) in Canadian dollars for each Dual Disc Product sold in Canada and not returned (the "Product Cap"). For the avoidance of doubt, if the Dual Disc Product concerned is not otherwise subject, in whole or in part, to a Standard Audio Cap (e.g., the record is a compilation record consisting entirely of master recordings licensed in from third parties), then the Product Cap shall have no application to, and shall not otherwise reduce the publishing royalties payable to BMGMP in respect of the BMGMP Compositions contained on such Dual Disc Product. The Product Cap shall be calculated as follows:

2.1.4.1 SONY BMG shall, with respect to each Dual Disc Product, first calculate the mechanical royalties payable to all music publishers for audio-only uses of compositions embodied in SONY BMG Masters contained on the Standard Audio Side of that Dual Disc Product (including those royalties payable to BMGMP pursuant to paragraph 2.1.2 for the use of Relevant BMGMP Compositions) (the "Initial Audio Royalty Calculation"). Notwithstanding anything to the contrary set forth in this subparagraph 2.1.4, in making the Initial Audio Royalty Calculation, SONY BMG shall apply the actual royalty rate contained in the relevant mechanical license. To the extent that SONY BMG is required pursuant to any

mechanical license to pay any publisher a mechanical royalty (a) at a rate greater than the full Statutory Mechanical Rate for the use of any composition on a Dual Disc Product, or (b) for multiple uses of the same composition on a Dual Disc Product (*e.g.*, for the use of the composition on both the Standard CD Side and the AV Side) in excess of the full Statutory Mechanical Rate applicable for a single use, then SONY BMG shall be responsible for paying all amounts in excess of the single, full Statutory Mechanical Rate, and such amounts shall not be applied towards the New Digital Media Audio Cap, the Product Cap, or to otherwise reduce any amounts otherwise payable to BMGMP hereunder.

2.1.4.2 After performing the calculation set forth in subparagraph 2.1.4.1, SONY BMG will next calculate the synchronization royalties payable to music publishers for audiovisual uses of compositions embodied in SONY BMG Masters contained on the AV Side of that Dual Disc Product (the "Initial AV Royalty Calculation"). Notwithstanding anything to the contrary set forth in this paragraph 2.1.4, in making the Initial AV Royalty Calculation, SONY BMG shall treat each composition, including those owned or controlled by third-party publishers, as if it were a BMGMP Composition, and apply the royalty rate set forth in subparagraph 2.1.3 (and not the actual royalty rate contained in the relevant synchronization license).

2.1.4.3 The sum of the Initial Audio Royalty Calculation and the Initial AV Royalty Calculation shall be deemed the "Interim Product Cap". To the extent the Interim Product Cap exceeds the Product Cap (such difference, the "Excess Royalty Amount"), the aggregate synchronization royalties attributable to the AV Portion shall be reduced by an amount equal to the Excess Royalty Amount (i.e., so that the Product Cap is not exceeded). Such reduction shall be achieved by reducing the synchronization royalty rates otherwise payable pursuant to paragraph 2.1.3 on a pro rata basis, as follows. The synchronization royalty rates set forth in paragraph 2.1.3, above shall be prorated by a fraction, the numerator of which shall be the Product Cap less the Initial Audio Royalty Calculation, and the denominator of which shall be the Initial AV Royalty Calculation. Such prorated rates shall hereinafter be referred to as the "Reduced BMGMP Synch Rates," and the Reduced BMGMP Synch Rates shall be the actual amounts payable by SONY BMG in respect of the audiovisual uses of the BMGMP Compositions included on the applicable Dual Disc Product. For the avoidance of doubt, any difference between the actual amount payable to any third-party publisher for the use of musical compositions on the AV Portion of a Dual Disc Product pursuant to any relevant synchronization license, and the amount allocated to such party as a result of the *pro rata* reduction described in the preceding sentence, shall be paid by SONY BMG in addition to the Product Cap, and any such difference shall not be applied in further reduction of the amounts otherwise payable to BMGMP hereunder.

2.1.4.4 Notwithstanding anything contained herein to the contrary, in the event that the sub-distributor price for the Dual Disc Product version of the audio-only CD concerned exceeds the standard top-line sub-distributor price for the initial release of the audio-only CDs applicable to the majority of SONY BMG's active-roster artists (other than SONY BMG's "developing artist" series), then both the New Digital Media Audio Cap and the Product Cap shall be increased by the amount equal to the percentage increase of the higher sub-distributor price for the Dual Disc Product relative to the standard top-line subdistributor price for the initial release of the audio-only CD applicable to the majority of SONY BMG's active-roster artists (other than SONY BMG's "developing artist" series). Notwithstanding anything to the contrary in the preceding sentence, should the sub-distributor price for the Dual Disc Product version of the audio-only CD concerned fall below the standard top-line sub-distributor price for the initial release of the audio-only CDs applicable to the majority of SONY BMG's active-roster

artists (other than SONY BMG's "developing artist" series), then the New Digital Media Product Audio Cap shall be calculated as though the release was at the full standard top-line sub-distributor price for the initial release of the audio-only CDs applicable to the majority of SONY BMG's active-roster artists (other than SONY BMG's "developing artist" series). Where applicable, the New Digital Media Audio Cap and the Product Cap may also be increased by the Stat Rate Uplift Amount (see definition 1.19, above).

2.1.5 Notwithstanding anything to contrary contained herein, SONY BMG shall pay to BMGMP the Audio-Related Royalty and, where applicable, the AV-Related Royalty, for each Dual Disc Product embodying Relevant SONY BMG Master(s) that is distributed and not returned, giving effect to any applicable "controlled composition" clause, provided, however that notwithstanding any applicable "controlled composition" clause language to the contrary, the AV-Related Royalty shall be calculated on the basis of one hundred percent (100%) of gross sales, less returns, credits, and reserves against anticipated returns and credits.

2.1.6 Except as otherwise set forth in this Agreement, the royalties described in this subparagraph 2.1 shall supersede any and all rates otherwise applicable to Dual Disc Products, and the methodology for rate calculation set out herein shall not be compromised, limited or affected in any way except by a written document executed by BMGMP and SONY BMG.

2.1.7 It is of the essence of this Agreement that SONY BMG pay all applicable royalties in a timely manner.

2.2 **Multi-Session Audio Products.**

2.2.1 ***Agreement to Issue Licenses.*** BMGMP hereby agrees to issue licenses, or cause licenses to be issued, to SONY BMG to reproduce and distribute, solely in the Territory and only (subject to paragraph 7) during the Multi-Session Audio Product Term, Relevant BMGMP Compositions as embodied in Relevant SONY BMG Masters contained on Multi-Session Audio Products created by SONY BMG. Each Multi-Session Audio Product requires new and separate mechanical licenses from those applicable to any comparable "single-session" audio-only CD (or any other product).

2.2.2 ***Audio-Related Royalty.*** With respect to any exploitation of a Multi-Session Audio Product occurring during any part of the Multi-Session Audio Product Term, or during the Sell Off Period (defined in paragraph 7 below), SONY BMG will pay BMGMP the Audio-Related Royalty for the audio-only uses of BMGMP Compositions embodied in Relevant SONY BMG Masters contained on the Standard Audio Side of Multi-Session Audio Products: BMGMP shall not assert a claim to mechanical royalties for audio-only uses of BMGMP Compositions embodied in Relevant SONY BMG Masters contained on the Second Session of Multi-Session Audio Products. Notwithstanding anything contained herein to the contrary, in the event that the sub-distributor price for the Multi-Session Audio Product version of the audio-only CD concerned exceeds the standard top-line sub-distributor price for the initial release of the audio-only CDs applicable to the majority of SONY BMG's active-roster artists (other than SONY BMG's "developing artist" series), then the New Digital Media Audio Cap shall be increased by the amount equal to the percentage increase of the higher sub-distributor price for the Multi-Session Audio Product relative to the standard top-line subdistributor price for the initial release of the audio-only CD applicable to the majority of SONY BMG's active-roster artists (other than SONY BMG's "developing artist" series). In the event that the top-line sub-distributor price for the Multi-Session Audio Product version of the audio-only CD concerned is

less than the top-line sub-distributor price for the Comparable Standard CD, then the New Digital Media Audio Cap shall be calculated on the basis of the top-line sub-distributor price for the Comparable Standard CD. Where applicable, the New Digital Media Audio Cap may also be increased by the Stat Rate Uplift Amount (see definition 1.19, above).

2.2.3. *AV-Related Royalty.* If an optical disc embodies any audiovisual content, the disc shall be considered a Dual Disc Product for the purpose of calculating the royalties to be paid to BMGMP pursuant to any license covering the use of Relevant BMG Masters on such disc, and subparagraph 2.1 will apply, except as provided in subparagraph 1.6.

2.2.4 *Lyrics.* To the extent a SONY BMG wants to offer the user of a Multi-Session Audio Product the ability to electronically display the lyrics, either separate and apart from, or at the same time as the user accesses, the audio and/or audiovisual content on the Multi-Session Audio Product, SONY BMG shall separately license from BMGMP the display rights for the lyrics concerned, it being acknowledged and understood that BMGMP has not agreed to license any display rights hereunder.

2.2.5 Notwithstanding anything to contrary contained herein, SONY BMG shall pay to BMGMP the Audio-Related Royalty for each Multi-Session Audio Product embodying Relevant SONY BMG Master(s) that is distributed and not returned, giving effect to any applicable "controlled composition" clause.

2.2.6 Except as otherwise set forth in this Agreement, the royalties described in this subparagraph 2.2 shall supersede any and all rates otherwise applicable to Multi-Session Audio Products, and the methodology for rate calculation set out herein shall not be compromised, limited or affected in any way except by a written document executed by BMGMP and SONY BMG.

2.3 **Locked Content Products**

2.3.1 *Agreement to Issue Licenses.* BMGMP hereby agrees to issue licenses, or cause licenses to be issued, to SONY BMG to reproduce and distribute, solely in the Territory and only (subject to paragraph 7) during the Locked Content Product Term, Relevant BMGMP Compositions as embodied in Relevant SONY BMG Masters contained on Locked Content Products created by SONY BMG on the terms provided herein. Each Locked Content Product requires new and separate mechanical licenses from those applicable to any comparable "single-session" audio-only CD (or any other product), and is deemed a new release as of the date SONY BMG receives any compensation related to the distribution of the Locked Content Product, or when the DRM for the Locked Content is unlocked, whichever is earlier.

2.3.2 *Audio-Related Royalty.* With respect to any exploitation of a Locked Content Product occurring during the Locked Content Product Term (and any unlocking by a consumer of a Locked Content Product sold on or before December 31, 2008 which occurs after the expiration of the Locked Content Term), SONY BMG will pay BMGMP the Audio-Related Royalty, subject to paragraph 1.1 above and further subject to the next sentence. For purposes of calculating the Audio-Related Royalty for Locked Content Products, in accordance with 17 U.S.C. Section 115, SONY BMG shall not apply a Standard Audio Cap in respect of any Locked Content Product embodying SONY BMG Masters created pursuant to a recording agreement or an amendment entered into after June 22, 1995 where the Relevant BMGMP Compositions were controlled compositions subject to such agreement. (For the avoidance of doubt, SONY

BMG shall accrue Audio-Related Royalties for individual recordings unlocked from the Locked Content Product as though such unlocked individual recordings from the Locked Content Product were single, separate session audio recordings; for example, in calculating such Audio-Related Royalties, SONY BMG shall not add the number of musical works "unlocked" to the number of musical works previously accessible in calculating any applicable "cap", and if the consumer unlocks an album, the "cap" shall apply to the musical works contained on the unlocked album, independent to the application of any "cap" to the remainder of the Locked Content Product.) SONY BMG shall pay BMGMP the Audio-Related Royalty when SONY BMG receives any compensation related to the distribution of the Locked Content Product, or when the DRM for the Locked Content is unlocked, whichever is earlier. SONY BMG agrees that in the event that any other financial consideration is directly attributable to the locked content (e.g. fixed fees for bundled content), such financial consideration shall be reasonably apportioned. Notwithstanding the foregoing, BMGMP shall not assert a claim to mechanical royalties with respect to three or fewer "free" plays by a consumer, during a limited time period, of a Trial Locked Content Product.

2.3.3 *Lyrics.* To the extent a SONY BMG wants to offer the user of a Locked Content Product the ability to electronically display the lyrics, either separate and apart from, or at the same time as the user accesses, the audio and/or audiovisual content on the Locked Content Product, SONY BMG shall separately license from BMGMP the display rights for the lyrics concerned, it being acknowledged and understood that BMGMP has not agreed to license any display rights hereunder.

2.3.4 Notwithstanding anything to contrary contained herein, SONY BMG shall pay to BMGMP the Audio-Related Royalty for each Locked Content Product embodying Relevant SONY BMG Master(s) that is distributed; there shall be no "free," "bonus," or "promotional" goods, other than Trial Locked Content Products.

2.3.5 Except as otherwise set forth in this Agreement, the royalties described in this subparagraph 2.3 shall supersede any and all rates otherwise applicable to Locked Content Products, and the methodology for rate calculation set out herein shall not be compromised, limited or affected in any way except by a written document executed by BMGMP and SONY BMG.

2.4 **Telecommunication Personalization Products.**

2.4.1 *Agreement to Issue Licenses.* Subject to subparagraph 2.4.2.1 below, BMGMP hereby agrees to issue licenses, or cause licenses to be issued, to SONY BMG or to third-party services as provided for herein ("Services"), to reproduce and distribute solely in the Territory and only during the Telecommunication Personalization Products Term, Telecommunication Personalization Products created by SONY BMG only from Relevant SONY BMG Masters embodying Relevant BMGMP Compositions on the terms provided hereunder. This Agreement does not cover any performance rights (except as specifically provided for herein); synchronization rights, print or karaoke rights, or, without BMGMP's prior written approval, the use of the Telecommunication Personalization Product to market or promote a product or service (except to the extent the Telecommunication Personalization Product itself constitutes an endorsement of the wireless telecommunications device or the wireless service or provider through which it is being offered; provided, however that the license granted pursuant to this paragraph 2.4 shall not include the right to include the BMGPG Composition concerned in a commercial advertisement for any such wireless device or service). For the avoidance of doubt, Telecommunication Personalization Products containing Relevant BMGMP

Compositions embodied in or synchronized with audiovisual content are not subject to this Agreement, and SONY BMG may not distribute or transmit such products without obtaining a separate license from BMGMP.

2.4.2 *Licensing Methodology.*

2.4.2.1 (a) BMGMP retains the sole and exclusive right to license (or, subject to the terms hereof, to refrain from licensing) any use of a Relevant BMGMP Composition (and/or any other BMGMP Composition) in connection with a Telecommunication Personalization Product by either SONY BMG or by a third-party service or entity (a "Service"), subject to subparagraph 3.2 below. SONY BMG shall have the right to itself directly exploit (but not to sublicense others to exploit) Relevant BMGMP Compositions embodied in Telecommunication Personalization Products, with and subject to BMGMP's advance written approval, and subject to the royalty rates and payment provisions contained in subparagraphs 2.4.2.3 and 2.4.3 below (the "BMGMP Rates"). For exploitations in the United States, SONY BMG shall be appointed as BMGMP's agent for the sole purpose of licensing to a Service the right to exploit Relevant BMGMP Compositions embodied in SONY BMG Masters as Telecommunication Personalization Products in the United States only. For exploitations in Canada, you shall cause CMRRA to issue a license for each Service to sell, distribute and otherwise exploit Relevant BMGMP Compositions embodied in SONY BMG Masters as Telecommunication Personalization Products in Canada. Each Service exploiting in the United States the Relevant BMGMP Compositions embodied in SONY BMG Masters shall in each case be subject to BMGMP's advance approval and any license granted shall be subject to the BMGMP Rates. Each Service exploiting in Canada the Relevant BMGMP Compositions embodied in SONY BMG Masters shall in each case be subject to the BMGMP Rates.

(b) BMGMP (x) has pre-approved SONY BMG to act as BMGMP's agent for the sole purpose of licensing to the Services listed on Schedule B annexed hereto the right to exploit Relevant BMGMP Compositions embodied in Telecommunication Personalization Products in the United States only; (y) shall cause CMRRA to issue licenses to the Services listed on Schedule B annexed hereto for the right to exploit Relevant BMGMP Compositions embodied in Telecommunication Personalization Products in Canada, and (z) SONY BMG's direct exploitations of Relevant BMGMP Compositions embodied in SONY BMG Masters and exploited as Telecommunication Personalization Products as set forth on Schedule B1 annexed hereto, subject to the BMGMP Rates. Nevertheless, in the event that any Service (including those Services listed on Schedule B) wishes to deal directly with BMGMP, it may seek a license directly from BMGMP. Notwithstanding the preceding sentence, during the Telecommunication Personalization Product Term, (i) BMGMP shall not solicit direct licenses from the Services listed on Schedule B in connection with Telecommunication Personalization Products, unless the term of the relevant agreement between such Service and SONY BMG has otherwise expired or been terminated and BMGMP thereafter has provided SONY BMG with prior written notice of its intention to solicit, (ii) BMGMP is prepared to have SONY BMG act as its agent for the sole purpose of licensing to those Services the right to exploit Relevant BMGMP Compositions embodied in SONY BMG Masters and exploited as Telecommunication Personalization Products, subject to the terms and conditions of this Agreement; and (iii) with respect to any Service that is either currently accounting directly to BMGMP for exploitations of Telecommunication Personalization Products, that is listed on Schedule C, or that is actively negotiating with BMGMP to directly account to BMGMP for exploitations of Telecommunication Personalization Products, BMGMP shall have the option, exercisable by written notice to SONY BMG prior to the exploitation by such Service of any Telecommunications Personalization Products embodying BMGMP Compositions in SONY BMG Masters, to have such Service

account directly to BMGMP for such exploitations of Telecommunication Personalization Products (in which case, for the avoidance of doubt, SONY BMG shall have no obligation to pay BMGMP royalties for any such exploitations, other than as may be contemplated pursuant to section 2.4.3.4 below), provided, however, that in respect of any Service with which BMGMP is negotiating for direct accountings, if, as of the date that SONY BMG begins to offer Telecommunication Personalization Products embodying BMGMP Compositions in SONY BMG Masters to such Service for exploitation, such negotiations have not concluded in an agreement that such Service directly account to BMGMP, such Service nonetheless shall be deemed licensed pursuant to this agreement in accordance with the terms and conditions hereof, and SONY BMG shall account to BMGMP in respect of any such exploitations of Telecommunication Personalization Products embodying BMGMP Compositions until such time as the agreement being negotiated has been concluded.

(c). Notwithstanding anything to the contrary contained herein or in any license between SONY BMG and a Service (including those Services listed on Schedule B annexed hereto) entered into prior to or during the Telecommunication Personalization Product Term, BMGMP shall have the sole and exclusive right (upon the terms set out herein, including the BMGMP Rates) to license to the Services listed on Schedule C annexed hereto the right to exploit Relevant BMGMP Compositions embodied in SONY BMG Masters and exploited as Telecommunication Personalization Products. If BMGMP fails to secure or conclude a license with any Service identified on Schedule C for the exploitation of Telecommunication Personalization Products embodying BMGMP Compositions when such Service launches with SONY BMG Masters, then such Service shall be deemed licensed hereunder until such time as a license between BMGMP and such Service is completed. The parties hereby acknowledge that SONY BMG has agreements in place with a number of the entities identified on Schedule C, and that some reasonable period of time may be required in order for SONY BMG to restructure its arrangements with such Services to accommodate BMGMP's right to license such Services directly.

(d) (i) BMGMP agrees that, upon receipt of written notice from SONY BMG, it shall cause any applicable licensee to remove any ringback tone or ringtone that features a master recording that is substantially similar, in each parties reasonable judgment, to any Relevant SONY BMG Master (i.e., a "soundalike"). Notwithstanding the foregoing, BMGMP may exploit, or issue a license to exploit, any BMGMP Composition embodied in any sound recording released on phonorecords through traditional, normal retail channels.

(ii) SONY BMG shall meaningfully consult with BMGMP from time to time regarding (X) the names of those third party Services that SONY BMG reasonably believes are likely to enter into an agreement with SONY BMG for the right to exploit Relevant BMGMP Compositions embodied in Telecommunication Personalization Products, and (Y) the principal terms of any proposed license to a third party Service that SONY BMG believes is reasonably likely to be finalized or executed promptly thereafter with SONY BMG for the sole purpose of licensing to such Service the right to exploit Relevant BMGMP Compositions embodied in Telecommunication Personalization Products, and shall forward to BMGMP complete, unredacted copies of its agreements with applicable Services (including any applicable existing agreements) promptly following the complete execution of the same.

2.4.2.2 BMGMP and SONY BMG agree that the only royalties and licensing methodology applicable to any exploitation, during any part of the Telecommunication Personalization Product Term and in the Territory, of a Relevant BMGMP Composition, as

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embodied in a Relevant SONY BMG Master, in connection with a Telecommunication Personalization Product, shall be the Rates and methodology described herein, and such rates shall apply to any and all licenses contemplated in subparagraph 2.4.2.1 above. During the Telecommunication Personalization Product Term, such Rates and methodology cannot be superseded, diminished, reduced, adjusted, or altered by any agreement (including any agreement entered into prior to the Effective Date), by any otherwise applicable law, or by or as a result of any "controlled composition" clause or provision (or any other provision contained in any artist, side artist, producer, "outside controlled writer," or other agreement), and can only be modified by a written agreement signed by SONY BMG and BMGMP after the Effective Date.

2.4.2.3. (a) In connection with any license to a Service, unless otherwise agreed between BMGMP and SONY BMG, the Service shall account directly (the "Direct Accounting"), and pay royalties equal to the rates set forth in subparagraph 2.4.3 below directly to BMGMP in connection with all uses of the Relevant BMGMP Compositions, as a third party beneficiary of any such agreement. Such accountings and payment shall occur at the same time as accountings are rendered to SONY BMG by the Service. For the avoidance of doubt, in the event that SONY BMG receives an advance from any Service for use of the Relevant SONY BMG Masters, SONY BMG shall cause BMGMP to be paid royalties hereunder without regard to any recoupment of such advance. SONY BMG shall have no liability for any failure of a Service to account directly to BMGMP, or for any inaccurate accounting by a Service to BMGMP (but nothing herein shall limit or otherwise impair in any way BMGMP's right to pursue all available remedies directly against the Service as a result of the Service's failure to account directly to BMGMP or for any inaccurate accounting by the Service to BMGMP).

(b) If either (x) the Service is incapable of making the Direct Accounting and/or (y) notwithstanding SONY BMG's reasonable business efforts to provide for the Direct Accounting, the Service refuses to consummate an agreement with SONY BMG because of its reluctance to perform the Direct Accounting subject to the terms hereof, then SONY BMG is hereby appointed as BMGMP's agent, for the sole purpose of entering into a license with such Service, in the manner contemplated in the third sentence of subparagraph 2.4.2.1 of the Agreement (the "Substituted Agent License") provided that with respect only to the Substituted Agent License, the Service shall be permitted to account only pursuant to Modified Direct Accounting. "Modified Direct Accounting" means that SONY BMG must within forty-five (45) days following the end of each calendar quarter (i.e., March 31, June 30, September 30 and December 31), render to BMGMP (i) an accounting statement reflecting sales of Relevant Publisher Compositions by such Service which have been reported to SONY BMG at least 30 days prior to the end of the quarter, in a segregated section of the statement accompanied by (ii) payment to BMGMP of all amounts owing to BMGMP (irrespective of any advances such Service may have paid to SONY BMG), pursuant to these terms, in connection with the exploitations covered by such accounting statements. BMGMP shall have the right to participate in any audit, jointly audit, or to cause SONY BMG to commence an audit, of the Service conducted by SONY BMG, provided that in the event there is a joint audit or an audit in which BMGMP is otherwise permitted to participate, the parties shall negotiate in good faith in respect of selecting an appropriate auditor, determining the scope of work and allocating payment of any auditor fees in connection with such audit. Without limiting the preceding sentence, in the event that a decision is made to audit a Service, BMGMP shall have the right to separately engage the mutually agreed-upon auditor to audit such Service on BMGMP's behalf and to prepare a separate report with respect to BMGMP's royalties, provided that BMGMP is separately billed by and pays such auditor directly for such services. SONY BMG will use reasonable business efforts to arrange for a direct audit right for BMGMP against the Service, and SONY BMG shall notify BMGMP in the event that SONY BMG elects to commence an audit

In respect of any Service or a third party causes SONY BMG to commence an audit. For the avoidance of doubt, in the event that any service or licensee fails to account to or pay SONY BMG for royalties pursuant to any Modified Direct Accounting, BMGMP shall have the right to direct SONY BMG to take, and SONY BMG shall promptly thereafter take, such action as may be reasonable and necessary for SONY BMG to enforce BMGMP's rights to receive an accounting and/or payment, as if SONY BMG were enforcing SONY BMG's own rights.

2.4.2.4 The rates set out in subparagraph 2.4.3 below are not inclusive of any amount payable in respect of the public performance of the Relevant BMGMP Compositions. Notwithstanding anything to the contrary contained herein, SONY BMG shall have the option, exercisable at any point during the Telecommunication Personalization Product Term, on behalf of itself with respect to direct distributions of TPP Products by SONY BMG and as BMGMP's agent with respect to the Services in accordance with subparagraph 2.4.2.1 above (a) to secure directly from BMGMP in the United States and from the applicable performing rights organization (a "PRO") in Canada, a license to publicly perform (or to communicate to the public by telecommunication) any Relevant BMGMP Composition embodied in a Telecommunication Personalization Product solely in connection with the license granted in accordance with subparagraph 2.4.1 above; provided, however, that in no event shall SONY BMG be required to pay you (for exploitations in the United States) or to the combination of CMRRA and the PRO (for exploitations in Canada) an aggregate royalty in excess of one hundred and fifteen percent (115%) of the applicable royalty payable to BMGMP pursuant to subparagraph 2.4.3 below for any such Telecommunication Personalization Product concerned (the "All-In Royalty"). (For the avoidance of doubt, in the event that SONY BMG elects to secure a public performance license as set for the above for exploitation of any Telecommunication Personalization Product in the United States, Sony BMG or any Service licensed by Sony BMG shall do so only by directly licensing those rights from BMGMP and not through any applicable United States public performance society.) In the event that the aggregate royalties payable by SONY BMG in respect of any Telecommunication Personalization Product in respect of exploitations in Canada, inclusive of any royalties payable to a PRO for a public performance or communication to the public right, exceed the All-In Royalty, then (x) SONY BMG shall notify you accordingly and provide evidence demonstrating such excess payment obligation or overpayment, and BMGMP shall cause CMRRA to issue a reduced rate mechanical license so that the aggregate royalties do not exceed the All-In Royalty; or (y) SONY BMG shall have the right to reduce the royalties otherwise payable to BMGMP hereunder by an amount equal to the excess of the aggregate royalties actually payable in respect of each such Telecommunication Personalization Product (less any portion of such rate paid directly by the PRO in Canada to the writer concerned) over the All-In Rate. In addition, with respect to any exploitations in Canada of Telecommunication Personalization Products during the Telecommunications Personalization Product Term for which SONY BMG is required to pay more than the All-In Royalty, BMGMP shall remit to SONY BMG promptly following SONY BMG's request therefor an amount equal to any such excess paid by SONY BMG.

2.4.3 *Royalties.*

2.4.3.1 *"Retail Price."* Other than as provided in subparagraph 2.4.3.2 through 2.4.3.5 below, whenever (a) SONY BMG enters into an agreement with a Service, as BMGMP's agent, for the reproduction and distribution of SONY BMG Masters, including Relevant SONY BMG Masters, in Telecommunication Personalization Products (a "Service Distribution"), or (b) BMGMP directly enters into a license with a Service for the reproduction and distribution of Relevant BMGMP Compositions in Telecommunication Personalization Products, and SONY BMG enters into

an agreement with that same Service for the use of Relevant SONY BMG Masters (a "Service Distribution"), or (c) SONY BMG itself reproduces and distributes SONY BMG Masters, including Relevant SONY BMG Masters, in Telecommunication Personalization Products (a "Direct Distribution"), BMGMP will, to the extent of its interests, during each applicable accounting period, be paid a royalty equal to the greatest of:

(x) ten percent (10%) of the retail selling price paid or payable by the consumer (or credited in any way to SONY BMG or a Service) on a per tone basis (the "Retail Price") for each Telecommunication Personalization Product embodying a Relevant SONY BMG Composition transmitted or otherwise distributed, subject, where applicable, to subparagraph 2.4.3.2 below ("Effective Retail Price"), provided, however, that BMGMP and SONY BMG shall each be paid on the basis of the same Retail Price, or Effective Retail Price, as the case may be, for the purpose of this calculation; or

(y) twenty percent (20%) of SONY BMG's BMGMP TPP Receipts (defined below) in the case of a Service Distribution, or ten percent (10%) of SONY BMG's BMGMP TPP Receipts in the case of a Direct Distribution; or

(z) a "floor" (i.e., minimum payment) of ten (U.S.) cents ($.10) per Telecommunication Personalization Product transmitted or otherwise distributed, provided however, that for any Telecommunication Personalization Product that has a Retail Price, or an Effective Retail Price, as applicable, of greater than one (U.S.) dollar ($1.00); the "floor" shall be raised to twelve and one half (U.S.) cents ($.125) per Telecommunication Personalization Product transmitted or otherwise distributed.

SONY BMG's BMGMP TPP Receipts shall mean all amounts paid, payable, or credited in any way, to SONY BMG (or any entity acting on its behalf), irrespective of any unrecouped advances previously paid to SONY BMG, by (a) the Service or any other entity (in the case of a Service Distribution) (inclusive of all amounts paid or payable directly by such Service to publishers) in connection with any agreement described in the first sentence of this subparagraph 2.4.3.1, or (b) consumers (in the case of a Direct Distribution), in respect of Telecommunication Personalization Products embodying Relevant SONY BMG Masters transmitted or otherwise distributed during the period.

2.4.3.2 ***"Effective Retail Price."*** Whenever (a) a Service (in the case of a Service Distribution), or SONY BMG (in the case of a Direct Distribution), distributes Telecommunication Personalization Products in a "bundled" manner (e.g., by selling, transmitting or otherwise distributing two or more Telecommunication Personalization Products as a "2 for 1" offering; by selling, transmitting or otherwise distributing one or more Telecommunication Personalization Products together with some other product (such as an item of wallpaper, or "units" of cell phone air time) as a "package;" or by selling, transmitting or otherwise distributing two different types of Telecommunication Personalization Products together as a "package"); and/or (b) a Service allocates to SONY BMG (or any entity acting on SONY BMG's behalf) a portion of revenue in connection with the acquisition of or access to Telecommunication Personalization Products in addition to, or in lieu of, a payment or a credit for each Telecommunication Personalization Product transmitted or otherwise distributed (e.g., a monthly subscription fee), and that is not directly tied to the sale of a particular Telecommunication Personalization Product; and/or (c) SONY BMG (or any entity acting on its behalf) receives revenue in connection with the acquisition of or access to Telecommunication Personalization Products in addition to, or in lieu of, a payment or a credit for each Telecommunication Personalization Product transmitted or otherwise distributed (e.g., a monthly subscription fee), and that is not directly tied to the sale of a particular Telecommunication

Personalization Product, the "Retail Price" as provided in subparagraph 2.4.3.1 shall be equal to the "Effective Retail Price." The "Effective Retail Price" shall be determined by allocating all amounts payable by the consumer or subscriber for the product package (including, where applicable, any subscription or other payments) to the packaged products in accordance with the ratios that the a la carte retail prices of the individual elements which comprise the package bear to each other, provided, however, that when SONY BMG directly exploits Telecommunication Personalization Products pursuant to subparagraph 2.4.3.5 below, the ratios of the a la carte retail prices for the individual elements used by SONY BMG shall be consistent with the ratios that the a la carte retail prices of the individual elements which comprise the package, set by comparable Services, bear to each other. For example, if a consumer or subscriber is charged a five (U.S.) dollar monthly fee, and one item of wallpaper, one Master Ringtone, and one Master Ringback are transmitted or otherwise distributed to the consumer or subscriber during that period subject to the subscription, and the ala carte retail prices for the individual elements are $1.00, $2.00 and $2.50, respectively, then the Retail Prices for the Master Ringback and Master Ringtone as embodied in the package shall be computed as follows:

Wallpaper = x; Master Ringtone = 2x; Master Ringback = 2.5x
5.00 = x + 2x + 2.5x

The Effective Retail Price of the Wallpaper as embodied in the package would be $.90, the Effective Retail Price of the Master Ringtone as embodied in the package would be $1.80, and the Effective Retail Price of Master Ringback as embodied in the package would be $2.25. In the event the Service has never sold particular Telecommunication Personalization Products on an a la carte basis, then the Effective Retail Price shall be determined by allocating all amounts payable by the consumer or subscriber for the product package to the packaged products in accordance with the ratios that the a la carte retail prices of the individual elements which comprise the package, set by comparable Services, bear to each other.

2.4.3.3 ***"Hybrid" and Other Fee Structures – SONY BMG as BMGMP's Agent.*** In the event that SONY BMG enters into an agreement with a Service, as BMGMP's agent, for the reproduction and distribution of SONY BMG Masters, including Relevant SONY BMG Masters, in Telecommunication Personalization Products, whereby SONY BMG (or any entity acting on its behalf) (a) receives both a royalty for each Telecommunication Personalization Product transmitted or otherwise distributed, and any other revenue in connection with the acquisition of or access to Telecommunication Personalization Products in addition to a royalty for each SONY BMG Master transmitted or otherwise distributed (e.g., a portion of a monthly subscription fee) (a "Hybrid Fee"), or (b) does not receive a royalty for each SONY BMG Master transmitted or otherwise distributed, and receives only a portion of a monthly subscription fee or other revenue paid to the Service (or to some other entity) and that is not directly tied to the sale of a particular SONY BMG Master, then BMGMP will, during each applicable accounting period, receive the greatest of (x) ten percent (10%) of the Effective Retail Price for each individual Telecommunication Personalization Product embodying a Relevant SONY BMG Master transmitted or otherwise distributed, or (y) BMGMP's pro rata share of the Publishing Revenue Pool (defined below), such share to be based on a ratio whose numerator is the sum of BMGMP's percentage shares of the licensed musical compositions embodied in Relevant SONY BMG Masters transmitted or otherwise distributed during such accounting period pursuant to such agreement, and whose denominator is the total number of musical compositions embodied in SONY BMG Masters subject to such agreement transmitted or otherwise distributed during such accounting period, or (z) the so-called "floor" of ten (U.S.) cents ($.10) per Telecommunication Personalization Product transmitted or otherwise distributed, provided however, that for any Telecommunication Personalization Product that has a Retail Price, or Effective Retail Price, where applicable, of greater than one (U.S.) dollar ($1.00), the "floor" shall be raised to twelve and one half (U.S.) cents ($.125) per Telecommunication Personalization Product transmitted or otherwise

distributed. The "Publishing Revenue Pool" shall mean an amount equal to twenty-five percent (25%) of all amounts paid or payable by the Service (inclusive of all amounts paid or payable directly by such Service to publishers) to SONY BMG (or any entity acting on SONY BMG's behalf) that are allocable to Telecommunication Personalization Products (such allocation to be made in accordance with the formula contained in subparagraph 2.4.3.2 above), during the applicable accounting period, in connection with any agreement described in the first sentence of this subparagraph.

2.4.3.4 *"Hybrid" and Other Fee Structures – Direct License By BMGMP.* In the event that BMGMP directly enters into a license with a Service for the reproduction and distribution of Relevant BMGMP Compositions in Telecommunication Personalization Products, and SONY BMG enters into an agreement with that same Service for the use of Relevant SONY BMG Masters pursuant to which SONY BMG (or any entity acting on SONY BMG's behalf) (a) receives both a royalty for each Telecommunication Personalization Product transmitted or otherwise distributed, and any other revenue in connection with the acquisition of or access to Telecommunication Personalization Products in addition to a royalty for each SONY BMG Master transmitted or otherwise distributed (e.g., a portion of a monthly subscription fee) (a "Hybrid Fee"), or (b) does not receive a royalty for each SONY BMG Master transmitted or otherwise distributed, and receives only a portion of a monthly subscription fee or other revenue paid to the Service (or to some other entity) and that is not directly tied to the sale of a particular SONY BMG Master, then BMGMP will, during each applicable accounting period, receive the greatest of (x) ten percent (10%) of the Effective Retail Price for each individual Telecommunication Personalization Product embodying a Relevant SONY BMG Master transmitted or otherwise distributed, or (y) BMGMP's pro rata share of the Combined Publishing Revenue Pool (defined below), such share to be based on a ratio whose numerator is the sum of BMGMP's percentage shares of the licensed musical compositions embodied in SONY BMG Masters transmitted or otherwise distributed during such accounting period pursuant to SONY BMG's agreement with the Service, and whose denominator is the total number of musical compositions subject to such agreement transmitted or otherwise distributed during such accounting period, or (z) the so-called "floor" of ten (U.S.) cents ($.10) per Telecommunication Personalization Product transmitted or otherwise distributed, provided however, for any Telecommunication Personalization Product that has a Retail Price, or Effective Retail Price, where applicable, of greater than one (U.S.) dollar ($1.00), the "floor" shall be raised to twelve and one half (U.S.) cents ($.125) per Telecommunication Personalization Product transmitted or otherwise distributed. The "Combined Publishing Revenue Pool" shall mean an amount equal to twenty-five percent (25%) of all amounts paid or payable by the Service (inclusive of all amounts paid or payable directly by such Service to publishers) to SONY BMG (or any entity acting on SONY BMG's behalf) and to BMGMP, collectively, that are allocable to Telecommunication Personalization Products (such allocation to be made in accordance with the formula contained in subparagraph 2.4.3.2 above), during the applicable accounting period, in connection with SONY BMG's agreement with the Service and BMGMP's license with the same Service, as described in the first sentence of this subparagraph. During each applicable accounting period, BMGMP shall promptly provide SONY BMG with the amount of publishing revenue received by BMGMP pursuant to such direct license described above for the purpose of enabling SONY BMG to make the foregoing calculation.

2.4.3.5 *"Hybrid" and Other Fee Structures – Direct Distribution by SONY BMG.* In the event that SONY BMG itself reproduces and distributes SONY BMG Masters, including Relevant SONY BMG Masters, in Master Ringtones such that it (or any entity acting on its behalf) (a) receives both a royalty for each Master Ringtone transmitted or otherwise distributed, and any other revenue in connection with the acquisition of or access to Master Ringtones in addition to a royalty for each SONY BMG Master transmitted or otherwise distributed (e.g., a portion of a monthly subscription fee), or (b) does not receive a royalty for each SONY BMG Master transmitted or otherwise distributed, and receives only a portion of a monthly subscription fee or other revenue paid

to the Service (or to some other entity) and that is not directly tied to the sale of a particular SONY BMG Master, then BMGMP will, during each applicable accounting period, receive the greater of (x) ten percent (10%) of the Effective Retail Price for each Master Ringtone embodying a Relevant SONY BMG Master transmitted or otherwise distributed, or (y) the average per-tone royalty paid to BMGMP for comparable Master Ringtones sold under comparable hybrid or subscription-revenue-sharing fee structures, as applicable, for each Master Ringtone embodying a Relevant SONY BMG Master transmitted or otherwise distributed, or (z) a "floor" (i.e., minimum payment) of ten (U.S.) cents ($.10) per Master Ringtone transmitted or otherwise distributed, provided however, that for any Master Ringtone that has a Retail Price, or Effective Retail Price, where applicable, of greater than one (U.S.) dollar ($1.00), the "floor" shall be raised to twelve and one half (U.S.) cents ($.125) per Master Ringtone transmitted or otherwise distributed.

2.4.3.6 (a) Without limitation, SONY BMG (and/or any applicable Service) must obtain licenses hereunder in respect of all uses in the Territory of Relevant BMGMP Compositions embodied in Relevant SONY BMG Masters in connection with Telecommunication Personalization Products including, without limitation, in respect of Telecommunication Personalization Products licensed by SONY BMG prior to the Effective Date hereof.

(b) Notwithstanding anything to the contrary set forth herein, in respect of Relevant BMGMP Compositions embodied in Relevant SONY BMG Masters and exploited as Telecommunication Personalization Products on or after October 1, 2004, SONY BMG shall account and pay BMGMP in accordance with the terms of this Agreement. In addition, in the event that, following an audit by BMGMP pursuant to which it is conclusively determined, or the parties otherwise agree, that SONY BMG has underreported sales of Telecommunication Personalization Products occurring prior to October 1, 2004, or that SONY BMG has used an improperly reduced royalty rate as part of its calculation of royalties accruing for sales of Telecommunication Personalization Products occurring prior to October 1, 2004, then SONY BMG shall also pay BMGMP in respect of such underreported or incorrectly calculated sales royalties calculated in accordance with this section 2.4.3.

(c) For the avoidance of doubt, (i) SONY BMG shall promptly furnish BMGMP with back accountings, and BMGMP shall have the right to audit any accountings, for sales of Telecommunication Personalization Products occurring prior to October 1, 2004 ("Pre-10/04 Sales"); (ii) the applicable royalty rate payable for Pre-10/04 Sales of Telecommunication Personalization Products in the United States shall be either (A) eight and one half cents ($.085 USD) per Telecommunication Personalization Product sold (the "Pre-10/04 Sales Rate"), or (B) such other rate as may be applicable pursuant to any other license secured by SONY BMG, including without limitation, the rate set forth in any "controlled composition" clause (subject to the following sentence); and (iii) BMGMP acknowledges and agrees that it shall not assert a claim against SONY BMG that prior exploitations of BMGMP Compositions in the form of Telecommunication Personalization Products pre-dating this agreement, including for any Pre-10/04 Sales, were not properly licensed. Notwithstanding anything to the contrary set forth in clause (ii)(B) of the preceding sentence, with respect to Pre-10/04 Sales, (x) SONY BMG shall apply the Pre-10/04 Sales Rate (i.e. eight and one half cents ($.085 USD)) in lieu of any contrary rate found in a "controlled composition" clause embodied in a recording agreement executed on or after June 22, 1995, and (y) SONY BMG shall apply the rate set forth in paragraphs 2.4.3.1 through 2.4.3.5, as applicable, for any BMGMP Composition not previously coded into the SONY BMG royalty system as of the date this agreement is executed, in lieu of any other rate. SONY BMG shall promptly provide BMGMP with an accounting for all exploitations of BMGMP Compositions embodied in SONY BMG Masters and distributed as Telecommunication Personalization Products prior to January 1, 2005, but in no

event later than June 15, 2005, subject to BMGMP timely furnishing SONY BMG with any relevant publishing "splits" or other information requested by SONY BMG necessary to complete such accounting.

2.4.3.7 . Other than as specifically provided for in the calculation of Effective Retail Price, SONY BMG shall not make any deductions, discounts, allocations, or reductions that in any way diminish the Retail Price, the Effective Retail Price, or any amount paid or payable to BMGMP hereunder. Furthermore, notwithstanding anything herein, SONY BMG shall not benefit in any way, that does not also result in an appropriate financial benefit to BMGMP, by any deductions, discounts, allocations, or reductions made by any other entity that in any way diminish the Retail Price, the Effective Retail Price, or any amount paid or payable to BMGMP hereunder.

2.4.3.8 SONY BMG shall pay to BMGMP the applicable Rate as set forth in this subparagraph 2.4.3 for each Telecommunication Personalization Product embodying Relevant SONY BMG Master(s) that is transmitted or otherwise distributed; there shall be no "free," "bonus," or "promotional" goods unless pre-approved in writing by BMGMP. Notwithstanding the foregoing, SONY BMG may distribute a limited number of Telecommunication Personalization Products to Services solely for use as demonstration products in physical retail outlets, tradeshow demonstrations, or consumer previews at tradeshows (but such demonstration products shall not be sold or otherwise distributed to consumers or subscribers, including, without limitation, by being included on a wireless communications device sold to a consumer), and BMGMP shall not assert a claim to receive royalties for a limited amount of these demonstration products.

2.5 **Digital Video Products.**

2.5.1 ***Agreement to Issue Licenses.*** Subject to these terms, BMGMP hereby agrees to issue licenses, or cause licenses to be issued to SONY BMG to synchronize, reproduce and distribute, solely in the Territory and only during the Digital Video Product Term, Relevant BMGMP Compositions as embodied in Relevant SONY BMG Masters contained on Digital Video Products created by SONY BMG, including the right to reproduce the musical composition onto a server, to transmit the musical composition from the server to, and to reproduce the musical composition on, a playback device, and to create any temporary or incidental reproductions as part of such transmission and reproduction to the playback device. and to cause the playback device to play such musical composition on the terms set forth herein: For clarity, and without limitation, this Agreement does not cover the synchronization, reproduction or distribution of any Promotional Video or other Audiovisual Recording, or other embodiment of a SONY BMG Master in an audiovisual work; on or in connection with a Standard CD, Dual Disc, DVD, film, or any other optical disc or other "physical" media (other than as provided in the last sentence of subparagraph 1.12), or for any purpose other than as a Digital Video Product. For the avoidance of doubt, this Agreement grants SONY BMG no right to license any BMGMP Composition embodied in a Promotional Video or other Audiovisual Work included on the Digital Video Product to a third-party for use as original programming, or as part of a motion picture, trailer, short film, documentary or television program. Each Digital Video Product shall be deemed a new release as the date of actual release in the US or Canada, as the case may be, of the Digital Video Product for the purpose of determining any applicable controlled composition rate.

2.5.2 *Licensing Methodology.*

2.5.2.1 (a) BMGMP retains the sole and exclusive right to license (or refrain from licensing) any use of a Relevant BMGMP Composition (and/or any other BMGMP Composition) in connection with a Digital Video Product by either SONY BMG or by a third-party service or entity (a "Service"), subject to subparagraph 3.3 below. SONY BMG shall have the right to itself directly exploit (but not to sublicense others to exploit) Relevant BMGMP Compositions embodied in Digital Video Products, with and subject to BMGMP's advance written approval, and subject to the royalty rates and payment provisions contained in subparagraphs 2.5.3 below. SONY BMG shall also be appointed as BMGMP's agent for the sole purpose of licensing to a Service the right to exploit Relevant BMGMP Compositions embodied in Digital Video Products, with and subject to BMGMP's advance approval, and subject to the royalty rates and payment provisions contained in subparagraphs 2.5.3 below. BMGMP has pre-approved (x) SONY BMG to act as BMGMP's agent in licensing to the Services listed on Schedule D annexed hereto the right to exploit Relevant BMGMP Compositions embodied in Digital Video Products, and (y) SONY BMG's direct exploitations of Relevant BMGMP Compositions embodied in Digital Video Products as set forth on Schedule D1 annexed hereto, subject to the royalty rates and payment provisions contained in subparagraphs 2.5.3 below. Nevertheless, in the event that any Service (including those Services listed on Schedule D) wishes to deal directly with BMGMP, it may seek a license directly from BMGMP. Notwithstanding the preceding sentence, (i) BMGMP shall not solicit direct licenses from the Services listed on Schedule D solely with respect to Digital Video Products, unless the term of the relevant agreement between such Service and SONY BMG has otherwise expired or been terminated and BMGMP thereafter has provided SONY BMG with prior written notice of its intention to solicit, and (ii) BMGMP is prepared to have SONY BMG act as its agent for the sole purpose of licensing to those Services the right to exploit Relevant BMGMP Compositions embodied in Digital Video Products, subject to the terms and conditions of this Agreement.

(b) SONY BMG shall, with respect to Audiovisual Recordings embodied in Digital Video Products, identify to BMGMP as soon as reasonably practicable in advance of, but not later than fifteen (15) days prior to, the release of any such product taking into account the creative process and creative considerations, the titles and a general description of the proposed use, and if available a copy of the Digital Video Product, for any Relevant BMGMP Compositions embodied in any Audiovisual Recording contained thereon, provided that SONY BMG's non-repetitive, inadvertent failure to do so in any instance shall not constitute a breach of this Agreement. BMGMP shall endeavor to obtain any applicable consent from its writer(s) for the use of the Relevant BMGMP Composition in the Audiovisual Recording and shall notify SONY BMG not later than ten (10) days following BMGMP's receipt of the notice concerned. In the event a songwriter denies consent for the proposed use in an Audiovisual Recording, BMGMP shall notify SONY BMG of the same and SONY BMG shall not include or otherwise use any such BMGMP Composition as to which it has received such notice in the Audiovisual Recording concerned as part of any Digital Video Product in contravention of the restriction, following SONY BMG's receipt of such notice. If such BMGMP Composition has been exploited under the terms hereof prior to SONY BMG receiving notice denying songwriter consent, SONY BMG shall cease any further manufacture, distribution or other exploitation of a Digital Video Product embodying such BMGMP Composition, in derogation of such limitation or restriction, promptly following SONY BMG's receipt of such notice, and shall take such other necessary steps as may be reasonably requested by BMGMP in connection therewith.

2.5.2.2 It is understood that the parties wish to, on an experimental basis, attempt to exploit Relevant SONY BMG Masters, and Promotional Videos and Audiovisual Recordings that embody them, as Digital Video Products, via newly developed consumer offerings which have heretofore not been commercially exploited, and which are delivered via Internet, cable television, satellite, and/or telecommunication networks ("New Tech Distribution Platforms"). It is to that end that BMGMP agrees to issue licenses to exploit Digital Video Products via the New Tech Distribution Platforms (subject to the consent of its writers, if applicable) pursuant to subparagraph 2.5.1, but only during the Digital Video Product Term on the terms set forth herein. It is of the essence of this Agreement that at the conclusion of the Digital Video Product Term, SONY BMG shall immediately cease all further distribution, transmission, reproduction, performance or other making available of Promotional Videos and Audiovisual Recordings embodying BMGMP Compositions as Digital Video Products pursuant to this license.

2.5.2.3 Unless otherwise approved by BMGMP in writing, SONY BMG and/or any Service it licenses shall distribute Exhibition-Only Video Streams and/or Limited Video Downloads embodying BMGMP Compositions only via the following methods: (a) linear, pre-programmed video channels consisting of general programming, genre-based channels or "personalized"/user-influenced programming that have been pre-approved in writing by BMGMP; and (b) video-on-demand ("VOD"), delivered via New Tech Distribution Platforms, whereby consumers will be allowed to select specific individual Promotional Videos or Audiovisual Recordings for instant play or for assemblance in a user's uniquely generated "on-demand" playlist.

2.5.3. *Royalties.*

2.5.3.1 It is understood that, due to the fact that SONY BMG is seeking to exploit Digital Video Products via newly developed consumer offerings which have heretofore not been commercially exploited, the parties were unable to set the royalties payable by SONY BMG to BMGMP in respect of SONY BMG's licensing, distribution and sale of Digital Video Products embodying Relevant SONY BMG Masters as of the Effective Date of this Agreement. Nevertheless, the parties agree that they shall negotiate in good faith a royalty rate to be paid by SONY BMG or any Services to BMGMP for each manner of exploitation of Digital Video Products embodying Relevant SONY BMG Masters set forth in subparagraphs 2.5.2.3 and 2.5.2.4 above, provided, however, that (i) the parties' failure to agree to a royalty rate in respect of any exploitation contemplated in subparagraphs 2.5.2.3 and 2.5.2.4 shall not void or otherwise impair the remainder of this Agreement; and (ii) any rate agreed upon by the parties or determined by arbitration in accordance with subparagraph 2.5.3.3 and/or 2.5.3.4 below, or otherwise determined by law, shall be payable retroactive to the first exploitation by SONY BMG pursuant to a license issued in accordance with subparagraph 2.5.1 above. However, notwithstanding anything contained in this subparagraph 2.5.3, in no event shall SONY BMG pay BMGMP less than the Statutory Mechanical Rate (which may be expressed as a percentage of the wholesale price) in respect of the audio use in any EMD Music Video Sale. Nothing contained in the preceding sentence excuses in any way SONY BMG's obligation to pay BMGMP a royalty for the video use in such EMD Music Video Sale, once a rate is agreed upon or determined, and subject to the terms set forth in this subparagraph 2.5. Notwithstanding anything to contrary contained herein, SONY BMG shall pay to BMGMP a royalty for each Digital Video Product embodying Relevant SONY BMG Master(s) that is distributed and not returned; there shall be no "free," "bonus," or "promotional" goods.

2.5.3.2. Any rate agreed upon by the parties or determined by arbitration in accordance with subparagraph 2.5.3.3 and/or 2.5.3.4 below, or otherwise determined by law, is not inclusive of any amount payable in respect of the public performance of the Relevant BMGMP Composition, unless otherwise agreed by BMGMP and SONY BMG (e.g., in respect of particular Digital Video Products). For the avoidance of doubt, no public performance license is granted herein in connection with Digital Video Products.

2.5.3.3 If six (6) months following the commencement of the Digital Video Product Term, the parties have not yet agreed to a royalty pursuant to subparagraph 2.5.3.1 above, for any of the exploitations by SONY BMG of Digital Video Products embodying Relevant SONY BMG Masters (the "Royalty Rates"), then either party may give the other party written notice ("Notice of Mediation") of its intention to proceed with non-binding mediation pursuant to the remainder of this subparagraph. If, within thirty (30) days following the receipt of the Notice of Mediation, the parties have still not agreed upon the appropriate Royalty Rate(s), then the parties will submit to non-binding mediation the dispute over such Royalty Rate(s). After the expiration of such thirty (30) day period, SONY BMG and BMGMP shall promptly retain a mutually selected mediator with both recorded music and music publishing experience to mediate the Royalty Rate dispute. The party commencing mediation shall propose a list of five (5) mediators, who must be affiliated with a dispute resolution firm. The other party shall designate the mediator from the list or make a counter-proposal, and the commencing party can designate its choice from that list. If the parties cannot agree, then JAMS shall be designated as the dispute resolution firm and shall designate a mediator. Neither party may unreasonably withhold consent to the selection of a mediator. The mediation shall be conducted in New York, New York, unless otherwise mutually agreed by the parties. Within twenty (20) days of the mediator's retention, SONY BMG and BMGMP shall each submit to the mediator in writing their respective positions with respect to the Royalty Rate(s) in dispute, together with any supporting documentation as the parties deem necessary or as the mediator requests. The mediator may also schedule meetings between the parties to the extent deemed necessary. The mediator shall then issue a non-binding recommendation to the parties. If the dispute is not then resolved thirty (30) days after the mediator's recommendation is issued either party may proceed to binding arbitration in accordance with subparagraph 2.5.3.4 below. Nothing submitted or stated in connection with the foregoing mediation including, but not limited to, the mediator's recommendation shall be admissible or used in any manner in connection with the arbitration between the parties. Each of the parties shall bear their own costs and expenses in connection with the mediation. The fees and expenses of the mediator in connection with the procedure set forth above shall be paid by the parties equally. The use of the mediation procedures hereunder will not be construed under the doctrine of laches, waiver or estoppel to affect adversely the rights of either party. Notwithstanding anything contained herein to the contrary, in no event shall the mediation process described in this subparagraph 2.5.3.3 extend beyond a period of six (6) months from the date a Notice of Mediation is first received by any party.

2.5.3.4 In the event that SONY BMG and BMGMP, following good faith attempts to reach agreement pursuant to subparagraphs 2.5.3.1 and 2.5.3.3 as to the Royalty Rates, fail to reach an agreement, then each of SONY BMG and BMGMP hereby agree to submit the applicable Royalty Rate(s), including all matters relating to, arising out of, or connected therewith, to arbitration before and pursuant to the Commercial Rules of the American Arbitration Association in New York, New York (the "AAA"), which Rules are deemed to be incorporated in this letter by reference, except as set forth below. The arbitration shall be conducted in English and shall be submitted to the AAA for arbitration by both parties as promptly as practicable following thirty (30) days after a mediation decision as set forth in subparagraph 2.5.3.3 above and the parties' subsequent failure to agree upon the appropriate

Royalty Rate(s). Any failure of either party to cooperate with the commencement of the arbitration within such time frame shall be deemed a default for purposes of determining the applicable Royalty Rate(s). Each party shall be entitled to pursue it rights to discovery in accordance with such Commercial Rules. Within fifteen (15) days following the commencement of arbitration, each party shall select one arbitrator with both recorded music and music publishing experience, and the two selected arbitrators shall promptly thereafter (but in no event later than thirty (30) days thereafter) each designate a list of ten (10) potential candidates with both recorded music and music publishing experience to serve as a third arbitrator. The first name to appear on both lists shall be designated as the third arbitrator. The arbitrators shall set a date for the arbitration to commence not later than sixty (60) days following the designation of the third arbitrator. The arbitration shall be conducted in New York City, and the live testimony portion of the arbitration shall not exceed three (3) days in the aggregate. The arbitrators shall designate a Royalty Rate for each of the exploitations of Digital Video Products referenced in subparagraphs 2.5.2.2 and 2.5.2.3 above submitted for arbitration. Judgment on any award by the arbitrators may be filed in the highest court having jurisdiction thereof. Unless the arbitrators decide otherwise, the parties shall share the fees of the arbitrators. The parties agree that the arbitrator(s) shall have no authority to award damages in connection with the Royalty Rate and that the authority of the arbitrator(s) shall be limited to designating appropriate Royalty Rates. The parties agree that each party shall bear its own costs and attorneys' fees in connection with the arbitration. Notwithstanding anything contained herein to the contrary, in no event shall the arbitration process described in this subparagraph 2.5.3.4 extend beyond a period of twelve (12) months from the date a Notice of Mediation is first received by any party.

3. Definitive Understanding/Intent of Parties.

3.1 This Agreement is intended as the parties sole, exclusive and definitive understanding of the methodology and rates applicable to the exploitation of the Relevant BMGMP Compositions, as embodied in the Relevant SONY BMG Masters, in connection with the New Digital Media Products described herein, in the Relevant Term and Territory. As such, it supersedes all understandings, claims, interpretations and agreements with which it may conflict. Accordingly, without limitation, insofar as the Relevant SONY BMG Masters are concerned, BMGMP agrees that for the Relevant Term and Territory it shall not assert any claims , or deal with any third-parties in a manner inconsistent with these terms. Furthermore, without limitation, is so far as the Relevant BMGMP Compositions are concerned, SONY BMG agrees that for the Relevant Term and Territory it shall not assert any claims, or deal with any third-parties in a manner inconsistent with these terms. Nothing in this paragraph is intended to, or shall be deemed to (a) restrict or hamper SONY BMG in its actual negotiations with third-party music publishers not controlled or administered, or co-controlled or co-administered, by BMGMP, or (b) restrict or hamper BMGMP in its actual negotiations with third-party record labels.

3.2 It is the intention of the parties, consistent with the Recitals to this Agreement, that this Agreement shall, *inter alia*, provide for the availability of licenses ("Relevant Licenses") enabling the use in the Relevant Term and Territory of Relevant BMGMP Compositions together with Relevant SONY BMG Masters in Telecommunications Personalization Products, and this Agreement provides that Relevant Licenses may be made available to Services in different ways (i.e. directly from BMGMP, through SONY BMG as BMGMP's agent, etc.) (collectively, "Methodologies"), subject to the royalty rates described in this Agreement and subject to the other terms herein. Notwithstanding anything herein, regardless of which Methodology is employed, no fiscally capable secure Service requesting such a Relevant License (which

conforms to the applicable rates and terms) and not otherwise subject to a claim or other legal action commenced by BMGMP shall be denied such Relevant License.

3.3 It is the intention of the parties, consistent with the Recitals to this Agreement, that this Agreement shall, *inter alia*, provide for the availability of licenses ("Relevant Licenses") enabling the use in the Relevant Term and Territory of Relevant BMGMP Compositions together with Relevant SONY BMG Masters in Digital Video Products, and this Agreement provides that Relevant Licenses may be made available to Services in different ways (i.e. directly from BMGMP, through SONY BMG as BMGMP's agent, etc.) (collectively, "Methodologies"), subject to the terms herein. Notwithstanding anything herein, regardless of which Methodology is employed, no fiscally capable secure Service requesting such a Relevant License (which conforms to the applicable rates and terms) shall be denied such Relevant License.

4. <u>Limitations and Reservation of Rights.</u>

4.1 This Agreement relates only to Relevant BMGMP Compositions and only to their use (a) together with, and as embodied in, the Relevant SONY BMG Master, and (b) in the New Digital Media Products. Except as may be specifically provided for herein, this Agreement does not in any way affect any musical composition other than a Relevant BMGMP Composition, nor does it affect any exploitation of a Relevant BMGMP Composition separate and apart from the Relevant SONY BMG Master. For clarity, this Agreement does not permit any exercise or exploitation of rights in any New Digital Media Product outside of the Relevant Term or Territory.

4.2 Except as specifically provided for in subparagraph 2.4.2.4, no right of public performance is granted under this Agreement.

4.3 This Agreement does not authorize or permit any use of a BMGMP Composition not expressly set forth herein, and, except as specifically provided for herein, does not include the right to alter the fundamental character of the music of any BMGMP Composition. BMGMP reserves all rights not expressly granted to SONY BMG hereunder. All rights granted hereunder are granted on a non-exclusive basis.

4.4 Without limiting the force and effect of the foregoing, this Agreement does not include the rights to reproduce, distribute, synchronize, use or exploit a BMGMP Composition in any digital media (including to make any digital phonorecord delivery), or on or in any broadcast/cablecast or on-line services (whether viewable in real time or downloadable), interactive program, platform, media or storage device not specifically enumerated herein.

4.5 Nothing contained in this Agreement shall preclude or inhibit BMGMP's ability to take any action with respect to the infringement of its rights in any BMGMP Composition.

4.6 Except for factual and/or descriptive purposes, no right whatsoever is being granted hereunder to use or authorize other persons to use the names (including any professional names, previously, now or hereafter used), facsimile signatures, voices, likenesses or biographical material of, concerning, or regarding any of the composers of a BMGMP Composition for any purpose whatsoever.

4.7 Where SONY BMG embodies or displays lyrics in New Digital Media Products, BMGMP grants no right to synchronize the lyrics with any audiovisual material (except as provided in subparagraph 2.1.1 above).

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5. Security/Copyright Notice. In addition to any other covenant, representation, warranty or agreement contained herein regarding encryption, security and/or Digital Rights Management ("DRM"), SONY BMG further represents, warrants and agrees that all New Digital Media Products shall be distributed with industry-standard security measures that are applicable to such media. SONY BMG further represents, warrants and agrees that it shall use reasonable business efforts to prevent the creation or exploitation of any unauthorized copies of any Relevant SONY BMG Masters in any facilities in its control in any form (including but not limited to, copies created by employees or contractors outside the immediate scope of their employment) ("Illicit Copies"). SONY BMG shall use reasonable business efforts to accord appropriate copyright credit to BMGMP and/or its writers in a manner that is industry-standard for the relevant New Digital Media Product.

6. Consideration Interdependent. The terms and conditions set forth herein with respect to different products and services are interdependent, and each party's accession to terms, conditions and rates in any one section is in consideration of the other party's accession to the terms, conditions and rates set forth in the remaining sections, in their entirety.

7. Sell Off. Notwithstanding anything to the contrary contained herein, SONY BMG shall have a period of not less than six (6) months after the conclusion of the Multi-Session Audio Product Term, or the Locked Content Product Term (the "Sell Off Period") to sell off any remaining inventory of Multi-Session Audio Products, or Locked Content Products embodied on portable media, manufactured during the Multi-Session Audio Product Term, or the Locked Content Product Term, as the case may be. Notwithstanding the foregoing, any retailer of consumer electronics devices may indefinitely sell off any consumer electronics device (including any computer hard-drive or consumer playback device) embodying Locked Content Products distributed to such retailer prior to the conclusion of the Locked Content Term. SONY BMG shall have an indefinite period to sell off any Dual Disc Products manufactured during the Dual Disc Term. Notwithstanding anything contained herein, all sales during the Sell Off Period shall be in the ordinary course of business, and SONY BMG shall act in good faith and shall not excessively manufacture product during the Relevant Term in an effort to stockpile "inventory" to sell after the Relevant Term.

8. Accounting; Audit; Method of Payment.

8.1 Royalties under this Agreement shall be paid to BMGMP, by SONY BMG, or by a Service, as the case may be, on a quarterly basis not later than forty five (45) days following the end of the calendar quarter concerned, and shall be accompanied by statements (which must be provided electronically), indicating, for each type of New Digital Media Product distributed, the number of each such product distributed in the Territory during the period. SONY BMG shall begin accounting to BMGMP in the first quarter immediately subsequent to the first release or first distribution of the relevant New Digital Media Product.

8.2 SONY BMG agrees, on behalf of itself and the Services it has licensed as BMGMP's agent, that SONY BMG and such Service shall keep and maintain true and accurate records and books of account in connection with the distribution of New Digital Media Products and all transactions related thereto or otherwise contemplated under this Agreement, and shall retain all such records and books for a period of not less than three (3) years after each accounting to BMGMP. BMGMP, by its designated representative, shall have the right, upon reasonable written notice, and during normal office hours, to examine the books and records of SONY BMG, at its regular place of business where the books and records are maintained, as the same pertain to the subject matter of this Agreement and to make copies and extracts

thereof. BMGMP shall only be entitled to one such examination for a particular accounting period, and only within three (3) years after the end of an accounting period with respect to accountings during the period concerned. If BMGMP has any objections to a royalty statement, BMGMP shall give SONY BMG specific notice of that objection and BMGMP's reasons therefor within three (3) years after the end of an accounting period with respect to accountings during the period concerned. Each royalty statement shall become conclusively binding on BMGMP at the end of that three (3) year period, and BMGMP shall no longer have any right to make any other objections to the statement. BMGMP shall not have the right to sue SONY BMG in connection with any royalty accounting, or to sue SONY BMG for royalties during any period a royalty accounting covers, unless BMGMP commences the suit within one (1) year after the end of that three (3) year period. SONY BMG will use best reasonable business efforts to cause any licensed Service to provide BMGMP, by its designated representative, the right, upon reasonable written notice, and during normal office hours, and not more than one time with respect to any Relevant Term (although such audit may take place during or after the Relevant Term), to examine the books and records of such Service, at its regular place of business where the books and records are maintained, as the same pertain to the subject matter of this Agreement and to make copies and extracts thereof. SONY BMG and each such Service shall cooperate with BMGMP's representative to assist them in understanding all such material. SONY BMG agrees to use its best reasonable business efforts to ensure that each of these accounting and audit provisions are contained in any license between SONY BMG and a Service, and that BMGMP shall be made a third-party beneficiary of such provisions. The failure of such Service to honor any such accounting or audit provision shall not be deemed a breach of this Agreement by SONY BMG.

8.3 All checks to BMGMP shall be in United States Dollars (or, the equivalent in Canadian Dollars, as the case may be), shall be made payable to BMG Music Publishing NA, Inc., and shall be sent to the address set forth in paragraph 10 below. All accountings and payments must be received by BMGMP on the date such payment and statement are due, according to the terms of this Agreement, time being of the essence hereof. No payments shall be diminished or reduced in any manner for any reason, including without limitation, any withholdings, currency restrictions, exchanges or taxes, and, for clarity, no amount(s) shall be set-off against, or recouped from, the payments due hereunder. Upon written request, BMGMP shall provide SONY BMG with a current W-9 form for each music publishing catalog receiving payment.

8.4 Any direct or indirect payments received by SONY BMG or a Service with respect to exploitation of Relevant BMGMP Compositions in New Digital Media Products that is an amount in excess of the share to which SONY BMG or the Service is entitled under this Agreement (hereinafter called "SONY BMG Excess Share") shall be reported by SONY BMG or the Service, as the case may be, to BMGMP, and SONY BMG or the Service, as the case may be, shall, within thirty (30) days thereof, remit to BMGMP the SONY BMG Excess Share. In the event that BMGMP shall inform SONY BMG or a Service of any claim by BMGMP that SONY BMG or a Service, as the case may be, has been paid any SONY BMG Excess Share, based on supporting documentation and details thereof which BMGMP shall furnish, then upon verification thereof by SONY BMG or the Service, as the case may be, SONY BMG or the Service shall, within thirty (30) days of verification, remit to BMGMP any SONY BMG Excess Share.

8.5 Any direct or indirect payments received by BMGMP with respect to exploitation of Relevant BMGMP Compositions in New Digital Media Products that is an amount in excess of the share to which BMGMP is entitled under this Agreement (hereinafter called "BMGMP

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Excess Share") shall be reported by BMGMP to SONY BMG, and BMGMP shall, within thirty (30) days thereof, remit to SONY BMG the BMGMP Excess Share. In the event that SONY BMG shall inform BMGMP of any claim by SONY BMG that BMGMP has been paid any BMGMP Excess Share, based on supporting documentation and details thereof which BMGMP shall furnish, then upon verification thereof by BMGMP, BMGMP shall, within thirty (30) days of verification, remit to SONY BMG any BMGMP Excess Share.

8.6 Notwithstanding anything to the contrary contained herein, SONY BMG or a Service, as the case may be, shall, with respect to any Relevant SONY BMG Master distributed in accordance with the terms of this Agreement, pay to BMGMP the relevant royalty as provided for in paragraph 2 herein, and in accordance with the payment provisions provided for in this paragraph 8, regardless of and notwithstanding whether SONY BMG has or has not cleared, or is or is not able to clear, all or some of the rights in the Relevant SONY BMG Master other than the rights owned or controlled by BMGMP.

8.7 Each party agrees to provide to the other complete, unredacted copies of all licenses with any Service (and any other agreements, accounts, and other relevant documents with respect to any such licenses, including prior written notice of each deal consummated with a Service) so as to enable each party to ensure that it is being accounted to on an accurate and timely basis.

9. Favored Nations. SONY BMG represents and warrants that if at any time SONY BMG enters into a license with another major music publisher (i.e., Sony/ATV, Warner-Chappell, EMI Music Publishing or Universal Music Publishing Group) for the same aggregate rights contained in this agreement upon principal financial and licensing terms that are more favorable to such other publisher than the principal financial and licensing terms set forth herein, then SONY BMG shall notify BMGMP thereof and shall afford BMGMP the opportunity to enter into an agreement with SONY BMG upon those same principal financial and licensing terms, in their entirety, in lieu of the terms set forth in this agreement. For the avoidance of doubt, nothing in the preceding sentence shall grant BMGMP any right to audit any agreement with any other music publisher granting the same or similar rights to SONY BMG as set forth herein.

10. Notices. Any notices, consent, approval, demand, or other communication to be given to BMGMP or to SONY BMG shall be sent to BMGMP or SONY BMG, as the case may be, at the address mentioned in this paragraph 10 below, or to such other address as the party may hereafter designate by notice in writing to the other party or to a Service. All notices, consents, approvals, demands, other communications and payments hereunder shall be hand delivered or sent by certified mail, return receipt requested, as follows:

To BMGMP:
BMG MUSIC PUBLISHING NA, INC.
1540 Broadway
New York, New York 10036
Attention: Senior Vice President, Business and Legal Affairs

To SONY BMG:
SONY BMG MUSIC ENTERTAINMENT
550 Madison Avenue
New York, New York 10022-3111
Attention: Executive Vice President and General Counsel

With a courtesy copy to: SONY BMG MUSIC ENTERTAINMENT
550 Madison Avenue
New York, New York 10022-3111
Attention: Executive Vice President & Chief Business & Legal Affairs Officer

Any notice shall be deemed complete when the same (containing whatever information may be required hereunder) is deposited in any mail box properly addressed and sent as aforesaid, except that (a) all materials personally delivered shall be deemed served when actually received by the party to whom addressed, (b) air express materials shall be deemed served on the day of delivery to the air express company, (c) notices of change of address shall be effective only from the date of receipt, and (d) royalty statements may be sent by regular mail and shall be deemed rendered when actually received by BMGMP.

11. Ownership. SONY BMG shall not at any time, directly or indirectly, license, transfer, assign, sell or otherwise dispose of, pledge, mortgage or in any way encumber any BMGMP Composition or any interest of any kind therein, and/or any right or license granted hereunder, other than as provided herein, and any such purported license, transfer, assignment, sale, disposal, pledge, mortgage or encumbrance shall be void and of no effect.

12. No Partnership. Nothing herein contained shall create any association, partnership, joint venture or relationship of principal and agent between the parties hereto, except as specifically provided for herein; it being understood that the parties hereto are, with respect to each other, independent contractors, and neither party shall have any authority to bind the other or the other's representatives in any way and shall not hold itself out to any person or entity as having authority.

13. Integration. The parties hereto agree that: (i) all understandings and agreements heretofore made between them with respect to the subject matter hereof are merged in this agreement, which fully and completely expresses their agreement with respect to the subject matter hereof and (ii) except as specifically set forth herein, all prior agreements among the parties with respect to such subject matter are superseded by this agreement which integrates all promises, agreements, conditions and understandings among the parties with respect to such subject matter. In addition, each party acknowledges that neither party nor any person acting on behalf of a party (including its agents, its representatives or its attorneys) has made any promise, representation or warranty whatsoever, express or implied, oral or written, not contained herein, and further acknowledges that they have not executed, and have not been induced to execute, this agreement in reliance upon any promise, representation or warranty. No change, modification, waiver or termination of this agreement shall be binding upon either party unless it is made by an instrument signed by an authorized officer of the party against whom enforcement is sought. A waiver by either party of any provision of this agreement in any instance shall not be deemed a waiver of such provision, or any other provision hereof, as to any future instance or occurrence. All remedies, rights, undertakings, and obligations contained in this agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, or obligation of either party. The captions of the Articles in this agreement are included for convenience only and shall not affect the interpretation of any provision.

14. Governing Law. THIS AGREEMENT HAS BEEN ENTERED INTO IN THE STATE OF NEW YORK, AND THE VALIDITY, INTERPRETATION AND LEGAL EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK

APPLICABLE TO CONTRACTS ENTERED INTO AND PERFORMED ENTIRELY WITHIN THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES UNDER NEW YORK LAW). THE NEW YORK COURTS (STATE AND FEDERAL), SHALL HAVE SOLE JURISDICTION OF ANY CONTROVERSIES REGARDING THIS AGREEMENT; ANY ACTION OR OTHER PROCEEDING WHICH INVOLVES SUCH A CONTROVERSY SHALL BE BROUGHT IN THOSE COURTS IN NEW YORK COUNTY AND NOT ELSEWHERE. THE PARTIES WAIVE ANY AND ALL OBJECTIONS TO VENUE IN THOSE COURTS AND HEREBY SUBMIT TO THE JURISDICTION OF THOSE COURTS.

15. **Sophisticated Parties; Independent Counsel.** The parties hereto are sophisticated and have had the opportunity to be represented by independent counsel throughout the negotiation and execution of this Agreement. As a consequence, no presumption of any law or rule relating to the interpretation of contracts against the drafter of any particular provision should be applied in this case, and the parties hereby waive their effects.

16. **Mutual Press Release.** Neither party hereto shall, without the prior written consent of the other party, issue any press release or make any other public announcement or statement relating to any terms and conditions of this agreement or to the negotiation thereof to which such party was privy or of which it was otherwise made aware (e.g., by being copied on correspondence or by being advised by another party to the negotiation). The parties shall mutually approve and issue a joint press release announcing the execution of this agreement, and shall mutually agree on a general description or characterization of the agreement, with which any public statements shall conform and follow in all material respects.

17. **Assignment; Change of Control.** This Agreement, and the rights, opportunities and obligations created pursuant to this Agreement, are not assignable or transferable in any manner by SONY BMG, nor shall SONY BMG sublicense or delegate any of its rights or obligations without the prior written consent of BMGMP. BMGMP may assign this Agreement and any of its rights hereunder in whole or in part to any person or entity which controls, which is controlled by, or which is under common control with, BMGMP, or which is in partnership with BMGMP, and/or to any parent, affiliated or subsidiary company or corporation, or to a person or entity owning, or acquiring, all or a substantial part of BMGMP's stock and/or assets or with whom BMGMP may merge or be merged, in which case SONY BMG shall not be released from its obligations hereunder.

18. No Waiver. Nothing in this agreement is intended to waive, compromise, preclude or otherwise affect any legal position, defense or remedy that either party may wish to assert after the Relevant Term with respect to the rights or exploitations contemplated hereunder (including without limitation whether a public performance right is implicated by or requires licensing for any of the New Digital Media Products), all of which are expressly reserved.

ACCEPTED AND AGREED:

SONY BMG MUSIC ENTERTAINMENT

By: _____
Jon Wilcox
Executive Vice President
Chief Business and Legal Affairs Officer
Sony BMG Music Entertainment

BMG MUSIC PUBLISHING NA, INC.

By: _____
An Authorized Signatory

ZOMBA ENTERPRISES, INC.

By: _____
An Authorized Signatory

RING TONE LICENSE

Agreement made September 1, 2004 between BMG Music Publishing NA, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Wildseed, Ltd., 10210 NE Points Drive, Suite 300, Kirkland, WA 98033 (hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on September 1, 2004 and expiring on August 31, 2005 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones without lyrics or instrumentation (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition;
(ii) To record up to forty five (45) seconds of an Arrangement (the "Recording(s)");
(iii) To transform the Recording(s) into polyphonic or monophonic mobile telephone ring tone formats ("the Ring Tone(s)");
(iv) To embed the Ring Tones into in a "Smart Skin" featuring the name and likeness of the recording artist professionally known as Nelly (the "Product") created by Licensee for sale to consumers (the "Customers") for the express purpose of providing Customers with a selection of Nelly content for their mobile phones including the option of using the Ring Tone(s) as the ringing alert on same;
(vi) To promote and advertise segments of the Ring Tones (not to exceed thirty (30) seconds each) solely on Licensee's web site(s) (i.e. a web site in which Customer can preview the Ring Tones before purchasing the Product).

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) With respect to each Product manufactured by or on behalf of Licensee, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by twelve cents ($.12) ("the Royalty").

(b) For each Composition converted to a Ring Tone, a one-time non-recoupable fixing fee equal to the Licensor Share of each applicable Composition multiplied by $25 (the "Fixing Fee");

(c) An advance of $1,500 recoupable from all Royalties payable hereunder.

(d) If at any time during the Term hereof Licensee pays any royalty or fixing fee in connection with the Product, or any similar "Smart Skin" product containing ring tones, to any other owner or administrator of musical compositions higher than the Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

3. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting specifying the number of units of the Product manufactured and be accompanied by

payment to Licensor of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to BMG Music Publishing, , 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Manager of New Media.

4. (a) Licensee shall maintain accurate and complete records and books of account containing all information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records. Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

5. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or license shall be void *ab initio*.

6. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 6 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and shall within fifteen (15) days after the end of the Term deliver to Licensor an affidavit evidencing such destruction. Licensee shall have the right for a period of one (1) year following the expiration or termination of the Term to sell-off all existing copies of the Product manufactured prior to the end of the Term, subject to Licensee' continuing to account to Licensor in accordance with the provisions contained herein. Licensee shall not intentionally manufacture unreasonable numbers of the Product in anticipation of the end of the Term.

7. (a) Licensor represents, warrants and agrees as follows (with respect to the Licensor Share of the Compositions described in Schedule A):

(i) Licensor has full right, power and authority to enter into this agreement and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) The Compositions are original copyrighted works and in no way infringe the copyright or other rights of any third party.

(iii) Licensor will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Licensor administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this agreement upon the terms and conditions set forth herein.

(ii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iii) Upon receipt of written instruction from Licensor, Licensee shall not, to the extent permitted by law, license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(iv) Licensee shall either own or control and/or have valid and enforceable licenses with the applicable rights holders with respect to all aspects of their Ring Tone service including, without limitation, the name and likeness of Nelly.

(c) Each party (for these purposes, "Indemnitor") shall indemnify, defend and hold the other party ("Indemnitee"), its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. Indemnitee shall notify Indemnitor of any claim presented to Indemnitee by a third party. Indemnitor shall defend any third party claim, at its sole expense, with counsel approved by Indemnitee, except that, at Indemnitee's option, Indemnitee may defend the claim (at Indemnitor's sole expense) and shall consult with Indemnitor about choice of counsel and the conduct of the proceeding. No such claim asserted by a third party may be settled by Indemnitee without Indemnitor's prior written consent (such consent not to be unreasonably withheld or delayed), so long as Indemnitor is actively defending such claim in a manner consistent with industry norms, unless Indemnitee shall agree not to seek indemnity from Indemnitor for any settlement payment made by Indemnitee to the claimant.

8. (a) For the avoidance of doubt, no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with the Product throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance

SCHEDULE "A"

Title	Controlled Writer(s)	Licensor Share	Song Code #
"Pimp Juice"	Cornell Haynes	50%	0328706

RING TONE LICENSE

Agreement made September 1, 2004 between Zomba Enterprises, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Lagardere Active North America, Inc., 1633 Broadway, New York, NY 10019 (hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on September 1, 2004 and expiring on August 31, 2005 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition, and record up to thirty (30) seconds of an Arrangement (the "Recording(s)");

(ii) To transform the Recordings into mobile ring tone formats or to incorporate up to thirty (30) seconds of a Composition as embodied in a pre-existing master recording (a "Master Recording") into a ring tone format (individually and collectively, a "Ring Tone");

(iii) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")

(iv) To download or otherwise transmit Ring Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as a ringing alert on such mobile telephones;

(v) To promote and advertise segments of the Ring Tones (not to exceed thirty (30) seconds each) on Customer's mobile phones and Licensee's and/or Third Party Companies' web site(s) for the sole purpose of allowing a Customer to preview a Ring Tone before purchasing same.

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Schedule "A" may be amended, in Licensor's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, Licensor may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

(c) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. Licensor reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that Licensor shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) Ring Tones: With respect to each individual Download of a Ring Tone, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded (the "Ring Tone Royalty"), provided that in no circumstances shall the Ring Tone Royalty be less than the

Licensor Share of each applicable Composition multiplied by $.13 per Download irrespective of the price (if any) actually charged;

(b) Advance: An advance of $1,000 recoupable from all Royalties payable hereunder.

(c) If at any time during the Term hereof Licensee pays any royalty or other service fee in connection with its Ring Tone service within the Territory to any other owner or administrator of musical compositions higher than the Ring Tone Royalty specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty to Licensor retroactively to the first accounting period during which such higher royalty is accounted to such other owner or administrator.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting of (i) all Ring Tones Downloaded; and (ii) all Ring Tones created. Each accounting shall report each Composition by title, song code number (as indicated on Schedule A), the number of Downloads and the resultant applicable Royalties due hereunder and be accompanied by payment to Licensor of all Royalties due. All accountings and resultant royalties shall be forwarded to Zomba Enterprises, Inc., 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records. Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever.

8. (a) Licensor represents, warrants and agrees as follows (with respect to the Licensor Share of the Compositions described in Schedule A):

(i) Licensor has full right, power and authority to enter into this agreement and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) The Compositions are original copyrighted works and in no way infringe the copyright or other rights of any third party.

(iii) Licensor will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Licensor administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this agreement upon the terms and conditions set forth herein.

(ii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iii) Upon receipt of written instruction from Licensor, Licensee shall not, to the extent permitted by law, license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(iv) Licensee shall either own or control and/or have valid and enforceable licenses with the applicable rights holders with respect to all aspects of their Ring Tone service including, without limitation, any Master Recordings.

(c) Each party (for these purposes, "Indemnitor") shall indemnify, defend and hold the other party ("Indemnitee"), its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. Indemnitee shall notify Indemnitor of any claim presented to Indemnitee by a third party. Indemnitor shall defend any third party claim, at its sole expense, with counsel approved by Indemnitee, except that, at Indemnitee's option, Indemnitee may defend the claim (at Indemnitor's sole expense) and shall consult with Indemnitor about choice of counsel and the conduct of the proceeding. No such claim asserted by a third party may be settled by Indemnitee without Indemnitor's prior written consent (such consent not to be unreasonably withheld or delayed), so long as Indemnitor is actively defending such claim in a manner consistent with industry norms, unless Indemnitee shall agree not to seek indemnity from Indemnitor for any settlement payment made by Indemnitee to the claimant.

9. (a) For the avoidance of doubt, no rights are granted in any Master Recordings of the Composition(s), and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

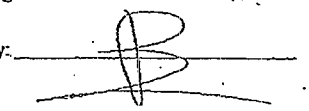
11. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

Zomba Enterprises, Inc.

By:

Lagardere Active North America, Inc.

By: 

Schedule A

Songtitle	Writer	%Controlled
Dred Strut	Alex Greggs	100%
Roughneckin'	Alex Greggs	100%
Heads High	Alex Greggs	100%
Dem Invaderz	Alex Greggs	100%
Weeza	Alex Greggs	100%
Klub Klashin'	Alex Greggs	100%

SHORT-FORM SYNCHRONIZATION LICENSE
BMG SONGS INC.
1540 BROADWAY 33RD FLOOR
NEW YORK, NY 10036

Dated: August 5, 2004
Effective as of: June 4, 2004

Huckabee Productions
5333 McConnell
Los Angeles, CA 90069

Ladies and Gentlemen:

The following will set forth the terms and conditions upon which we have agreed to license the following composition (the "Composition") in connection with the following production (the "Production"):

1. COMPOSITION: "Man, I Feel Like A Woman"

   Writers: Shania Twain and R.J. Lange

   Ownership and/or Control: 50% (ASCAP)

2. PRODUCTION: The motion picture I (Heart) Huckabees

3. GRANT OF RIGHTS:

In consideration of the license fee specified below, we hereby grant to you the following non-exclusive rights:

a. The limited right, license, privilege and authority to record the Composition in timed-relation with the Production, but not otherwise, and to make copies of such recordings in the form of negatives and prints necessary for "sequential, linear" exhibitions and broadcasts, solely as hereinafter provided for, in accordance with the terms, conditions and limitations contained in this license agreement. As used in this license agreement, the term "sequential, linear" shall mean: a predetermined order or sequence that allows for passive viewing only; the order, outcome and contents of which, including the music, lyrics and/or placement of the Composition, cannot be selected, altered or manipulated by the viewer other than through the performance of now-existing VCR functions (e.g. stop, play, fast forward, rewind and pause).

b. The right to exhibit and/or broadcast, as applicable, the Production in the Territory, as hereinafter defined, in all sequential, linear forms of media now known or hereafter devised including, but not limited to, by means of (i) theatrical exhibition, (ii) "Free Television" (i.e. via network, syndication and/or independent local telecasts), (iii) "Basic Cable Television" (i.e. via television transmitted into the home via cable, satellite or direct broadcast where no fee is charged to the consumer for particular programming), (iv) "Pay Cable Television" (i.e. so-called 'subscription cable' and similar delivery systems, where a fee is paid by the consumer for a particular channel or tier of programming), (v) "Pay-Per-View Television" (i.e. where a fee is paid by the consumer for a particular program), and (vi) Non-theatrical Exhibition (i.e. in-transit exhibition by means of plane, train, ships at sea, and other places of non-commercial nature); and the right to include the Composition, in context, for trailers and promos solely for the promotion of the Production (excluding co-/cross-promotions i.e. Tie-ins with other products or services, e.g. Pepsi, McDonalds, motion pictures other than the Production, etc.).

c. The right to cause or authorize the fixation of the Composition as part of the entire Production, in substantially its original form, on "Videograms" (i.e. video cassettes, video tapes and other "sequential, linear" audio-visual devices now known or hereafter devised intended primarily for home use) and to sell, lease, rent and distribute such Videograms to the public for home use in conjunction with a playback system or mechanism; and the right to include the portion of the Production containing the Composition, in context, on Videograms for trailers and promos solely for the promotion of the Production (excluding co-/cross-promotions). Notwithstanding the above, you shall not have the right to use the Composition in any device which does not embody the Production substantially as originally released (excluding so-called Editor's and/or Director's cuts, foreign language versions, versions for the hearing or visually impaired, and in-context promos and trailers). For the purposes hereof, the inclusion of "chapter stops" (i.e. addressable locator codes) on the applicable storage device shall not be deemed to constitute non-linear manipulation.

4. USAGE:

- Type:	VV
- Number of uses:	One (1)
- Maximum duration:	Eight Seconds (:08)
- Recording:	Original Recording by Shania Twain
- Scene:	Albert's father turns on his new stereo

5. TERRITORY: The World

6. TERM: Life of Copyright, including any and all extensions and renewals thereof

7. LICENSE FEE: One Thousand Two Hundred Fifty Dollars ($1,250.00),

payable upon execution hereof

8. OPTIONS: None

9. PERFORMING RIGHTS:

The right to exhibit and/or broadcast, as applicable, the Production in the Territory by means described above is and shall be available only under the following circumstances:

a. U.S. Theatrical Performances: It is understood that the performance of the Composition in the exhibition of the Production shall be exhibited only to audiences in theaters and other public places in the United States where motion pictures are customarily exhibited, and where admission fees are charged including, but not limited to, the right to perform the Composition by transmission of the Production to audiences in theaters and such other public places for the duration of the United States copyright in the Composition.

b. Foreign Theatrical Performances: It is understood that the performance of the Composition in connection with the exhibition of the Production to audiences in theaters and other public places in countries of the Territory outside the United States shall be subject to clearance by the performing rights societies in accordance with their customary practice and the payment of their customary fees. Publisher agrees that to the extent it controls the performing rights in the respective countries to grant such performing right.

c. Television and Other Broadcasts: It is understood and agreed that the right to broadcast the Production in the United States by any means now known or hereafter devised is and shall be available only to the extent the Production is broadcast by broadcasters having the valid performance licenses therefore from ASCAP, BMI or SESAC, as applicable. Broadcast of the Production by broadcasters not licensed by ASCAP, BMI or SESAC is subject to clearance of the performing rights either from us or from ASCAP, BMI or SESAC, or from any other licensor acting for us or on our behalf. Clearance by performing rights societies in such portion of the Territory as is outside of the United States will be in accordance with their customary practices and the payment of their customary fees.

d. Non-Theatrical Performances: It is understood and agreed that the performance of the Production in the United States by means of non-theatrical exhibition is and shall be available only to the extent that the Production is exhibited by an exhibitor having valid performance licenses therefore from ASCAP, BMI or SESAC, as applicable if and to the extent regulated by federal law. Notwithstanding the foregoing, exhibition of the Production by an exhibitor not licensed by ASCAP, BMI or SESAC, to the extent regulated by federal law, is subject to clearance of the performing rights either from us or from ASCAP, BMI or SESAC, or from any other licensor acting for us or on our behalf. Clearance by performing rights societies in such portion of the Territory as is outside of the United States will be in accordance with their customary practices and the payment of their customary fees.

10. RESTRICTIONS:

You are not authorized to alter the fundamental character of the music or the lyrics of the Composition, to use the title or subtitle of the Composition as the title of the Production, to use the story of the Composition, or to make any other use of the Composition other than as set forth above. Specifically, the terms of this license agreement are limited to the originally intended use of the Composition as fixed in the Production (i.e. manner, placement, use) for the media licensed herein, it being understood that such restrictions shall not prohibit standard production editing required to implement the broadcast and/or distribution rights granted under this license agreement or your right to completely delete the Composition from the soundtrack of the Production.

11. CUE SHEETS:

You agree to furnish us with a cue sheet of the Production within thirty (30) days after the full execution of this license agreement.

12. WARRANTY AND INDEMNIFICATION:

We hereby warrant only that we have the right to license the Composition for the purposes set forth herein and this license is given and accepted without any other warranty or recourse. If this warranty should be breached, in whole or in part, pursuant to a final adverse judgment in a court of competent jurisdiction, our liability with respect thereto shall be limited to the license fee heretofore paid by you, to us, for this license.

13. CREDIT:

If any other publisher of a licensed composition used in the Production receives a credit in the Production, Publisher shall be accorded a similar credit. Such credit shall be in the same location, and of the same size and prominence as the credit afforded the other publisher(s) having licensed compositions embodied in the Production, substantially in the following form (for our share only):

"Man, I Feel Like a Woman" written by Shania Twain and R.J. Lange
courtesy of Out of Pocket Productions Ltd. (administered by Zomba Music Publishers Ltd. for the world outside US & Canada) (administered by Zomba Enterprises Inc. for the US & Canada) (ASCAP)

Any inadvertent failure by you to comply with the screen credit obligation in the above paragraph shall not constitute a breach of this license agreement, provided that you shall use best efforts to cure the material failure on all prints of the Production made subsequent to your receipt of written notice from us of such failure, if practicable.

14. MOST FAVORED NATIONS:

Our consent to the foregoing is given with the proviso that no co-publisher or master record owner of the Composition used in the Production shall receive a proportionately more favorable remuneration of any kind including, but not limited to, the Fee. In the event that you pay any co-publisher or master record owner of the Composition a higher pro-rata fee than the fee paid to us

hereunder, you shall pay to us the difference between such higher pro-rata fee and that fee paid to us.

15. LAW AND JURISDICTION:

This license agreement has been entered into in the State of New York, and the validity, interpretation and legal effect of this license agreement shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a controversy will be brought in the courts located within the State and County of New York and not elsewhere. This license agreement shall not be changed or modified, or any covenant, representation, warranty or provision hereof waived, except by an agreement in writing signed by the party to be charged.

16. NOTICE OF BREACH:

No failure by either party to perform any of its obligations hereunder shall be deemed a breach hereof, unless a party has given written notice of such failure to the other party and that party does not cure such nonperformance within thirty (30) days after receipt of such notice.

17. INJUNCTIVE RELIEF:

In the event of a breach of this license agreement by you, our rights and remedies shall be limited to the rights, if any, to recover damages in an action at law and in equity and in no event shall we be entitled to injunctive relief.

18 RESERVATION OF RIGHTS:

We reserve all rights not expressly granted to you in this license agreement. All rights granted hereunder are granted on a non-exclusive basis.

19. ASSIGNMENT:

This license agreement is binding upon and shall inure to the benefit of the respective successors and/or assigns of the parties hereto. You may assign this license agreement to a third party, provided that you remain primarily liable for the obligations hereunder. We may assign this license agreement to any third party. Any assignment made in violation of the restrictions contained in this license agreement shall be null and void *ab initio*.

THE REMINDER OF THIS PAGE INTENTIONALLY DELETED

Notwithstanding anything to the contrary contained in this license agreement, you shall acquire no rights hereunder unless we have received the applicable license fee set forth herein within thirty (30) days from the release of the Production.

Very truly yours,

BMG SONGS INC.

By: Anne K Pohl
Anne K. Pohl
Director Film & TV Music Licensing
Federal Tax I.D. #95-3104625

READ AND AGREED:

By: Joan Hansen

Print: JOAN HANSEN

For and on behalf of
~~HUCKABEE PRODUCTIONS~~
HUCKABEES, INC.

JOAN HANSEN
ASSISTANT SECRETARY

August 24, 2004

Downplay Inc.
6 Jenner, Suite 230
Irvine, CA 92618

Re: Zomba Enterprises, Inc. (successor-in-interest to Zomba Songs Inc. and Zomba Melodies Inc.) -w- Downplay, Inc. -- Ring Tone License Agreement dated January 1, 2004 (the "Agreement")

Gentlemen:

The following shall constitute an amendment to the referenced Agreement. All capitalized terms shall have the same meaning as in the Agreement.

1. Territory

Effective upon the date hereof and continuing through the remainder of the Term the Territory shall be deemed to be the United States, St. Lucia, St. Vincent, Antigua, Bermuda, Dominica, Barbados, Cayman Islands, Grenada, Curacao, St. Martin, St. Barts, St. Kitts, Nevis, Aruba Martinique, Guadeloupe, Bonarie, Anguilla, Turks & Caicos, St. Maarten, British Virgin Islands and Jamaica.

Except as modified above, the Agreement is hereby ratified and remains in full force and effect.

Accepted and Agreed:

Zomba Enterprises, Inc.

By: _____

Downplay, Inc.

By: _____

August 24, 2004

Downplay Inc.
6 Jenner, Suite 230
Irvine, CA 92618

Re: BMG Music Publishing NA, Inc. (successor-in-interest to Careers-BMG Music Publishing, Inc. & BMG Songs, Inc.) -w- Downplay, Inc. – Ring Tone License Agreement dated January 1, 2004 (the "Agreement")

Gentlemen:

The following shall constitute an amendment to the referenced Agreement. All capitalized terms shall have the same meaning as in the Agreement.

1. Territory

Effective upon the date hereof and continuing through the remainder of the Term the Territory shall be deemed to be the United States, St. Lucia, St. Vincent, Antigua, Bermuda, Dominica, Barbados, Cayman Islands, Grenada, Curacao, St. Martin, St. Barts, St. Kitts, Nevis, Aruba Martinique, Guadeloupe, Bonarie, Anguilla, Turks & Calcos, St. Maarten, British Virgin Islands and Jamaica.

Except as modified above, the Agreement is hereby ratified and remains in full force and effect.

Accepted and Agreed:

BMG Music Publishing NA, Inc.

By: _____

Downplay, Inc.

By: _____

March 24, 2004

Zomba Songs Inc.,
Zomba Enterprises Inc.,
Zomba Melodies Inc.
1540 Broadway
New York, NY 10036
United States of America
Attention: Steven Price
Email: Steven.Price@bmg.com

RE: Ringtone License Agreement dated January 1, 2004

Dear Mr. Price:

Sharp Robot Inc., an Ontario corporation (the "Company"), plans to enter into a Share Purchase Agreement on or about March 30, 2004 (the "Purchase Agreement") with m-Qube, Inc., a Delaware corporation ("m-Qube"), m-Qube Canada, Inc., an Ontario corporation and a wholly owned subsidiary of m-Qube ("Purchaser"), and the shareholders of the Company, pursuant to which all of the Company's outstanding capital stock will be acquired by Purchaser (the "Purchase"). The Company will eventually merge with and into the Purchaser, with the Purchaser remaining as the surviving entity.

The Ring Tone License Agreement dated January 1, 2004 (the "License Agreement") among the Company and Zomba Songs Inc., Zomba Enterprises Inc., and Zomba Melodies Inc. (collectively, "Zomba") allows Zomba, pursuant to Section 7(a)(iii), to terminate the License Agreement by giving notice if, without Zomba 's prior written consent, the control or ownership of the Company or the majority of the Company's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually owned the Company's outstanding capital stock as of January 1, 2004. In connection with Section 7(a)(iii), the Company hereby requests Zomba 's prior written consent to the Purchase and an acknowledgement by Zomba that it shall not terminate the License Agreement pursuant to Section 7(a)(iii) due to the Purchase. Additionally, the Company requests Zomba 's consent to a future assignment or transfer of the License Agreement to m-Qube and/or Purchaser.

If you agree with the foregoing, please sign in the space provided below on behalf of Zomba and return this consent to me by fax at (416) 644-1478. If you have any questions regarding the Assignment, Purchase or this consent, please contact me at the Company at (416) 644-1470 x222.

Very truly yours,

SHARP ROBOT INC.

Richard A.J. Crookes
President

RING TONE LICENSE

Agreement made June 12, 2003 between BMG Songs, Inc. and Careers-BMG Music Publishing, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Wireless Latin Entertainment, 1390 South Dixie Highway, Suite 2222, Coral Gables, FL 33146 (hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on June 1, 2003 and expiring on May 31, 2004 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones without lyrics or instrumentation (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition;
(ii) To record up to thirty (30) seconds of an Arrangement (the "Recording(s)");
(iii) To transform the Recording(s) into mobile telephone ring tone formats ("the Ring Tone(s)");
(iv) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")
(v) To download or otherwise transmit Ring Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as the ringing alert on such mobile telephones;
(vi) To promote and advertise segments of the Ring Tones (not to exceed thirty (30) seconds each) solely on Licensee's and/or Third Party Companies' web site(s) (i.e. a web site in which Customer can preview a Ring Tone before purchasing same).

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Schedule "A" may be amended, in Licensor's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, Licensor may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

(c) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. (a) Licensee shall send to Licensor notice indicating by title and songwriter(s) the identity of each Composition converted to a Ring Tone by Licensee . Such notice shall be sent within ten (10) days of each Ring Tone becoming available for Download by a Customer.

(b) Licensor reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that Licensor shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) With respect to each individual Download, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded ("the Royalty"), provided that in

no circumstances shall the Royalty be less than the Licensor Share of each applicable Composition multiplied by $.10 per Download irrespective of the price (if any) actually charged;

(b) For each Composition converted to a Ring Tone, a one-time non-recoupable fixing fee equal to the Licensor Share of each applicable Composition multiplied by $25 (the "Fixing Fee");

(c) An advance of $500.00 recoupable from all Royalties payable hereunder.

(d) If at any time during the Term hereof Licensee pays any royalty or fixing fee in connection with Ring Tone service within the Territory to any other owner or administrator of musical compositions higher than the Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting of (i) all Ring Tones Downloaded; and (ii) all Ring Tones created pursuant to paragraph 2 above. Each accounting shall report each Composition by title, song code number (as indicated on Schedule A), the number of Downloads and the resultant Royalty due hereunder and be accompanied by payment to Licensor of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to BMG Music Publishing, 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or

its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and shall within fifteen (15) days after the end of the Term deliver to Licensor an affidavit evidencing such destruction.

8. (a) For the avoidance of doubt, no rights are granted in any recording in the Composition(s), and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

(e) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

10. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

BMG Songs, Inc.

By: _____

Careers-BMG Music Publishing, Inc.

By: _____

Wireless Latin Entertainment

By: _____

SCHEDULE A

Song Title	Writer	Song Code Number
EL REY	Jose Alfredo Jimenez	0018107
TE SOLTE LA RIENDA	Jose Alfredo Jimenez	0014945
LA MEDIA VUELTA	Jose Alfredo Jimenez	0133163
EI NOA NOA	Juan Gabriel	0001861
QUERIDA	Juan Gabriel	0001836
AMOR ETERNO	Juan Gabriel	0001540
LA BILIRRUBINA	Juan Luis Guerra Jose Antonio Sosa	0137833
MELINA	Camilo Blanes	0001506
MATENME PORQUE ME MUERO	Alfonso Hernandez Estrada	0017942

RING TONE LICENSE

Agreement made June 1, 2003 between Zomba Songs Inc., Zomba Enterprises Inc. and Zomba Melodies Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and Yamaha Music Interactive, Inc., 151 West 46th Street, 8th Floor, New York, NY 10036 (hereinafter "Licensee").

For good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States ("the Territory") for a term commencing on June 1, 2003 and expiring on May 31, 2004 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of Licensor's interest therein) as follows:

(i) To create an arrangement of the Compositions consisting of musical tones without lyrics or instrumentation (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the applicable Composition;
(ii) To record up to forty-five (45) seconds of an Arrangement (the "Recording(s)");
(iii) To transform the Recording(s) into mobile telephone ring tone formats ("the Ring Tone(s)");
(iv) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")
(v) To download or otherwise transmit Ring Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as the ringing alert on such mobile telephones;
(vi) To promote and advertise segments of the Ring Tones (not to exceed thirty (30) seconds each) solely on Licensee's and/or Third Party Companies' web site(s) (i.e. a web site in which Customer can preview a Ring Tone before purchasing same).

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Schedule "A" may be amended, in Licensor's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, Licensor may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

(c) All Arrangements created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangements shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangements and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

2. (a) Licensee shall send to Licensor notice indicating by title and songwriter(s) the identity of each Composition converted to a Ring Tone by Licensee . Such notice shall be sent within ten (10) days of each Ring Tone becoming available for Download by a Customer

(b) Licensor reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that Licensor shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to Licensor the following:

(a) With respect to each individual Download, a sum equal to Licensor's percentage of control of each applicable Composition (the "Licensor Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded ("the Royalty"), provided that in

no circumstances shall the Royalty be less than the Licensor Share of each applicable Composition multiplied by $.10 per Download irrespective of the price (if any) actually charged;

(b) For each Composition converted to a Ring Tone, a one-time non-recoupable fixing fee equal to the Licensor Share of each applicable Composition multiplied by $25 (the "Fixing Fee");

(c) An advance of five thousand dollars ($5000.00) recoupable from all Royalties payable hereunder.

(d) If at any time during the Term hereof Licensee pays any royalty or fixing fee in connection with Ring Tone service within the Territory to any other owner or administrator of musical compositions higher than the Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to Licensor a true and detailed accounting of (i) all Ring Tones Downloaded; and (ii) all Ring Tones created pursuant to paragraph 2 above. Each accounting shall report each Composition by title, song code number (as indicated on Schedule A), the number of Downloads and the resultant Royalty due hereunder and be accompanied by payment to Licensor of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to Zomba Music Publishing, 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to Licensor hereunder. Licensor may audit those books and records. Licensor may make such an examination for a particular statement only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at Licensor's sole expense, except that if any audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor during the accounting periods audited, then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) Licensor may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Licensor's satisfaction within thirty (30) days after Licensor gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without Licensor's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without Licensor's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of Licensor's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and shall within fifteen (15) days after the end of the Term deliver to Licensor an affidavit evidencing such destruction.

8. (a) For the avoidance of doubt, no rights are granted in any recording in the Composition(s), and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to Licensor or this agreement without the prior written consent of Licensor.

(c) Licensor will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

(e) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

10. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

Zomba Songs, Inc., Zomba Enterprises, Inc., Zomba Melodies, Inc.

By: _____

Yamaha Music Interactive, Inc.

By: _____

June 1, 2003

Faith West, Inc.
500 3rd Street, Suite 410
San Francisco, CA 94107

Re: Ring Tone License Agreement between Faith West, Inc. and Zomba Enterprises Inc., Zomba Songs Inc. and Zomba Melodies Inc., dated May 1, 2002 as amended on May 1 , 2003 (the "Agreement")

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. The Term of Agreement shall continue without interruption until May 31, 2004.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Zomba Enterprises Inc., Zomba Songs Inc.,
Zomba Melodies Inc.

By: _____

Agreed and Accepted:

Faith West, Inc.

By: _____

RING TONE LICENSE & SETTLEMENT AGREEMENT

Agreement made February 1, 2005, effective as of March 1, 2003, between BMG Music Publishing NA, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "Licensor") and VTech Communications, Inc., 9590 SW Gemini Drive, Suite 120, Beaverton, OR 97008 (hereinafter "Licensee").

WHEREAS Licensee manufactured 1,374,803 landline cordless telephones (the model numbers of which are listed on Schedule "A" attached hereto) (the "Phones") containing a "ring tone" version of the musical composition entitled "What A Girl Wants" (the "Composition"), fifty percent (50%) of which is owned and controlled by Licensor (the "Licensor Share");

WHEREAS Licensor asserts that Licensee failed to obtain a license to exploit Licensor's Share of the Composition prior to the manufacture, distribution and sale of the Phones;

WHEREAS Licensor and Licensee have agreed to enter into a settlement and retroactive license agreement concerning Licensee's exploitation of the Composition.

THEREFORE, for good and valuable consideration, Licensor and the Licensee hereby agree as follows:

1. (a) Licensor grants to Licensee the non-exclusive license for the territory of the United States and Canada ("the Territory") to exploit the Composition as follows:

(i) To create an arrangement of the Composition consisting of musical tones without lyrics or instrumentation (the "Arrangement") provided that in no event shall any arrangement change the basic melody or fundamental character of the Composition;
(ii) To record up to thirty (30) seconds of the Arrangement (the "Recording");
(iii) To transform the Recording into a telephone ring tone format ("the Ring Tone");
(v) To embed the Ring Tone into Phones for the purpose of giving Licensee's customers the option of selecting the Ring Tone as the ringing tone for the applicable Phone purchased.
(vi) To list the Composition by title on the packaging of the Phones.

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) The Licensor's Share of the Arrangement created pursuant to this license shall be considered a "work made for hire" for Licensor. In the event the Arrangement shall be deemed not to be a work made for hire, then the Licensee hereby sells, assigns, and transfers over to Licensor, and releases and quitclaims unto Licensor, its successors and assigns, all right, title and interest in and to the Arrangement and all rights therein and thereto, for the United States and throughout the world, forever, including any and all copyright terms, and all extension terms of copyright, for all uses and purposes whether now known or hereafter created, free from payment of any royalty or further compensation.

(c) Licensor reserves all of its rights in and to the Composition.

2. (a) In consideration of the foregoing license, Licensee shall pay to Licensor with respect to each Phone sold, given away or otherwise obtained by Licensee's customers and not returned a royalty (the "Royalty") equal to Licensor's share of the composition multiplied by:

(i) $.10 for sales of up to 500,000 Phones
(ii) $.08 for sales of 500,001 - 750,000 Phones
(iii) $.07 for sales of 750,001 - 1,500,000 Phones

(b) Upon execution of this agreement, Licensee shall pay to Licensor the sum of $68,740.15 (the "Settlement Fee") which shall be deemed to be inclusive of 100% of all Royalties due in connection with 1,374,803 Phones manufactured by Licensee whether sold or remaining in inventory. It is acknowledged and agreed that the Settlement Fee is for the settlement of claims and

is not entirely a royalty payment. Licensee hereby warrants and represents that as of February 1, 2005 no more Phones shall be manufactured containing the Ring Tone.

(c) If at any time during the Term hereof Licensee pays any royalty or other fees in connection with ring tones of musical compositions embedded in the Phones to any other owner or administrator of musical compositions, including the Composition, higher than the Royalty specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty to Licensor retroactively to the first accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

3. (a) Upon execution of this agreement, Licensee shall forward to Licensor a complete an accurate accounting detailing the number of Phones manufactured and sold by Licensee from March 1, 2003 through February 1, 2005, including the amount of Phones held in inventory on February 1, 2005 (the "Accounting").

(b) Licensee shall maintain accurate and complete records and books of account containing all information needed to compute and verify the amounts payable to Licensor hereunder pursuant to the Accounting. Licensor may audit those books and records. Licensor may make such an examination only once. Licensor may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(c) Such audit shall be conducted at Licensor's sole expense, except that if the audit reveals an error resulting in an underpayment to Licensor of five percent (5%) or more of the total amount accounted to Licensor then Licensee shall pay to Licensor all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

4. Licensee may not assign, transfer or sub-licence any of its rights hereunder without Licensor's prior written consent and any purported such assignment, transfer or license shall be void *ab initio*.

5. Contingent upon Licensor's receipt of the Settlement Fee and subject to Licensor's rights pursuant to article 3 above, all controversies between Licensor and Licensee solely in connection with Licensee's exploitation of the Composition as a Ring Tone pursuant to the rights granted herein are hereby finally compromised and settled and Licensor releases Licensee from any and all claims with respect thereto.

6. (a) For the avoidance of doubt, no rights are granted in any recording of the Composition, and no rights are granted other than those expressly referred to herein.

(b) Neither party shall issue any press releases or other forms of publicity materials which make reference to the other party or this agreement without the prior written consent of the other party.

(c) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with the Ring Tone, if any, and no public performance license is granted hereunder.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

8. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

BMG Music Publishing NA, Inc.

By: _____

VTech Communications, Inc.

By: _____

Ernie Leverson
VP Operations

RING TONE LICENSE

Agreement made as of February 3, 2003 between Zomba Enterprises Inc., Zomba Songs Inc. and Zomba Melodies Inc., 138 West 25th Street, New York, NY 10001 (hereinafter, individually and collectively, referred to as "Zomba") and 9 Squared Inc., 1900 Wazee St., Suite 20, Denver, Colorado 80202 (hereinafter "Licensee") (collectively, the "Parties," and each, a "Party").

WHEREAS, Zomba owns and/or controls certain musical compositions listed on Exhibit A, annexed, together with other musical compositions which Zomba may, in its discretion, add to such Exhibit A during the Term hereof, and

WHEREAS, Licensee intends to provide Ring Tone Service (as defined in paragraph 1(a)(vi)) to its mobile phone customers, and/or to companies which in turn provide services to mobile phone customers (collectively, the "Customers") and wishes to license the Compositions (as defined in paragraph 2(a)) for such purpose; and

WHEREAS, Zomba desires to license the Compositions to Licensee for exploitation, throughout the United States and Canada (the "Territory"), for use in connection with a Ring Tone Service;

WHEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. License

(a) Zomba grants to Licensee the non-exclusive, nontransferable, limited license to use the Compositions as follows:

(i) To create a MIDI or digital file of the Compositions (the "File(s)").

(ii) To arrange and/or record a sequence from the File, of musical tones only without lyrics or instrumentation, not to exceed thirty (0:30) seconds (the "Recording(s)"); provided, however, that any arrangement of any of the Compositions by Licensee ("Licensee Arrangements") shall be done on a "work-made-for-hire" basis for Zomba under the United States Copyright Act and all similar laws (collectively, the "Act"), and all right, title and interest in and to such arrangements, including without limitation the copyright therein, shall belong exclusively to Zomba for the term of copyright and any renewals thereof, throughout the universe, in perpetuity, in all languages, formats and media, whether now known or hereafter created. If the Licensee Arrangements or any part thereof, is deemed not to be "work-made-for-hire" under the Act, Licensee assigns exclusively to Zomba all right, title and interest in and to the Licensee Arrangements, including, without limitation, throughout the universe, in perpetuity in all languages, formats and media, whether now known or hereafter created. Notwithstanding anything to the contrary contained herein, Licensee may not alter the fundamental character of the Compositions, or make any other use of the Compositions not expressly granted by Zomba herein.

(iii) To transform the Recordings into ring tone formats, monophonic or polyphonic sound only (the "Ring Tone(s)").

(iv) To make a database of the Ring Tones available via Licensee's proprietary Web site, and those Web sites it hosts and maintains for its licensees and business partners, to the Customers for download onto their mobile phones for personal use by that Customer, provided that Licensee uses secured technology in accordance with industry standards to safeguard the Compositions from unauthorized access or copying.

(v) To make server, incidental and buffer copies of the Ring Tones to facilitate the implementation of the rights granted in this License.

(vi) To allow end users to preview Licensee's service via use of segments of the Ring Tones not to exceed thirty (0:30) seconds each, limited to streaming only on Web sites that provide Licensee's services. In no event shall the Compositions be used in any endorsements, commercials or co-/cross-promotions of any service, product or entity, including but not limited to Licensee's Ring Tone Service.

All of the foregoing activities shall be performed at Licensee's sole expense. The license granted under this agreement is referred to herein as the "License". As used herein, "Ring Tone Service" shall mean the provision of Ring Tones, via Licensee's proprietary Web site, to Customers for their personal use.

(b) The term of the License (the "Term") shall be for one (1) year, commencing on February 3, 2003 and expiring on February 2, 2004, unless terminated earlier in accordance with Article 5 below. It is understood, though, that Customers may continue to use in the manner specified herein, after the Term, the Ring Tones downloaded onto their cellular phones during the Term.

(c) Zomba expressly reserves all rights now known or hereafter to become known in the Compositions. All rights, title and interest in and to the Compositions (and as re-recorded by or on behalf of Licensee) in all media now known or hereafter developed, are owned and retained solely and exclusively by Zomba.

2. Operating Procedures

(a) Licensee shall present a list of requested compositions to Zomba which Licensee desires to license, which list shall be supplemented from time to time by Licensee. Zomba shall determine in its sole discretion to license such compositions to Licensee hereunder. Zomba shall notify Licensee in writing which compositions are approved and such approved compositions shall be deemed to be added to Exhibit A and shall become subject to all the terms and conditions of this License (individually and collectively, the "Compositions").

(b) Licensee will comply with all restrictions relating to territory, name and likeness, use restrictions and other restrictions to which Zomba is contractually bound. Zomba will inform Licensee of such restrictions when the Compositions are added to Exhibit A.

(c) Where practicable Licensee shall cause to be printed on all physical and digital materials used in connection with exploitation of the Compositions, the title of the Compositions, the names of the songwriter(s), notation that Licensee is the licensee of Zomba and an appropriate copyright notice. Any act or omission by Licensee not in compliance herewith shall

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be without the authority of Zomba. Notwithstanding the foregoing, any inadvertent failure to provide such credit shall not be a material breach of this License and Licensee agrees to prospectively cure any such credit omission.

(d) Upon request, Zomba shall endeavor to identify for Licensee the genre of each Composition subject hereto.

(e) In the event Zomba shall request Licensee to cease using any Composition, Licensee shall do so soon as practicable after receiving notice, but not later than three (3) business days after receiving such notice. Notwithstanding the foregoing, in the event that (i) Zomba no longer has rights to exploit certain Compositions, or (ii) upon written notice by Zomba to Licensee that, in Zomba's reasonable discretion, any use of the Compositions is likely to generate any legal claims, or (iii) there is a security breach in Licensee's encryption technology, Zomba may require Licensee to immediately cease distribution and accessibility of certain Compositions, and Licensee shall cooperate with such requests on an immediate basis.

(f) Upon request, except as prohibited by law or other third party confidentiality agreement, Licensee shall make available to Zomba whatever Customer data Licensee maintains relating exclusively to Customers who downloaded Ring Tones licensed hereunder. Such data shall be made available to Zomba in all formats maintained by Licensee, or other formats convertible therefrom (which conversion shall be at Zomba's expense) and to the extent permitted by Licensee's customers and/or partners. Such data shall be confidential and Zomba will not sell or provide to third parties such data without consent in each such instance.

3. Royalties

(a) In consideration of the rights granted herein, Licensee shall pay to Zomba a license fee of: (i) Twenty Dollars ($20.00) for each Ring Tone copied to the master server, which is non-recoupable, plus (ii) the greater of Ten Cents ($0.10) for each completed download of a Ring Tone to a Customer (regardless of whether any charge is made to or collected from the Customer therefor) or Ten Percent (10%) of gross revenues generated by Licensee in connection with Licensee's Ring Tone Service. All sums shall be based on Zomba's pro-rata share of the copyright interest in and to the Compositions as set forth on Schedule A.

(b) Upon the execution of this License, Licensee shall pay to Zomba a non-returnable advance ("Advance") of One Thousand Five Hundred Dollars ($1,500.00) recoupable from the royalties payable under subparagraph 3(a)(ii) above.

(c) With respect to any and all incidental and/or buffer copies made of the Ring Tones to facilitate the implementation of the rights granted in this License, Licensee shall pay to Zomba the sum of One Dollar ($1.00), receipt of which is hereby acknowledged.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses are required in connection with its Ring Tone Service throughout the Territory.

(e) Licensee and Zomba shall endeavor to achieve as transparent a royalty accounting system hereunder as technically is feasible. Without limitation of Zomba's rights under subparagraph 4(d) below, from time to time during the Term upon reasonable notice, but no more often than quarterly, Licensee shall permit Zomba access to the relevant portions of

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Licensee's computer systems so as to allow Zomba to directly verify the number and location of each download of a Ring Tone hereunder.

4. Royalty Accountings

(a) Within forty-five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30, and December 31, Licensee will render to Zomba a true and detailed accounting of all Ring Tones deriving from the Compositions downloaded hereunder during the period concerned, directed to:

Zomba Music Publishing
Attn: Nancy Bloom - Associate Director, Business Affairs
138 W. 25th Street
New York, New York 10001

Each accounting period shall report each Composition by title and country, the number of downloads and the resultant royalty hereunder. Each accounting shall be accompanied by payment to Zomba of all royalties due. Upon Zomba's request, Licensee shall furnish such statement in electronic or digital form.

(b) No payments shall be diminished or reduced in any manner for any reason, including without limitation, any withholdings, currency restrictions, exchanges or taxes. Upon written request, Zomba shall provide Licensee with a current W-9 form.

(c) All payments to Zomba shall be remitted in United States Dollars. Each conversion from another currency for the purpose of computing such payments shall be calculated at the rate of exchange in effect on the date the statement concerned is rendered.

(d) Licensee shall maintain accurate and complete records and books of account covering the licensing of the Compositions under the License and containing all other information needed to compute and verify the amounts payable to Zomba hereunder. Zomba may audit those books and records within two (2) years after rendered and no more frequently than semi-annually. Zomba may make such an examination for a particular statement only once. Zomba may conduct such audit only during Licensee's usual business hours, and only at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice. Such audit shall be conducted at Zomba's sole expense; provided, however, that if, as a result of any audit, it is determined that Licensee has understated the royalties due to Zomba by ten percent (10%) or more, Licensee shall pay to Publisher the amount by which royalties have been understated and shall reimburse Zomba for the cost of the audit.

(e) All payments becoming due to Zomba under this agreement will be made in full without any charge for bad debt, free goods, discounts, container charge, service charge or any other offset or deduction whatsoever.

(f) If Licensee is actually prevented by law or government order from making any payment to Zomba in United States Dollars, Licensee will promptly notify Zomba and will not commingle the moneys concerned with Licensee's other assets or with the property of any other person, but will hold these moneys separately and in trust for Zomba or deposit them as Zomba instructs in writing. Licensee will continue to be obligated for each such amount until Zomba (or the depository so designated by Zomba) has actually received it.

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5. Termination

(a) Zomba may terminate the License by giving Licensee notice if Licensee violates any of its obligations, representations and/or or warranties under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Zomba's satisfaction within thirty (30) days after Zomba gives Licensee notice of it.

(b) The License will terminate automatically, without notice, if any of the following circumstances occurs:

(i) If Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent and it is not dismissed within ten (10) days of such event.

(ii) If a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property and it is not dismissed within ten (10) days of such event.

(c) A termination of the License under this Article 5 will not limit or affect any of Zomba's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Compositions, nor of the Files, Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and furnish to Zomba an affidavit of destruction within fifteen (15) days after the end of the Term.

6. Assignment

Neither Party may assign this License or transfer its rights, duties or obligations under this License to any other entity, without prior written consent of the other Party, except that: (a) Zomba may, upon written notice and without Licensee's prior consent, assign this License, or any of its rights hereunder, to an entity that controls, or is controlled by, or is under common control of Zomba, or in connection with any merger, acquisition, divestiture, consolidation or other corporate reorganization of Zomba, and (b) Licensee may assign this License, or any of its rights hereunder, to an entity that controls, or is controlled by, or is under common control of Licensee, or in connection with any merger, acquisition, divestiture, consolidation or other corporate reorganization of Licensee provided that the assignee assumes all of Licensee's obligations, responsibilities and liabilities in writing and that Licensee remains primarily liable. Any attempt to assign or otherwise delegate any rights, duties or obligations hereunder in contravention of this paragraph 6 will be void and of no force or effect and Zomba may immediately terminate this License. This License will bind and inure to the benefit of the Parties and their respective permitted successors and assigns.

7. Notices

All notices under this agreement will be in writing and will be given by registered or certified mail, return receipt requested, at the respective addresses shown above or such other addresses as either party shall designate. Notices shall be deemed given when mailed, except

that notice of change of address shall be effective only from the date of its receipt. Each notice shall be sent to:

To Licensee: At the address set forth on the first page hereof

To Zomba: Zomba Music Publishing, 138 West 25th Street, New York, New York 10001, attention: Sr. Vice President, Business Affairs

or to such other address(es) as to which the noticing party shall have theretofore received written notice. All notices to the parties hereto shall be in writing and shall be sent by overnight delivery or facsimile with written confirmation if such notice requires a response or action within a set time period thereunder. The date of mailing shall be the date of the giving of notice.

8. Warranties, Representations, Indemnities

(a) Zomba represents, warrants and agrees as follows (with respect to its respective fractional interests in the Compositions described in Exhibit A):

(i) Zomba has full right, power and authority to enter into this License and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) Zomba will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Zomba administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this License upon the terms and conditions set forth herein.

(ii) The Recordings, Ring Tones and any other content, materials or technology provided, made available or used by Licensee shall not infringe upon any third-party rights.

(iii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iv) Licensee shall comply with all applicable federal, state and local laws, rules and regulations in the performance of its obligations hereunder.

(v) Licensee and its employees, agents or representatives will not, without Zomba's prior written consent in each such instance, refer to or disclose the existence or terms of this License or use Zomba's name, any of Zomba's affiliate or related entities, including without limitation any Zomba related record label, or the name, logo or identifier of any artist, songwriter or Composition associated with Zomba (or any affiliate of Zomba) in any press release, advertisement, announcement or public disclosure. For the avoidance of doubt, this subparagraph 8(b)(v) shall not preclude Licensee from disclosing the terms of this License to other music publisher participants in Licensee's Ring Tone Service or third-party companies with whom Licensee has entered into an agreement to provide its Ring Tone Service.

(vi) Licensee shall enter into all required music performance licenses with ASCAP, BMI and other similar performing rights agencies having jurisdiction relating to performances of the Compositions and pay all fees thereto.

(vii). Upon written instruction from Zomba, Licensee shall not license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(c) Each party hereunder will hold the other party, its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. In no event shall the total liability of Zomba in connection with the rights granted for the Compositions exceed the consideration received by Zomba in connection with the licensing of said Compositions. Licensee will give Zomba prompt notice of any claim and Zomba will have the right to assume the defense thereof at Zomba's expense.

9. Most Favored Nations

In the event Licensee enters into an agreement with a third party licensor for the use of compositions in Licensee's Ringtone Service similar to the use of the Compositions granted hereunder, and such agreement contains terms and/or conditions which are more favorable than the terms and/or conditions contained herein, then effective as of the date of such agreement, such more favorable terms and/or conditions shall be deemed incorporated herein retroactive to the date of such third party agreement. Notwithstanding the foregoing, any increase in the Royalty and/or Advance on account of the operation of this Section 9 shall be payable retroactively to the date of this License and such increase shall be fully recoupable from royalties payable to Zomba hereunder, provided however, recoupment shall only be required hereunder if Licensee and the third party licensor have agreed upon such a recoupment in their agreement.

10. Miscellaneous

(a) No designation, approval or consent provided for in this License will be deemed given unless it is given in writing and signed by and authorized officer or representative of the party concerned.

(b) Licensee will take such steps as Zomba shall reasonably request in accordance with industry practices and standards for the purpose of protecting or enforcing Zomba's rights in the Compositions. Licensee will notify Zomba promptly of any occurrence which might affect those rights.

(c) Zomba will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) The rights granted herein only pertain to Zomba's pro-rata share of the copyright interest in and to the Compositions as set forth on Schedule A. Licensee must obtain approval from the other publisher(s) of the Compositions, if any.

(e) Licensee will not attack the title of Zomba in the Compositions or any copyright or other rights in them; nor will Licensee attack the validity of the License.

(f) This License contains the entire understanding of the parties and cannot be changed or terminated except by an instrument signed by an officer of each party. A waiver of any provision of this License will not waive that provision for the future or waive any subsequent breach of it. All remedies, rights and obligations in this License shall be cumulative and none of them shall be in limitation of any other remedy, right or obligation of either party.

(g) This License has been entered into in the State of New York, and the validity, interpretation and legal effect of this License shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a controversy will be brought in the courts located within the State and County of New York and not elsewhere.

(h) The relationship of the parties is that of independent contractors, and nothing in this agreement will constitute either party an agent of the other.

(i) The parties acknowledge that the nature of this License is unprecedented, that there are a number of marketplace factors pertaining to the subject matter hereof that are uncertain, including but not limited to business considerations. The terms hereof, including but not limited to the payment for in connection with, or value of, any services or products, are not intended to, and shall not, prejudice in any manner or for any purpose any rights or obligations relating to any future periods, arrangements or agreements between the parties or involving the services or industries that are the subject matter hereof and therefore shall not be binding or prejudicial to any position for any period subsequent to the date of this License.

(j) This License will not become effective until executed and delivered by Zomba and Licensee.

9 Squared Inc.

By: _____
Brian Casura COO

Zomba Enterprises Inc.
Zomba Songs Inc.
Zomba Melodies Inc.

By: _____
Rachelle Greenblatt

EXHIBIT "A"
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"5 6 7 8"	S. Crosby, B. Upton	50%
"18 Til I Die"	R. J. Lange, B. Adams	50%
"9 Teen 90 Nine"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"(If You're Not In It For Love) I'm Outta Here"	R.J. Lange, S. Twain	50%
"(You Drive Me) Crazy"	M. Martin, P. Magnusson D. Krueger, J. Eloffson	81.25%
"A Lesson Learned"	F. Durst, Otto, Borland, Dimant, Rivers	100%
"A Place For My Head"	C. Bennington, R. Bourdon, B. Delson, M. Shinoda, J. Hahn	100%
"A Space Age Love Song"	Maudsley, Reynolds, Score, Score	100%
"A Woman's Threat"	R. Kelly	100%
"Aaron's Party (Come Get It)"	B. Kierulf, J. Schwartz	100%
"Ain't Got Nothing, If You Ain't Got Love"	R. J. Lange, M. Bolton	50%
"All For Love"	R. J. Lange, B. Adams M. Kamen	33.34%
"All I Have To Give"	Full Force	100%
"All I Want Is You"	R. J. Lange, B. Adams	50%
"All I Want To Do Is Make Love To You"	R. J. Lange	100%
"All Of My Days"	R. Kelly	100%
"The Answer To Our Life"	H. Dorough, N. Carter, B. Littrell, A. McLean, K. Richardson	100%
"Any Man Of Mine"	R. J. Lange, S. Twain	50%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Anywhere For You"	W. Perry, G. Baker	100%
"As Long As You Love Me"	Max Martin	100%
"...Baby One More Time"	M. Martin	100%
"Back & Forth"	R. Kelly	100%
"Back To Your Heart"	K. Richardson, J. Blume, G. Baker	100%
"Before The Night Is Over"	M. Martin, B. Adams	50%
"The Best Of Me"	R. J. Lange, B. Adams	50%
"Boiler"	F. Durst, Rivers, Borland, Otto Dimant	100%
"Born To Make You Happy"	A. Carlsson, K. Lundin,	100%
"Boxerbeat"	D. Collard, R. Marche, T. Ball	100%
"Break Stuff"	F. Durst, Rivers, Borland, Otto, Dimant	95%
"Breathless"	R. J. Lange, S. Corr, A. Corr, C. Corr, J. Corr	50%
"Bringin' Da Noise"	JC Chasez, V. Renn	100%
"Bump N' Grind"	R. Kelly	100%
"By Myself"	C. Bennington, R. Bourdon, B. Delson, J. Hahn, M. Shinoda	100%
"Bye Bye Bye"	A. Carlsson, J. Schulze, K. Lundin	100%
"The Call"	M. Martin, R. Yacoub	100%
"Calypso Crazy"	B. Ocean, R.J. Lange	100%
"Can I Touch You...There"	R. J. Lange, N. Rodgers, M. Bolton, B. Edwards	60%
"Can We"	A. Greggs, L. Daniels, R. Jerkins	25%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Cannonball"	K. Deal	100%
"Can't Stop This Thing We Started"	R. J. Lange, B. Adams	50%
"Caribbean Queen"	K. Diamond, B. Ocean	100%
"Cloud Number Nine"	M. Martin, G. Peters B. Adams	33.34%
"The Colour Of Love"	B. Eastmond, W. Brathwaite, C. Ocean, J. Skinner	100%
"Come On Over"	R. J. Lange, S. Twain	50%
"Cotton Eye Joe"	J. Ericsson, P. Reiniz, Orban	100%
"Crawling"	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	100%
"Cure For The Itch"	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	100%
"Darlin'"	T. Allen, M. Morton	60%
"Dear Diary"	B. Spears, J. Blume, E. Wilde	100%
"Dedicated"	R. Kelly	100%
"Do I Have To Say The Words"	R. J. Lange, B. Adams J. Vallance	33.34%
"Do Ya Do Ya Wanna Please Me"	M. Bissell, G. Richardson	100%
"Do You Believe In Love"	R. J. Lange	100%
"Don't Go Off Wandering"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"Don't Want You Back"	M. Martin	100%
"Don't Wanna Lose You Now"	M. Martin	100%
"Don't Be Stupid (You Know I Love You)"	R. J. Lange, S. Twain	50%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Don't Let Me Be The Last To Know"	R. J. Lange, K. Scott S. Twain	70%
"Don't Try To Stop It"	Bonhomme	100%
"Down Low (Nobody Has To Know)"	R. Kelly	100%
"Dreams"	T. Laws, G. Bobb	50%
"Drowning"	A. Carlsson, R. Yacoub, L. Thompson	66.67%
"E-Mail My Heart"	E. F. White	100%
"Elephant Stone"	I. Brown, J. Squire	100%
"Everybody (Backstreet's Back)"	M. Martin, D. Volle	100%
"Everything"	F. Durst, Rivers, Borland, Otto	100%
"Everything I Do I Do It For You"	R. J. Lange, B. Adams, M. Kamen	18.75%
"Feed My Frankenstein"	Cooper, Richard, Manning, Coler	50%
"Final Heartbreak"	E. F. White	100%
"Fly (Featuring Super Cat)"	W. Maragh, A. Shacklock, S. Frazier R. Sheppard, M. McGrath, M. Karges J. Nichol	16.67%
"Fool Again"	P. Magnusson, D. Kreuger J. Elofsson	70%
"Fool's Gold"	I. Brown, J. Squire	100%
"For The Girl Who Has Everything"	J. Skinner, V. Renn	100%
"Forgotten"	R. Bourdon, M. Shinoda, B. Delson J. Hahn, C. Bennington, D. Farrell, M. Wakefield	100%
"Freaks Come Out At Night"	L. Smith, J. Hutchins	100%
"Fresh Prince Of Bel-Air"	W. Smith, J. Townes	100%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Friends"	L. Smith, J. Hutchins	100%
"From The Bottom Of My Broken Heart"	E. F. White	100%
"Full Nelson"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"From This Moment On"	R.J. Lange, S. Twain	40%
"Get Down (You're The One For Me)"	B. Aris, T. Coltura, J. McGuffey	9.37%
"Get Outta My Dreams, Get Into My Dreams"	B. Ocean, R.J. Lange	100%
"Giddy Up"	V. Renn, J. Timberlake, C. Kirkpatrick, J. Fatone, L. Bass	64%
"Gina"	K. Alexander, R. Halligan M. Bolton	33.34%
"Gotham City"	R. Kelly	100%
"Groove Is In The Heart"	J. Davis (p/k/a "Q-Tip"), K. Kier D. Chung, D. Brill, H. Hancock	7.5%
"Half A Heart"	S. Lewis, A. Anders, N. Haasman	33.34%
"Have You Ever Really Loved A Woman?"	R.J. Lange, B. Adams, M. Kamen	33.33%
"Hey Mr. DJ (Keep Playin' This Song"	L. Campbell, T. Allen, J. Skinner	100%
"Hit Me Like A Hammer"	H. Lewis, R. J. Lange	70%
"Hold On"	F. Durst, Rivers, Borland, Otto, Dimant, Weiland	83.33
"Home Ain't Where The Heart Is (Anymore)"	R. J. Lange, S. Twain	50%
"Honey I'm Home"	R. J. Lange, S. Twain	50%
"Honey Love"	R. Kelly	100%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"I Am The Resurrection"	I. Brown, J. Squire	100%
"I Believe I Can Fly"	R. Kelly	100%
"I Can't Sleep Baby (If I)"	R. Kelly	100%
"I Don't Want To"	R. Kelly	100%
"I Finally Found Someone"	R. J. Lange, B. Adams, M. Hamlisch, B. Streisand	25%
"I Just Wanna Be With You"	Full Force	75%
"I Promise You"	R. J. Lange, M. Bolton	75%
"I Need You Tonight"	A. Fromm	100%
"I Ran"	Score, Score, Maudsley, Reynolds	100%
"I Said I Loved You, But I Lied"	R. J. Lange, M. Bolton	75%
"I Wanna Be Adored"	I. Brown, J. Squire	100%
"I Wanna Know"	J. Thomas, J. Skinner	66.67%
"I Wanna Rock"	D. Snider	100%
"I Want It That Way"	M. Martin, A. Carlsson	100%
"I Will Be There"	A. Carlsson, M. Martin	100%
"I Will Still Love You"	E.F. White	100%
"I Wish"	R. Kelly	100%
"If I Could Turn Back The Hands Of Time"	R. Kelly	100%
"If I Don't Have You"	W. Perry, G. Baker, T. Allen	100%
"If I Let You Go"	P. Magnusson, D. Kreuger J. Elofsson	70%
"If Walls Could Talk"	R. J. Lange	100%
"I'll Never Break Your Heart"	E. Wilde, A. Manno	100%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"I'm Already There"	G. Baker, F. Myers, R. McDonald	66.67%
"I'm Broke"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"I'm Not Made Of Steel"	R. J. Lange, D. Warren M. Bolton	33.34%
"I'm Not Strong Enough To Say No"	R. J. Lange	100%
"I'm Your Angel"	R. Kelly	100%
"In The End"	C. Bennington, R. Bourdon, B. Delson, M. Shinoda, J. Hahn	100%
"It'll Be OK	F. Durst, Rivers, Borland, Otto, Dimant	100%
"It's Gonna Be Me"	A. Carlsson, M. Martin, Rami	100%
"It's Gotta Be You"	R. J. Lange, M. Martin	100%
"It's My Life"	M. Martin, R. Sambora J. Bon Jovi	33.34%
"It's My Life"	T. Friese-Greene, M. Hollis	25%
"It's The Way You Make Me Feel"	J. Elofsson	25%
"Irresistible"	R. J. Lange, S. Corr, A. Corr D. Corr, J. Corr	50%
"Jam It Jam"	A. Jolly, D. McConnell, M. Lewis	100%
"Johnny Friendly"	C. Bostock, D. Collard, T. Ball	100%
"Just Got Lucky"	C. Bostock, T. Ball	100%
"Just Like This"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"Kiss Me At Midnight"	V. Renn	50%
"Larger Than Life"	M. Martin, K. Lundin, B. Littrell	100%
"Let Me Let Go"	S. Diamond, D. Morgan	50%

BA/B

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Let's Make A Night To Remember"	R. J. Lange, B. Adams	60%
"Life's What You Make It"	T. Friese-Greene, M. Hollis	25%
"Living In Another World"	T. Friese-Greene, M. Hollis	25%
"Lucky"	M. Martin, Rami, A. Kronlund	75%
"Made of Stone"	I. Brown, J. Squire	100%
"Man! I Feel Like A Woman!"	R. J. Lange, S. Twain	50%
"Meet In The Middle"	J. Foster, D. Pfrimmer, C. Hartford	66.67%
"The More You Live, The More You Love"	Maudsley, Reynold, Score, Score	100%
"Motormania"	Bonhomme, Dumo, Lambert	100%
"Mr. Gorgeous (& Miss Curvaceous)	N. Miranda, M. Brown, C. Franck	100%
"My Generation"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"My Love"	P. Magusson, D. Kreuger J. Elofsson, P. Nylen	37.5%
"My Name Is Not Susan"	E.F. White	100%
"My Way"	F. Durst, Borland, Otto, Rivers, Dimant	85%
"No One Else Comes Close"	W. Perry, G. Baker, J. Thomas	100%
"No Strings Attached"	JC Chasez, A. Greggs, B. Daymond	75%
"Nobody Like You"	F. Durst, Rivers, Borland, Otto, Dimant, Weiland	83.34
"Nookie"	F. Durst, Rivers, Dimant, Borland, Otto	100%
"Old Pop In An Oak"	P. Edenberg	100%
"The One"	M. Martin, B. Littrell	100%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"The One"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"One Kiss From You"	S. Lunt	100%
"One Love"	I. Brown, J. Squire	100%
"One Step Closer"	C. Bennington, R. Bourdon E. Delson, J. Hahn, M. Shinoda	100%
"The Only Thing That Looks Good On Me Is You"	R. J. Lange, B. Adams	50%
"Oops!...I Did It Again"	M. Martin, Rami	100%
"Papercut"	R. Bourdon, C. Bennington, B. Delson, H. Hahn, M. Shinoda	100%
"Please Forgive Me"	R. J. Lange, B. Adams	75%
"Points Of Authority"	C. Bennington, R. Bourdon, B. Delson, J. Hahn, M. Shinoda	100%
"Pushing Me Away"	C. Bennington, R. Bourdon, B. Delson, J. Hahn, M. Shinoda	100%
"Quit Playing Games With My Heart"	H. Crichlow, M. Martin	50%
"Re-Arranged"	F. Durst, Otto, Rivers, Borland, Dimant	90%
"Rock This Country"	R.J. Lange, S. Twain	50%
"Rollin' (Air Raid Vehicle)"	F. Durst, Rivers, Borland, Otto, Dimant, Dean	55%
"Runaway"	C. Bennington, R. Bourdon, B. Delson, J. Hahn, M. Shinoda, M. Wakefield	100%
"Said I Loved You...But I Lied"	R.J. Lange, M. Bolton	75%
"Sally Cinnamon"	I. Brown, J. Squire	100%

BG
B

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Sex Me"	R. Kelly	100%
"Shape Of My Heart"	M. Martin, Rami, L. Miskovsky	66.67%
"She Bangs The Drums"	I. Brown, J. Squire	100%
"She's Got That Vibe"	R. Kelly, B. Hankerson	100%
"Show Me The Meaning Of Being Lonely"	M. Martin, H. Crichlow	50%
"Show Me What You Got"	F. Durst, Rivers, Borland, Otto, Dimont	100%
"Soda Pop"	E.F. White, M. Henry	100%
"Sometimes"	J. Eloffson	25%
"Space Cowboy (Yippie-Yi Yay)"	JC Chasez, A. Greggs, B. Daymond	87.5%
"Spanish Eyes"	A. Fromm, S. Linzer	100%
"Stand By"	Lambert	100%
"Stop The Cavalry"	J. Lewie	100%
"Stroke You Up"	R. Kelly	100%
"Stronger"	Rami, M. Martin	100%
"Stutter" (Album Version)	R. Hamilton, E. Dixon	100%
"Suddenly"	B. Ocean, K. Diamond	100%
"Thank You For Being A Friend"	A. Gold	100%
"That Don't Impress Me Much"	R. J. Lange, S. Twain	50%
"That's The Way It Is"	A. Carlsson, K. Lundin, M. Martin	100%
"There'll Be Sad Songs (To Make You Cry)"	B. Eastmond, W. Brathwaite B. Ocean	100%
"There'll Never Be Another Tonight"	R. J. Lange, B. Adams J. Vallance	33.34%

BT TB

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"These Dreams	B. Taupin, M. Page	100%
"Thinkin' About You"	E.F. White, M. Henry	100%
"Thought I'd Died And Gone To Heaven"	R. J. Lange, B. Adams	50%
"Touch Me (I Want Your Body)"	J. Astrop, P. Harris, M. Shreeve	100%
"Transfer Affection"	Maudsley, Reynolds, Score, Score	100%
"Trust?"	F. Durst, Rivers, Borland, Otto, Dimant	100%
"Underwater Love"	N. Miranda, M. Brown, L Bonfa	75%
"Until The Time Is Through"	M. Martin, A. Carlsson	100%
"The Voice Of My Heart"	R. J. Lange, D. Child, D. Warren M. Bolton	30%
"Waterfall"	I. Brown, J. Squire	100%
"We Built This City"	M. Page, B. Taupin, D. Lambert, P. Wolf	40%
"Welcome To Atlanta"	J. Hutchins, J. Fletcher, L. Smith, J. Dupri, C. Bridges, F. Perren, C. Perren	15%
"We're Not Gonna Take It"	D. Snider	100%
"We've Got It Going On"	M. Martin, D. Volle, H. Crichlow	100%
"What It Takes"	B. Croker	100%
"What The World Is Waiting For"	I. Brown, J. Squire	100%
"When"	R. J. Lange, S. Twain	50%
"When A Woman's Fed Up"	R. Kelly	100%
"When The Going Gets Tough, The Tough Get Going"	B. Ocean, R.J. Lange, B. Eastmond W. Brathwaite	100%

EXHIBIT "A" (cont.)
LIST OF APPROVED COMPOSITIONS FOR RINGTONES

Composition	Writer(s)	Percentage Controlled
"Who's Bed Have Your Boots Bin Under"	R. J. Lange, S. Twain	50%
"Who's That Girl"	G. Teren, III, S. Bentley,	33.33%
"Who's That Girl" (She's Got It)	Maudsley, Reynolds, Score, Score	100%
"Whole Wide World"	E. Goulden	100%
"Will You Be There (In The Morning)"	R. J. Lange	100%
"Wish You Were Here"	T. Agelii-Leskela	100%
"Wishing (If I Had A Photograph Of You)	Maudsley, Reynolds, Score, Score	100%
"With You"	N. Miranda, M. Salazaar	50%
"With You"	C. Bennington, R. Bourdon C. Delson, J. Hahn, M. Shinoda	75%
"The Woman In Me (Needs The Man In You)"	R.J. Lange, S. Twain	50%
"The World's Greatest"	R. Kelly	100%
"Yes I Will"	B. Kierulf, J. Schwartz, A. McLean	100%
"You Are Not Alone"	R. Kelly	100%
"You Got It"	V. Renn	100%
"You Remind Me Of Something"	R. Kelly	100%
"You'll Always Find Me In The Kitchen At Parties"	J. Lewis, K. Trussell	100%
"Your Body's Callin'"	R. Kelly	100%
"You're Still The One"	R. J. Lange, S. Twain	40%
"You've Got A Way"	R.J. Lange, S. Twain	40%

Schedule A

List of Approved Compositions Uploaded by 9 Squared Inc.

Artist	Title	Writers	% Covered	Fixation
Linkin Park	A Place For My Head	C. Bennington, R. Bourdon, B. Delson, M. Shinoda, J. Hahn	100%	$ 20.00
Backstreet Boys	As Long As You Love Me	Max Martin	100%	$ 20.00
Britney Spears	Baby One More Time	M. Martin	100%	$ 20.00
Limp Bizkit	Boiler	F. Durst, Rivers, Borland, Otto Dimant	100%	$ 20.00
Limp Bizkit	Break Stuff	F. Durst, Rivers, Borland, Otto Dimant	100%	$ 20.00
The Corrs	Breathless	R.J. Lange, S. Corr, A. Corr, C. Corr, J.Corr	50%	$ 10.00
R Kelly	Bump N' Grind	R. Kelly	100%	$ 20.00
Breeders	Cannonball	K. Deal	100%	$ 20.00
Linkin Park	Crawlin	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	100%	$ 20.00
Limp Bizkit	Don't Go Off Wandering	F. Durst, Rivers, Borland, Otto Dimant	100%	$ 20.00
Deee-Lite	Groove is In the Heart	J. Davis (p/k/a "Q-Tip"), K. Kier, D. Chung, D. Brill, H. Hancock	8%	$ 1.50
R Kelly	I Believe I Can Fly	R. Kelly	100%	$ 20.00
Twisted Sister	I Wanna Rock	D. Snider	100%	$ 20.00
R Kelly	I Wish	R. Kelly	100%	$ 20.00
Britney Spears	Lucky	M. Martin, Raml, A. Kronlund	75%	$ 15.00
Shania Twain	Man! I Feel Like a Woman	R.J. Lange, S. Twain	50%	$ 10.00
Limp Bizkit	Nookie	F. Durst, Rivers, Borland, Otto Dimant	100%	$ 20.00
Britney Spears	Oops I Did It Again	M. Martin, Raml	100%	$ 20.00
Linkin Park	Papercut	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	100%	$ 20.00
Linkin Park	Papercut	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	100%	$ 20.00
Linkin Park	Points of Authority	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	100%	$ 20.00
Limp Bizkit	Rollin	F. Durst, Rivers, Borland, Otto, Dimant, Dean	55%	$ 11.00
Backstreet Boys	Shape Of My Heart	M. Martin, Raml, L. Miskovsky	67%	$ 13.33
Linkin Park	With You	R. Bourdon, C. Bennington, Delson, Hahn, Shinoda	75%	$ 15.00
			Total	$ 415.83

February 26, 2003

Kanematsu USA, Inc.
1785 Fox Drive
San Jose, CA 95131

Re: Ring Tone License Agreement between Kanematsu USA, Inc. and BMG Songs, Inc. & Careers BMG Music Publishing Inc. dated January 1, 2003 (the "Agreement")

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. The Term of Agreement shall be deemed to have begun on February 15, 2003 and shall continue until February 14, 2004.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Careers-BMG Music Publishing, Inc.

By: _____

BMG Songs, Inc.

By: _____

Agreed and Accepted:

Kanematsu U.S.A., Inc.

By: _____

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MAT

January 9, 2004

Mr. Tim Scarela, CEO
Wap Online USA, LLC
1629 Washington Avenue 12
New Orleans, LA 70130

Re: **Ring Tone License Agreement between Wap Online USA, LLC and BMG Songs, Inc. & Careers BMG Music Publishing Inc. dated October 1, 2002 as amended November 26, 2002 (the "Agreement")**

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. Term

The Term of Agreement shall continue without interruption until November 30, 2004, unless terminated earlier in accordance with Article 5 of the Agreement.

2. Advances

Upon execution of this amendment, Licensee shall pay to BMG a non-returnable advance of $3000 recoupable from all royalties payable under the Agreement.

As modified above, the Agreement is hereby ratified, and shall remain in full force and effect.

Very truly yours,

Careers-BMG Music Publishing, Inc

By: _____

BMG Songs, Inc.

By: _____

Agreed and Accepted:

Wap Online USA, LLC

By: _____

January 9, 2004

Mr. Tim Sanrela, CEO
Wap Oneline USA, LLC
1629 Washington Avenue 12
New Orleans, LA 70130

Re: **Ring Tone License Agreement between Wap Oneline USA, LLC and Zomba Songs Inc., Zomba Enterprises Inc. and Zomba Melodies Inc. dated November 15, 2001 as amended November 15, 2002 (the "Agreement")**

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. Term

The Term of Agreement shall continue without interruption until November 30, 2004, unless terminated earlier in accordance with Article 5 of the Agreement.

2. Advances

Upon execution of this amendment, Licensee shall pay to Zomba a non-returnable advance of $3000 recoupable from all royalties payable under the Agreement.

As modified above, the Agreement is hereby ratified, and shall remain in full force and effect.

Very truly yours,

Zomba Songs Inc., Zomba Enterprises Inc., Zomba Melodies Inc.

By: _____

Agreed and Accepted:

Wap Oneline USA, LLC

By: _____

RING TONE LICENSE

Agreement made October 1, 2002 between BMG Songs, Inc. and Careers-BMG Music Publishing, Inc., 1540 Broadway, New York, New York 10036 (hereinafter referred to as "BMG") and Sprint Spectrum LP, 6160 Sprint Parkway, Overland, Kansas 6251 (hereinafter "Licensee").

For good and valuable consideration, BMG and the Licensee hereby agree as follows:

1. (a) BMG grants to Licensee the non-exclusive licence for the territory of the United States ("the Territory") for a term commencing on October 1, 2002 and expiring on September 30, 2003 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of BMG's interest therein) as follows:

(i) To create a MIDI or other digital computer file of the Composition(s) (the "File(s)");
(ii) To record a sequence from the File(s) of musical tones only without lyrics or instrumentation, not to exceed thirty (30) seconds in duration ("the Recording(s)");
(iii) To transform the Recording(s) into mobile telephone ring tone formats ("the Ring Tone(s)");
(iv) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers")
(v) To download Ring Tones onto mobile telephones (for a fee or otherwise) for personal use by the Customers (a "Download"), for the express purpose of such Ring Tone(s) sounding as the ringing alert on such mobile telephones;
(vi) To promote and advertise segments of the Ring Tones (not to exceed thirty (30) seconds each) solely on Licensee's and/or Third Party Companies' web site(s) (i.e. a web site in which Customer can preview a Ring Tone before purchasing same).

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Schedule "A" may be amended, in BMG's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, BMG may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

2. (a) Licensee shall send to BMG notice indicating by title and songwriter(s) the identity of each Composition converted to a Ring Tone by Licensee. Such notice shall be sent within ten (10) days of each Ring Tone becoming available for Download by a Customer.

(b) BMG reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time due to an objection or claim received from the writer(s), co-publisher(s) or owner(s) of such Compositions. In the event that BMG shall request Licensee to cease using any Composition, Licensee shall do so no later than 72 hours after receiving notice from BMG.

3. In consideration of the foregoing licence, Licensee shall pay to BMG the following:

(a) (i) With respect to each individual Download, a sum equal to BMG's percentage of control of each applicable Composition (the "BMG Share") multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded ("the Royalty"), provided that in no circumstances shall the Royalty be less than the BMG Share of each applicable Composition multiplied by $.10 per Download irrespective of the price (if any) actually charged.

(ii) It is understood and agreed that certain Customers pay to Licensee a monthly recurring charge which enables such Customers to Download up to a set number of Ring Tones on a monthly basis. The Royalty due in connection with such Downloads shall be the BMG Share of each applicable Composition multiplied by the greater of 10% of the average per download sale price applicable to the Customers monthly service or $.10. By way of example, if a Customer's monthly recurring charge is $10 per month for eight (8) ring tones, then the average price for each ring tone downloaded would be $1.25 and the resultant royalty due on a 100% BMG controlled Composition would be $.12.

(iii) It is understood and agreed that as part of Licensee's service to its Customers Licensee allows its Customers to re-download previously purchased ring tones free of charge, i.e. a Customer may download a certain ring tone, delete such ring tone from his or her mobile device, then at a later date re-download such ring tone without further cost (a "Repeat Download"). BMG agrees that no Royalty will be due in connection with Repeat Downloads provided that such Customer(s) are not charged any fees in connection with same.

(b) An advance of $15,000 recoupable from all Royalties payable hereunder.

(c) If at any time during the Term hereof Licensee pays any royalty rate per Download or Repeat Download to any other publisher or administrator of musical compositions (an "Other Publisher"), solely for the right to use such Other Publisher's compositions, with no additional rights or services provided by such Other Publisher (i.e. the creation of the ring tones), as part of Licensee's ring tone service within the Territory, higher than the Royalty specified hereunder, or any fixing fee to any Other Publisher in connection with the uploading or creation of Ring Tones within the Territory, on a per composition basis or

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otherwise, Licensee shall pay such higher royalty or fixing fee to BMG retroactively to the first accounting period during which such higher royalty or fixing fee is applied to such Other Publisher.

4. Within forty five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30 and December 31, Licensee shall render to BMG a true and detailed accounting of (i) all Ring Tones Downloaded; and (ii) all Ring Tones created pursuant to paragraph 2 above. Each accounting shall report each Composition by title and songwriter(s) and/or song code number (as indicated on Schedule A), the number of Downloads and the resultant Royalty due hereunder and be accompanied by payment to BMG of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to BMG Music Publishing, 3750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones hereunder and all Downloads and containing all other information needed to compute and verify the amounts payable to BMG hereunder. BMG may audit those books and records. BMG may make such an examination for a particular statement only once. BMG may conduct such audit only during Licensee's usual business hours, and at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice.

(b) Such audit shall be conducted at BMG's sole expense, except that if any audit reveals an error resulting in an underpayment to BMG of five percent (5%) or more of the total amount accounted to BMG during the accounting periods audited, then Licensee shall pay to BMG all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without BMG's prior written consent and any purported such assignment, transfer or licence shall be void *ab initio*.

7. (a) BMG may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to BMG's satisfaction within thirty (30) days after BMG gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without BMG's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without BMG's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of BMG's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Files, Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and shall within fifteen (15) days after the end of the Term deliver to BMG an affidavit evidencing such destruction. It is acknowledged and agreed that Customers may continue to use any Ring Tones Downloaded during the Term following the expiration of same.

8. (a) BMG represents, warrants and agrees as follows (with respect to the BMG Share of the Compositions described in Schedule A):

(i) BMG has full right, power and authority to enter into this agreement and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) The Compositions are original copyrighted works and in no way infringe the copyright or other rights of any third party.

(iii) BMG will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom BMG administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

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(i) Licensee has the full right, power and authority to enter into and perform this agreement upon the terms and conditions set forth herein.

(ii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iii) Upon receipt of written instruction from BMG, Licensee shall not, to the extent permitted by law, license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(c) Each party (for these purposes, "Indemnitor") shall indemnify, defend and hold the other party ("Indemnitee"), its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. Indemnitee shall notify Indemnitor of any claim presented to Indemnitee by a third party. Indemnitor shall defend any third party claim, at its sole expense, with counsel approved by Indemnitee, except that, at Indemnitee's option, Indemnitee may defend the claim (at Indemnitor's sole expense) and shall consult with Indemnitor about choice of counsel and the conduct of the proceeding. No such claim asserted by a third party may be settled by Indemnitee without Indemnitor's prior written consent (such consent not to be unreasonably withheld or delayed), so long as Indemnitor is actively defending such claim in a manner consistent with industry norms, unless Indemnitee shall agree not to seek indemnity from Indemnitor for any settlement payment made by Indemnitee to the claimant.

9. (a) For the avoidance of doubt, no rights are granted in any recording in the Composition(s), and no rights are granted other than those expressly referred to herein.

(b) Neither party Licensee shall issue any press releases or other forms of publicity materials which make reference to the other party or this agreement without the prior written consent of the other party.

(c) BMG will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

(e) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom.

10. This Agreement contains all of the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

Careers-BMG Music Publishing, Inc.

By: _____

BMG Songs, Inc.

By: _____

Sprint Spectrum LP

By: _____

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BMG SON	ISWC #	SONGTITLE	LAST NAME	ENTAGE CONTROLLED	AFFIL.	© Date	[redacted]	Artist Details (Principle)
0260689		#1	Haynes/Yaghnam	50.00	ASCAP	2001		Nelly
0060624		(AM I) A FOOL IN LOVE	Turner	100.00	BMI	1964		Ike & Tina Turner
0013442		(CAN'T LIVE WITHOUT YOUR) LC	Nelson/Nelson/Tanner	(Publishing only) 16.66	ASCAP	1990		
0013660		(I LOVE) BEING IN LOVE WITH YI	Gibb/Gibb/Gibb	100.00	BMI	1985		
0017854		(IT'S ALWAYS GONNA BE) SOME	Dunn/Shapiro/Water	33.33	BMI	1991		Dunn, Holly
0021427		(LOVE IS) THICKER THAN WATE	Gibb/Gibb	50.00	BMI			
0013975		(WE ARE) ATOMIC	Gibb/Gibb	100.00	BMI			
0211251		(YOU DRIVE ME) CRAZY	Eloisson/Sandberg/Magnusson/Kre	25.00	BMI	1999		Britney Spears
0224836		1000 JULYS	Cadogan/Jenkins/Salazar/Hargreav	50.00	BMI	2000		Third Eye Blind
0214538		2 IN A MILLION	Ellis/Dennis	50.00	PRS	2000		
0263200	T-071.35	20 DOLLARS	Isaac/Green	35.00	BMI	2001		Angie Stone
0037436		21ST CENTURY SCHIZOID MAN	Lake/McDonald/Giles/Sinfield/Fripp	100.00	PRS			April Wine
0161373		3 LITTLE BIRDIES DOWN BEATS	Rowlands/Simons	75.00	PRS			
0061572		3 STRANGE DAYS	Clayton-Felt/Ward	100.00	ASCAP	1992		
0023831		30 YEARS OF TEARS	Hiatt	100.00	BMI	1990		Hiatt, John
0143773		4TH CHAMBER	Diggs/Coles/Grice	50.00	BMI	1995		Wu-Tang Clan
0226934		A BEEP AND A BED PAN	Manilow/Sussman/Feldman	100.00	BMI	1986		
0204991		A BODY GOES DOWN	Sheik	100.00	BMI	1998		Sheik, Duncan
0020588		A CHANCE FOR HEAVEN	Cross/Bacharach/Bayer-Sager	33.34	ASCAP	1984		
0013473		A CHILD, A GIRL, A WOMAN	Gibb	100.00	BMI	1970		
0016599		A FAMILY TIE	Prestwood	100.00	BMI	1981		O'connell, Maura
0137035		A FAR CRY FROM HIM	Giles/Longacre	25.00	BMI	1997		Regina Regina
0032443		A FISHERMAN'S TALE	Cross/Maurer	50.00	ASCAP	1982		
0013621		A HATFUL OF RAIN	Gibb	100.00	BMI			
0030110		A LITTLE TOO LOOSE	Gilber/Sheehan	33.00	BMI	1991		Mr. Big
0026935		A LITTLE TRAVELING MUSIC PLE	Manilow/Sussman/Feldman	100.00	BMI	1989		
0013740		A LONELY VIOLIN	Gibb/Gibb/Gibb	100.00	BMI	1973		
		A PESAR DE TODO	Nelson	BMG DOES NOT CLAIM				Nelson Ned
0148565		A PICT SONG	Bragg	100.00	PRS			Bragg, Billy
0152107		A QUE TE PONGO	Lopez	100.00	ASCAP	1996		Illegales
0259715		A RUSH OF BLOOD TO THE HEA	Berryman/Buckland/Champion/Mart	100.00	PRS	2002		Coldplay
0043511		A TO THE K	Freese/Reyes/Muggerud	43.75	ASCAP	1995		Cypress Hill
0007451		A VER A VER, A MOVER LA COLI	Sarmiento/Iacopetti	100.00				
0305737		A WHISPER	Berryman/Buckland/Champion/Mart	100.00	PRS	2002		Coldplay
0072680		ABOVE AND BEYOND	Gibb/Gibb/Gibb	100.00	BMI	1993		
0191656		ABSURD	Bryan/Tournier/Fuglet	100.00	PRS	1998		Fluke
0004735		AC DC	Chapman/Chinn	100.00	ASCAP	1978		
0143690		ACCIDENT WAITING TO HAPPEN	Bragg	100.00	PRS			Bragg, Billy
0129807		ACE IN THE HOLE	Adkins	100.00	ASCAP	1989		

0003558	ACE OF SWORDS, THE	Parsons/Woolfson	100.00	BMI	1981	
0186658	ACT ON IT	Vasquez/Cenac/Miller/Kluesner	13.33	ASCAP	1998	Funkdoobiest
0172079	ADAM'S DREAM	Gibb	100.00	BMI		
0040366	ADDICTED TO JESUS	Hogue/Licciardello/McKeehan	12.50	BMI	1992	German
0020110	ADDICTED TO THAT RUSH	Gilbert/Shaahan/Torpey	5.00	BMI	1989	
0257155	ADRIENNE	Band/Kamin	100.00	BMI	2001	The Calling
0024599	AFFECTION	Morris/Devaney/Stansfield	100.00	PRS		
0225040	AFRICA	Thompson/D'Angelo/Writer Unknow	15.00	BMI	2000	D'Angelo
0170078	AFRO (FREESTYLE SKIT)	Wright/Poyser	50.00	ASCAP	1997	Erykah Badu
0168215	AFTER ALL THIS TIME	Hiatt	100.00	BMI	1997	
0013474	AFTER DARK	Gibb/Gibb	100.00	BMI	1980	
0144011	AFTER THE RAIN	Harrington/Coomer/Beck	33.34	ASCAP	1996	Aaron & Jeoffrey
0193864	AGAINST THE LAW	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0073847	AGE OF LONELINESS	Coleman/Dudley/McCurly	2.50	PRS	1993	Enigma
0136706	AIN'T GOING DOWN (TIL THE SU	Blazy/Brooks/Williams	33.34	BMI	1993	Garth Brooks
0127120	AIN'T GONNA WORRY MY LIFE A	King	BMG DOES NOT CLAIM			
0061551	AIN'T GONNA HUSH	de Milo/Bihari/Bihari/Bihari	100.00	BMI		Johnny Guitar Watson
0013475	AIN'T GOT NO MONEY	Gibb/Gibb	100.00	BMI	1975	
0046036	AIN'T IT A SHAME	Marilow/Anderson	100.00	BMI		
0013476	AIN'T NOTHING GONNA KEEP MI	Gibb	100.00	BMI	1978	
0166349	AIN'T NUTHIN' WRONG	Beal/Sanchez/Gordon/Corley/Rodri	30.00	BMI		Room Service
0036339	AIN'T THAT SO	Ferry	100.00	PRS		Roxy Music
0328714	AIR FORCE ONES	Haynes/Harper/Kyjuan/Jones/Kent/	12.50	ASCAP	2002	Nelly
0007073	AIR FROM SUITE NO. 3 IN D	Galway	100.00	ASCAP		
0221221	AISHA	Hellier/Maguire/Holmes/Pop	33.34	PRS	1999	Death In Vegas
0013477	ALEXANDRIA GOOD TIME	Gibb	100.00	BMI		
0020562	ALIBI	Cross/Maurer	50.00	ASCAP	1988	
0147469	ALICE, WHO THE F... IS ALICE?	Chapman/Chinn	100.00	ASCAP		
0323494	ALISON	Costello	100.00	PRS		Elvis Costello
0013478	ALIVE	Gibb/Gibb	100.00	BMI	1972	
0030108	ALIVE AND KICKIN'	Gilbert/Pessis/Martin/Torpey/Sheeh	22.00	BMI	1991	Mr. Big
0157446	ALL ABOUT YOU	Jackson/Washington/Fula/Shakur/T	9.16	ASCAP		2 Pac
0013479	ALL AROUND THE CLOCK	Gibb/Gibb/Gibb	100.00	BMI	1968	
0021212	ALL AROUND THE WORLD	Morris/Devaney/Stansfield	100.00	PRS	1990	Lisa Stansfield
0051569	ALL BECAUSE OF YOU	Jones/Henderson	50.00	ASCAP	1994	Singletary, Daryle
0002731	ALL CRIED OUT	George/George/George/Badeau/Ch	25.00	BMI	1985	Allure
0155811	ALL EYEZ ON ME	Jackson/Pennington/Shakur/Himes	50.00	ASCAP/	1996	2 Pac
0132007	ALL I NEED	Smith/Diggs	100.00	BMI	1995	Method Man
0207712	ALL I NEED IS EVERYTHING	Bergquist/Detweiler	100.00	ASCAP	2001	Over the Rhine
0207712	ALL I NEED IS EVERYTHING	Bergquist/Detweiler	100.00	ASCAP	2000	Various Artists

0032419		ALL I NEED IS YOU	Osborne/Fearn/Betts/Husbands	75.00	BMI	1991	
0036278		ALL I WANT IS YOU	Ferry	100.00	PRS		Roxy Music
0240747		ALL IN TOGETHER NOW	Diggs/Harris/Jones	25.00	BMI		Ol Dirty Bastard
0052202		ALL IS WELL	Kirkpatrick/Smith	50.00	BMI	1989	
0143813		ALL IS WELL	Cunningham/Huesmann	50.00	BMI	1996	
0174744		ALL MY CHRISTMASSES CAME A	Gibb/Gibb/Gibb	100.00	BM		
0151978		ALL MY DAYS	Krippayne/McKelvey	50.00	ASCAP	1995	
0164277		ALL MY ONLY DREAMS	Elias/Rogness	37.50	BMI	1996	
0036327		ALL NIGHT OPERATOR	Ferry	100.00	PRS		Bryan Ferry
0013480		ALL OUR CHRISTMASSES CAME	Gibb/Gibb/Gibb	100.00	BMI	1968	
0004157		ALL OUT OF LOVE	Davis/Russell	100.00	PRS	1980	Air Supply
0063822		ALL OVER THE WORLD	McDonald/Matthews/Feldman	50.00	ASCAP	1992	
0020583		ALL RIGHT	Cross	100.00	ASCAP	1983	Christopher Cross
0143962		ALL THAT I AM	Loftin/Gustafsson	100.00	ASCAP	1997	Joe
0057647		ALL THAT SHE WANTS	Ekberg/Berggren/Berggren/Berggre	100.00	STIM	1992	Ace of Base
0039348		ALL THE KING'S MEN	Cochrane	100.00	SOCAN		Tom Cochrane
0013481		ALL THE LOVE IN THE WORLD	Gibb/Gibb/Gibb	100.00	BMI	1983	
0205585		ALL THE PLACES (I WILL KISS YO	Saal/Clemons/Clemons/Hall	40.00	ASCAP	1998	Aaron Hall
0026977		ALL THE TIME	Manilow/Panzer	100.00	BMI	1976	
		ALL THE TIME IN THE WORLD	BETH NEILSEN CHAPMAN/BILL L NEED MORE INFORMATION				Chapman, Beth Nielsen
NEED MORE INFO		ALL THE WAY	F. Lewis, K. Randolph				Haynes/Haque/Randolph
0013482		ALL THIS MAKING LOVE	Gibb/Gibb/Gibb	100.00	BMI	1975	Bee Gees (The)
0139801		ALL TOGETHER NOW	Forster	100.00	ASCAP		
0034163		ALL WOMAN	Morris/Devaney/Stansfield	100.00	PRS		
0211756		ALL YOU FASCISTS	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0048557		ALL YOU GET FROM LOVE IS A L	Eaton	100.00	ASCAP		Carpenters (The)
0216027		ALL YOU WANT	Armstrong/Armstrong/Herman	10.00	PRS	1998	Dido
0186463	T-070,25	ALLERGIC BOY	Williams	100.00	BMI	1998	Williams, Victoria
0265990		ALMOST DOESN'T COUNT	Roche/Pelken	50.00	ASCAP	1998	Brandy
0029220		ALMOST TOUCH THE STARS	Cross	100.00	ASCAP	1991	
0172784		ALONE	Gibb/Gibb/Gibb	100.00	BMI	1997	The Bee Gees
0013483		ALONE AGAIN	Gibb/Gibb	100.00	BMI	1971	
0050767		ALONE IN THE DARK	Hiatt	100.00	BMI	1987	
0053023		ALONG COMES A WOMAN	Celera/Goldberg	50.00	ASCAP	1984	
0050768		ALREADY LOVED	Hiatt	100.00	BMI	1988	
0029254	T-070,23	ALRIGHT TONIGHT	Hiatt	100.00	BMI	1991	Paula Abdul
0051594		ALRIGHTOKUHHUHAMEN	Mullins	100.00	ASCAP	1990	Rich Mullins
0184968		ALTER MANN	Kruspe/Lindemann/Landers/Lorenz	100.00	GEMA	1998	Rammstein
0005203		ALWAYS	Sabu/Neal/Egizi	66.67	BMI	1987	Force One Network Dave H
0168049		ALWAYS SOMETHING TO REMIN	Best/Anthony/White	80.00	BMI/ASC	1997	Total Commitment

0001452	AMANDOTE	Valadez	100.00	SACM		
0019270	AMANECI EN TUS BRAZOS	Jimenez	100.00	SACM		Javier Solis
0006462	AMAR Y EL QUERER, EL	Alvarez-Belgbeder Perez/Romero	50.00			
0212924	AMAZED	Mayo/Lindsey/Green	33.34	BMI	1999	Lonestar
0036422	AMAZONA	Ferry/Manzanera	100.00	PRS		Roxy Music
0048845	AMERICA	Johns	37.50	BMI	1997	Waylon Jennings
0330598	AMERICA A O	Ross/Secon/Power	10.00	PRS	2002	Aaron Carter
0025942	AMERICA AMERICA	Armenteros Sanchez/Herrero Ibarz	100.00			
0327155	AMERICAN CHILD, AN	Wiseman/Vassar	50.00	ASCAP		Phil Vassar
0003150	AMMONIA AVENUE	Parsons/Woolfson	100.00	BMI	1984	
0001540	AMOR ETERNO	Valadez	100.00	SACM	1990	
0259712	AMSTERDAM	Berryman/Buckland/Champion/Mart	100.00	PRS	2002	Coldplay
0224837	AN ODE TO MAYBE	Cadogan/Jenkins/Salazar/Hargreav	50.00	BMI	2000	Third Eye Blind
0002632	ANARCHY IN THE U.K.	Lydon/Cook/Jones/Matlock	25.00	PRS	1977	The Sex Pistols
0036403	ANGEL EYES	Ferry/MacKay	100.00	PRS		Roxy Music
0053814	ANGELS	Bannister/Grant/Chapman/Smith	25.00	ASCAP	1984	
0174155	ANGELS	Chambers/Williams	50.00	PRS	1998	
0147062	ANGELS ON YOUR PILLOW	Lee/Horner	100.00	ASCAP	1982	Feinstein, Michael/ Childrer
0235924	ANNIHILATION	Smart/Collins/Jenkins/Blenman/Sat	40.00	BMI	2000	Dilated Peoples
0176054	ANOMALY CALLING YOUR NAME	Transeau	100.00	GEMA	1998	Various Artists
0258055	ANOTHER CHANCE	Lukather/Sanchez	90.00	ASCAP	2002	Roger Sanchez
0253209	ANOTHER DAY IN PARADISE	Wiseman/Vassar	37.50	ASCAP		
0013488	ANOTHER LONELY NIGHT IN NE	Gibb/Gibb	100.00	BMI	1985	Bee Gees
0202919	ANOTHER MAN'S DONE GONE	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0218586	ANOTHER MELLOW WINTER	Woodcock/Luginbuhl/Segon-Lours	100.00	SACEM		Mellow
0243281	ANOTHER PERFECT DAY	Jones	100.00	ASCAP	2001	American Hi-Fi
0263507	ANYBODY WANNA PRAY	Sims/Bell/Caldwell	25.00	ASCAP	2001	Cece Winans
0008781	ANYTHING FOR YOUR LOVE	Williams	25.00	ASCAP	1988	Clapton, Eric
0061928	ANYTIME, ANYPLACE, ANYWHE	Brooks, Hadda Rish	100.00	BMI	1984	
0169868	APPLE TREE	Wright/Bradford	100.00	ASCAP	1997	
0050285	APRIL IN PARIS	Duke/Harburg	50.00	ASCAP	1932	
0016092	ARE YOU EVER GONNA LOVE M	Dunn/Shapiro/Water	33.33	BMI	1989	Dunn, Holly
0050770	ARE YOU READY FOR THIS THIN	Hiatt	100.00	BMI	1987	
0050421	AS LONESOME AS IT GETS	Cordle/Pennington	50.00	BMI	1997	Lawrence, Tracy
0147835	AS LONG AS YOU'RE HERE	Powell/Wilson/Holiday/Lomax/Youn	20.00	BMI		Brandy
0175869	AS YOU LEAN INTO THE LIGHT	Weller	100.00	PRS	1997	Weller, Paul
0147789	AT NIGHT I PRAY	Sandstrom/Ferguson/Sandstrom/Ri	50.00	ASCAP	1996	
0328195	ATRAPAME	Aponte/Lemos	50.00	BMI	2002	Manny Manuel
0050286	AUTUMN IN NEW YORK	Duke	100.00	ASCAP	1934	
0051599	AWESOME GOD	Mullins	100.00	ASCAP	1988	

0127029	B.B. BLUES	King/Josea	100.00	BMI	1992	
0060633	B.B.'S BOOGIE	King/Taub	100.00	BMI	1971	
0013491	BABY AS YOU TURN AWAY	Gibb/Gibb/Gibb	100.00	BMI		Bee Gees (The)
0061290	BABY BABY (*)	Witherspoon/Bihari	100.00	BMI	1981	Jimmy Witherspoon
0133766	BABY C'MON	Diggs/Jones	50.00	BMI	1995	Ol Dirty Bastard
0007249	BABY COME BACK	Beckett/Crowley	50.00	BMI	1977	
	BABY I LIED		BMG DOES NOT CLAIM			Shannon Brown
0053016	BABY WHAT A BIG SURPRISE	Cetera	100.00	ASCAP	1977	
0165270	BACK DOOR STRANGER	Carlisi/Steele/Van Zant	100.00	ASCAP	1982	38 Special
0224050	BACK HERE	Thornalley/Barry/Burns/McNally	50.00	PRS	2000	
0020552	BACK OF MY MIND	Hiatt	100.00	BMI	1980	Hiatt, John
0182228	BACK ON MY FEET	Labounty/Roboff	50.00	BMI	1998	Wilkinsons, The
0165273	BACK ON THE TRACK	Carlisi/Steele/Van Zant	100.00	ASCAP	1982	38 Special
0193308	BACKGROUND	Cadogan/Jenkins/Salazar	50.00	BMI	1997	
0053025	BAD ADVICE	Cetera/Foster/Pankow	33.34	ASCAP	1982	
0245764	BAD AMBASSADOR	Hannon	100.00	PRS		The Divine Comedy
0060637	BAD BREAKS	King/Josea/Ling	100.00	BMI	1959	
0060641	BAD LUCK	Taub/Ling	100.00	BMI	1956	
0060644	BAD LUCK SOUL	King/Taub	100.00	BMI	1970	
0048354	BAD MOOD	Gordon/Davoli/Limoni/Semplici	65.00	PRS	1995	Lonnie Gordon
0267557	BAD REPUTATION	Jett/Cordell/Kupersmith/Laguna	100.00	BMI		
0213600	BAG IT UP	Watkins/Wilson/Halliwell	66.67	PRS	1999	Geri Halliwell
0004728	BALLROOM BLITZ	Chapman/Chinn	100.00	ASCAP	1978	
0148347	BARELY BREATHING	Sheik	100.00	BMI	1996	
0175736	BARRACUDA	Fisher/Wilson/Wilson/Derosier	30.00	ASCAP		Heart
	BATTER UP		BMG DOES NOT CLAIM			St Lunatics & Nelly
0199988	BATTERED BROKEN	Christodal	100.00	ASCAP	1998	Jude
0052848	BATUQUE	Zulu/Evangelista	50.00	SICAM		Various Artists
0134902	B'BOOM	Fripp/Bruford/Mastelotto	100.00	PRS	1998	King Crimson
0219831	B-BOYS & FLY-GIRLS	Salovaara/Ebanks	100.00	STIM		Bomfunk MC's
0219840	BEAT BOX	Salovaara/Ebanks	100.00	TEOSTO		JS16
0060647	BEAUTICIAN BLUES	King/Taub	100.00	BMI	1964	
0141248	BEAUTIFUL LIFE	Berggren/Bellard	90.00	STIM	1995	Ace of Base
0226753	BEAUTIFUL WAY	Hansen	100.00	ASCAP	1999	
0265260	BEAUTY ON THE FIRE	Imbruglia/Clark/Wilder	33.34	PRS	2002	Natalie Imbruglia
0036280	BEAUTY QUEEN	Ferry	100.00	PRS		Roxy Music
0215922	BECAUSE GOD'S GOOD	Liles/Johnson/Johnston	33.34	ASCAP	2000	
0026939	BECAUSE IT'S CHRISTMAS (FOR	Manilow/Sussman/Feldman	100.00	BMI	1986	
0176804	BEEN AROUND THE WORLD	Morris/Devaney/Stansfield/Bowie/Li	40.00	BMI	1997	
	BEER RUN		BMG DOES NOT CLAIM			George Jones duet with Gar

0220428		BEFORE I FALL IN LOVE	Hoselin/DeVille/Rich/Sea-Gazeley	50.00	ASCAP	1999	
0073931		BEFORE YOU KILL US ALL	Follese/Barnes	50.00	BMI	1994	
0004081		BETTER BE GOOD TO ME	Knight/Chapman/Chinn	100.00	ASCAP	1984	
0043176		BIG CITY NIGHTS	Meine/Schenker	100.00	GEMA		
0193152		BIG TOPS	Hummon/Wariner	50.00	BMI		Steve Wariner
0034123		BIGGER MAN	Cochrane	100.00	SOCAN		
0243277		BIGGER MOOD, A	Jones	100.00	ASCAP	2001	American Hi-Fi
0239741		BIONIC	Browne/Nelson	100.00	PRS		King Adora
0202915		BIRDS AND SHIPS	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0204988		BITE YOUR TONGUE	Sheik	100.00	BMI	1996	Sheik, Duncan
0209122		BITTERSWEET	Brickman	100.00	SESAC	1998	
0227938		BLACK DRESS	Osenga/Lockell/Aberle/Tequino/Co-	56.67	ASCAP	2000	The Normals
0208268		BLACK TRUMP	Woods/Hinson/Yates/Williams	25.00	BMI	1999	Wu-Tang Clan
0211759		BLACK WIND BLOWING	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0186470	T-070.25	BLACKBIRDS RISE	Williams	100.00	BMI	1998	Williams, Victoria
0071717		BLACKHOLE	Hansen	100.00	ASCAP	1999	
0126780		BLESS THE BROKEN ROAD	Hummon/Boyd/Hanna	55.00	BMI	1994	Geoff Moore
0030114		BLIND LEAD THE BLIND	Chapman/Moore	25.00	BMI	1991	Steven Curtis Chapman
0050653		BLIND LOVE	King/Taub	100.00	BMI		B.B.King
0168402		BLIND SIDE	Kirkpatrick/Ashton	75.00	BMI	1997	Susan Ashton
0173808		BLOOD SIMPLE	Giles/Longacre	50.00	BMI		Mason, Mila
0243278		BLUE DAY	Jones	100.00	ASCAP	2001	American Hi-Fi
0203640		BLUEBIRD BLUES	Hooker/Besman	100.00	BMI		
0062177		BLUES HAS GOT TO ME	King/Taub	100.00	BMI	1970	
0061620		BLUES STAY AWAY	King	BMG DOES NOT CLAIM			
0194091		BOBBY	Mcentire/Schiltz	12.50	ASCAP		
0004493		BODIES	Lydon/Cook/Jones/Beverly	25.00	BMI	1977	The Sex Pistols
0143708		BODY OF WATER	Bragg/Wigg	50.00	PRS		Bragg, Billy
		BONUS TRACK	DIGGS/JONES	NEED MORE INFORMATION			Di Dirty Bastard
0013502		BOOGIE CHILD	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0205091		BOOGIE CHILLEN	Hooker/Besman	100.00	BMI	1967	
0203738		BOOGIE CHILLEN NO. 2	Hooker/Besman	100.00	BMI	1970	
0060661		BOOGIE WOOGIE WOMAN	King/Taub	100.00	BMI	1952	
0231267		BORN TO FLY	Hummon/Evans/Scott	33.34	BMI	2000	
0001501		BORRIQUITO	Calaf, Pedro Pubill	100.00	SGAE		
0147065		BOSTON BEANS	Lee/Raskin/Schulgar	100.00	ASCAP	1983	
0036319		BOTH ENDS BURNING	Ferry	100.00	PRS		Roxy Music
0255213	T-071.35	BOTTLES AND CAN	Isaac	100.00	BMI	2001	Angie Stone
0201429		BOUT IT, 'BOUT IT	Fels/Powell	50.00	BMI	1999	Jesse Powell
0072725		BOX, THE	Moore/Travis	50.00	BMI	1994	

0124522		BOY'S DON'T CRY	Smith/Tolhurst/Dempsey	100.00	PRS		The Cure
0034122		BRAVE AND CRAZY	Cochrane	100.00	SOCAN		
0147001		BRAVE NEW WORLD	Freeman	100.00	BMI		
0165274		BREAKIN' LOOSE	Carlisi/Grondin/Steele/Van Zant	100.00	ASCAP	1982	38 Special
0052914		BREAKIN' AWAY	Canning/Jarreau/Graydon	33.34	BMI	1981	
0026500		BREAKING UP IS HARD TO DO	Greenfield/Sedaka	50.00	BMI	1962	
0158630		BREATH OF HEAVEN (MARY'S S	Grant/Eaton	BMG DOES NOT CLAIM			
0148564		BRICKBAT	Bragg	100.00	PRS		Bragg, Billy
0209265		BRIGHT STAR BLUE SKY	Krippayne/Siller	50.00	ASCAP	1999	
0021484	T-070.23	BRING BACK YOUR LOVE TO ME	Hiatt	100.00	BMI	1990	Hiatt, John
0221227		BRING IT ALL BACK	Percy/Lever/Kennedy/S Club 7	53.32	PRS	2000	
0268543		BRITTLE BONE	Osenga	66.67	ASCAP	2002	
0133369		BROKEN STONES	Weller	100.00	PRS	1986	The Normals
0032235		BROKEN THINGS	Mills/	25.00	ASCAP	1991	Weller, Paul
0133781		BROOKLYN ZOO II (TIGER CRAN	Diggs/Jones/Coles	50.00	BMI	1995	
0332392		BROTHA	Stone/Saadiq/Lilly/Standridge/Ozun	10.00	BMI	2001	Ol Dirty Bastard
0021658		BROTHERLY LOVE	Nichols/Stewart	50.00	BMI	1989	Angie Stone
0175871		BRUSHED	Weller/Nelson/White	50.00	PRS	1997	
0180841		BUCKAROO	Hill/Sanders	50.00	BMI		Weller, Paul
0129576		BUILD MY WORLD AROUND YOU	Cunningham/Huesmann	50.00	BMI		
0013511		BURIED TREASURE	Gibb/Gibb/Gibb	100.00	BMI		Rogers, Kenny
0030118		BUSY MAN	Chapman, Steven Curtis	33.33	BMI	1991	Kenny Rogers
0180003		BUSY MAN	Regan/Teren	50.00	ASCAP	1998	
0220543		BUT FOR THE GRACE OF GOD	Caffey/Wiedlin/Urban	33.34	ASCAP	1999	
0024800		BUYING HER ROSES	Doyle/Peoples	100.00	ASCAP	1991	
0199412		C'EST LA VIE	Hedges/Ackerman/Brannigan/B*W	27.00	PRS	1998	Reba McEntire
0026459		CALENDAR GIRL	Greenfield/Sedaka	50.00	BMI	1961	
0244962		CALM BEFORE THE STORM	Salovaara/Vinanen	100.00	TEOSTO		
0027850		CALVARY'S LOVE	Nelson/McHugh	25.00	BMI	1936	Darude
0224839		CAMOUFLAGE	Cadogan/Jenkins/Salazar/Hargreav	50.00	BMI	2000	
0222948		CAN I WANT YOUR LOVE	Kleiman/Mayo/Smith	66.67	PRS/BMI		Third Eye Blind
0250857		CAN WE FIX IT	Joyce	25.00	PRS		Trace Adkins
0169807		CAN'T GET ENOUGH	Blazy/Rambeaux/Daily	33.34	BMI	1998	
0203615		CAN'T LET HER GO	Lawrence, Ron/Black/Johnson/Stec	8.34	BMI	1999	
0201754		CAN'T LIVE A DAY	Harrington/Beck/Lacy	33.34	ASCAP	1999	
0127128		CAN'T YOU HEAR ME TALKING	King/Clark	BMG DOES NOT CLAIM			
0222126		CANDY	Kleiman/Katz/Rich/Battaglia	30.34	PRS	2000	Mandy Moore
0013514		CAN'T KEEP A GOOD MAN DOWI	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0036328		CAN'T LET GO	Ferry	100.00	PRS		Bryan Ferry
0265925		CANTO ALLA VITA	Galbiati/Dettori/Rapetti	29.16	SIAE	2002	Josh Groban

0255031		CARAMEL	Thompson/Hubbard/Collins/Duplessi	14.00	BMI	2002	City High featuring Eve
0011914		CARUSO	Dalla	12.50	SIAE		Neal Schon
0036284		CASANOVA	Ferry	100.00	PRS		Bryan Ferry
0006098		CASTIGAME	Ramos/Botija	100.00	SACM		
0165379		CAUGHT UP IN YOU	Carlisi/Barnes/Peterik/Sullivan	62.50	ASCAP	1982	
0021879		CAUSE CHEAP IS HOW I FEEL	Timmins	100.00	ASCAP	1990	
0169867		CERTAINLY	Wright/Chinwah	50.00	ASCAP	1997	
0326896		CG 2	Haynes/Harper/Kyjuan/Jones/Epper	25.00	ASCAP	2002	Nelly
0165380		CHAIN LIGHTNIN'	Van Zant/Barnes/Peterik	62.50	ASCAP	1982	38 Special
0013518		CHAIN REACTION	Gibb/Gibb/Gibb	100.00	BMI	1985	Steps
0060943		CHAIR, THE	Dillon/Cochran	50.00	BMI	1985	
0036285		CHANCE MEETING	Ferry	100.00	PRS		Bryan Ferry
0004078		CHANGE	Knight, Holly	100.00	ASCAP		
0257104		CHANGE	Wiseman/Selby	37.50	ASCAP		Sons Of The Desert
0003561		CHANGE MY MIND	Davis/Goldstein	BMG DOES NOT CLAIM			The Motels
0142005		CHANGE THE WORLD	Kirkpatrick/Kennedy/Sims	41.67	BMI / AS	1996	
0013524		CHARADE	Gibb/Gibb	100.00	BMI		Bee Gees (The)
0157518		CHEMICAL BEATS	Rowlands/Simons	75.00	PRS		
0048869		CHEVY VAN	Johns	37.50	BMI	1996	
0262062	T-071.38	CHICK WITH BRAIDS	Isaac	100.00	BMI	2002	Mario
0226041		CHICKEN GREASE	Thompson/Poyser/D'Angelo	16.50	BMI	2000	D'Angelo
0016271		CHILD AGAIN	Chapman	100.00	ASCAP	1990	Chapman, Beth Nielsen
0023042	T-070.23	CHILD OF THE WILD BLUE YONC	Hiatt	100.00	BMI	1990	Hiatt, John
0161035		CHILDREN OF THE REVOLUTION	Bolan	100.00	BMI	2001	
0129589		CHILDREN OF THE WORLD	Kirkpatrick/Grant/Sims	35.00	BMI / AS	1994	
0013527		CHILDREN OF THE WORLD	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0147066		CHORO IN A	Almeida	100.00	ASCAP		Laurindo Almeida with Bud
0165613		CHRIST OF HOPE	Tumes	100.00	APRA	1998	Michelle Tumes
0226942		CHRISTE ELEISON	Tumes	100.00	APRA	2000	Michelle Tumes
0143692		CINDY OF A THOUSAND LIVES	Bragg	100.00	PRS		Bragg, Billy
0335734		CLOCKS	Berryman/Buckland/Champion/Mart	100.00	PRS	2002	Coldplay
0223306		CLOSE TO SILENCE	Momont	100.00	SACEM	2001	Thomas Oltan
0232993		CLOSER	Mayo/Green/Lindsey	33.34	BMI	2000	Jo Dee Messina
0180917		CLOSER TO HEAVEN	Mayo/Luther	100.00	BMI	1997	
0207693		CO-DEFENDANT	Diggs/Franklin/Smith	50.00	BMI	1998	Wu-Tang Killa Bees R2a
0143786		COLD WORLD	Diggs/Grice/Wonder/Debarge	25.00	BMI	1996	Wu-Tang Clan
		COLOR OF ROSES	BETH NIELSEN CHAPMAN/MATT	NEED MORE INFORMATION			Midler, Bette
0056648		COLORADO BULLDOG	Gilbert/Sheehan/Martin/Torpey	20.00	BMI	1993	Mr. Big
0265997		COLOUR EVERYWHERE.	Roche/Pelken	50.00	ASCAP		Deana Carter
0265484		COME ALONG	Berg/Svensson	25.00	STIM	2002	Tiliyo

0328274		COME AS YOU ARE	Hanson/Moore	25.00	BMI	2002	Geoff Moore
0326324		COME AWAY	Hummon/Mattea	50.00	BMI	2002	Kathy Mattea
0179710		COME BACK	Seal/Dupri/Stainton/Cocker/Raymor	22.50	ASCAP	1997	
0243683	T-071.09	COME HOME	Hill/DiPerio/Sanders	33.34	BMI	2000	Trace Adkins
0013532		COME ON OVER	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0239923		COME ON OVER BABY (ALL I WA	Aberg/Rein/Rocha/Peiken/Fait/Blac	31.00	STIM/AS	2001	Christina Aguilera
0200320		COME TO MY SENSES	Matthews/McCullough/McCullough	33.34	ASCAP	1998	
0227939		COMING TO LIFE	Osenga/Lockett/Aberle/Taquino/Co	66.67	ASCAP	2000	The Normals
0043633		COMMUNION SONG (LORD'S PR	Talbot	100.00	ASCAP		
0134756		COMO TU MUJER	Solis Sosa	100.00	SACM	1988	Rocio Durcal
0029474		COMPLETAMENTE ENAMORADO	Ramazzotti/Cassano/Cogliati	50.00	SIAE		Chayanne
0006824		CON TU AMOR	Valadez	100.00	SACM	1992	
0207680		CONCRETE JUNGLE	Diggs/Drayton/Smith/Cuffie/Ruff	50.00	BMI	1998	Wu-Tang Killa Bees Rza
0050776	T-070.23	CONFIDENCE MAN	Hiatt	100.00	BMI	1988	
0026947	T-070.23	COPACABANA	Manilow/Sussman/Feldman	100.00	BMI	1976	
0001535		COSTUMBRES	Valadez	100.00	SACM	1992	
0257153		COULD IT BE ANY HARDER	Kamin/Band	100.00	BMI	2001	The Calling
0027084		COULD IT BE MAGIC	Manilow/Anderson	67.50	BMI	1975	
0027898		COUNSEL OF THE HOLY	Klingen/Lawry	33.33	BMI		Petra
0127133		COUNTRY GIRL	King	BMG DOES NOT CLAIM			
0229718		COUNTRY GRAMMAR	Haynes/Writer Unknown	50.00	ASCAP	2000	Nelly
0013532		COUNTRY LANES	Gibb/Gibb	100.00	BMI	1975	Bee Gees (The)
0060945		COWARD OF THE COUNTY	Bowling/Wheeler	50.00	BMI	1979	
0251938		COWBOY IN ME	Wiseman/Steele/Anderson	33.34	ASCAP	2001	Tim McGraw
0211592		COWBOY TAKE ME AWAY	Hummon/Seidel	50.00	BMI	1999	
0061205		CRAWLING KING SNAKE	Hooker/Besman	100.00	BMI		
0009025		CRAZY ABOUT HER	Cregan/Kitchings/Stewart	20.00	PRS	1988	Stewart, Rod
0052783		CRAZY MARY	Williams	100.00	BMI	1994	Victoria Williams
0168404		CROOKED MAN	Kirkpatrick/Sprague	50.00	BMI	1997	Susan Ashton
0209124		CROOKED RIVER	Brickman	100.00	SESAC	1998	
0209135		CROSS OF CHRIST, THE	Liles/Krippayne	100.00	ASCAP	1999	
0216352	T-071.09	CROSSING MUDDY WATERS	Hiatt	100.00	BMI	2000	Various Artists
0209947		CROSSROADS	Brickman	100.00	SESAC	1998	
0036340		CRY CRY CRY	Ferry	100.00	PRS		Roxy Music
0026046		CRY FOR HELP	Fisher/Astley	50.00	PRS		
0134090		CRY LOVE	Hiatt	100.00	BMI	1995	
0219036		CRY NO MORE	Hummon/Weriner	50.00	BMI		Steve Wariner
0060674		CRYIN' WON'T HELP YOU NOW	King/Ling	100.00	BMI	1955	
0258721		CRYING AT THE DISCOTEQUE	Hansson/Wollback/Bard/Goulos/Ed	12.50	STIM	2002	Alcazar
0026463		CRYING IN THE RAIN	Greenfield/King	50.00	BMI	1961	

0018105		CUANDO VIVAS CONMIGO	Jimenez	100.00	SACM		
0133773		CUTTIN' HEADZ	Diggs/Jones	75.00	BMI	1995	Ol Dirty Bastard
0239540		DADDY I'M FINE	Stewart/O'Connor	50.00	PRS	2001	O'connor, Sinead
0030107		DADDY, BROTHER, LOVER, LITT	Gilbert/Pessis/Martin/Torpey/Shean	15.00	BMI	1991	Mr. Big
0133779		DAMAGE	Diggs/Grice/Jones/Bongard	33.34	BMI	1995	Ol Dirty Bastard
0209279		DAME DE ESO (REMIX)	Lopez/Sanchez	50.00	ASCAP	1997	Various Artists
0036341		DANCE AWAY	Ferry	100.00	PRS		Roxy Music
0060863		DANCE WITH ME HENRY	Ballard/Rogers/Otis	41.67	BMI	1955	
0026948		DANCIN' FOOL	Manilow/Sussman/Feldman	100.00	BMI	1990	
0182726		DANGEROUS MINDZ	Diggs/Bougard/Hamilton/Berkeley	26.60	BMI		Various Artists
0147038		DANZIG NEEDS A HUG	Diman/Nichol/Sheppard/McGrath/X	33.33	BMI	1995	Sugar Ray
0014374		DARK LADY	Diurrill	100.00	BMI	1974	Cher
0224872		DARKNESS	Cadogan/Jenkins/Salazar/Hargreav	50.00	BMI	2000	Third Eye Blind
0136900		DAY HE WORE MY CROWN, THE	Johnson, Phil	100.00	SESAC	1978	
0027085		DAYBREAK	Manilow/Anderson	87.50	BMI		Barry Manilow
0335735		DAYLIGHT	Berryman/Buckland/Champion/Man	100.00	PRS	2002	Coldplay
0148346		DAYS GO BY	Sheik	100.00	BMI	1998	Sheik, Duncan
0073455		DAYS LIKE THESE	Bragg	100.00	PRS		Bragg, Billy
0062439		DAYS OF OLD	King/Taub	100.00	BMI	1970	
0072823		DE MI ENAMORATE	Valadez	100.00	SACM	1999	
0205337		DEAD MELODIES	Hansen	100.00	ASCAP	1998	
0244915		DEADLY STING SUITE (INSTRUM	Rarebell/Maine/Schenker/Kolonovits				Scorpions
0180066		DEADWEIGHT	Hansen/King/Simpson	66.66	ASCAP	1998	Beck
0061574		DEEP END	Felt-Clayton/Ward	100.00	ASCAP		
0180180		DEEP LOVE	Tumes	100.00	APRA	2000	Michelle Tumes
0195068		DEEPER WELL	Olney	8.33	BMI		
0036214		DEJAME AMARTE OTRA VEZ	Jimenez	100.00	SACM		
0328713		DEM BOYS	Haynes/Harper/Kyjuan/Jones/Eppe	23.00	ASCAP	2002	Nelly
		DENIS	Levenson	NEED MORE INFORMATION			Blondie
0175724		DESTINO, EL	Valadez	100.00	SACM	1997	
0201790		DESTINY	Brickman/Hosein/DeVille	100.00	SESAC	1998	
0250390		DEVIL GET OUT MY HOUSE	Sims/Writer Unknown	50.00	ASCAP	2001	Cece Winans
0155674		DEVIL'S HAIRCUT	Hansen/Brown/Coulter/Thomas/Sin	26.66	ASCAP	1996	
0205330		DIAMOND BULLOCKS	Hansen	100.00	ASCAP	1998	
0060682		DID YOU EVER LOVE A WOMAN	King/Taub	100.00	BMI		B.B King
0180599		DID YOU KNOW	Seal/Winans	50.00	ASCAP	1998	Winans, Bebe
0159581		DID YOU NO WRONG	Lydon/Cook/Jones/Beverly	25.00	BMI		The Sex Pistols
0015722		DIFERENCIA, LA	Valadez	100.00	SACM	2001	Vicente Fernandez
0324981	T-071.44	DIFFERENT KIND OF LOVE SONI	Lewis/Aberg/Roesnes	100.00	STIM/AS	2002	Cher
0016079	T-070.23	DIGGIN' UP BONES	Overstreet/Stuckey/Gore	5.00	BMI		Travis, Randy

0328901	Dilemma	Haynes/Maker/Gambler/Sigler	10.00	ASCAP	2002	Nelly
0069872	DIME A DANCE ROMANCE	Scaggs	100.00	ASCAP	1988	
0134978	DINOSAUR	Bruford/Levin/Gunn/Mastelotto/Fripp	50.00	ASCAP/BMI		King Crimson
0228455	DIRT DOG	Diggs/Chambers/Jones	25.00	BMI	2000	Ol Dirty Bastard
0325300	DISCO HIPPIE	Kleiman/Pennachio/Wolf/Davies	21.25	STIM	2002	Play
0223305	DIVIGI TU	Momont	100.00	SACEM	2001	Thomas Otten
0062493	DO SOMETHING CRAZY	James/Bihari	100.00	BMI		Etta James
0036286	DO THE STRAND	Ferry	100.00	PRS		Roxy Music
0035199	DOCTOR! DOCTOR!	Currie/Leeway/Bailey	100.00	PRS		
0013554	DOGS	Gibb/Gibb	100.00	BMI	1979	Bee Gees (The)
0137539	DON'T CLOSE YOUR EYES	Halligan/Palumbo/Purnell	16.66	BMI	1989	
0051301	DON'T STOP	McVie	100.00	BMI	1976	
0024920	DON'T TURN AROUND	Warren/Hammond	16.67	ASCAP	1986	
0015758	DONDE ANDARA	Gabriel	100.00	SACM		Graciela Beltran
0046457	DON'T HOLD BACK	Givens/Turner	100.00	BMI	1993	Daryl Coley
0004333	DON'T LET IT SHOW	Parsons/Woolfson	100.00	BMI		Pat Benatar
0224441	DON'T PANIC	Berryman/Buckland/Champion/Mart	100.00	PRS	2001	Coldplay
0239137	DON'T PLAY ANY LOVE SONGS	Poythress/Skaggs/Clark	66.67	ASCAP		Jameson Clark
0251540	DON'T STOP MOVING	Ellis/Solomon/S Club 7	37.50	PRS		S Club 7
0013657	DON'T THROW IT ALL AWAY	Gibb/Weaver	100.00	BMI	1978	Hewitt, Jennifer Love
0133768	DON'T U KNOW	Diggs/Jones	50.00	BMI	1995	Ol Dirty Bastard
0243280	DON'T WAIT FOR THE SUN	Jones	100.00	ASCAP	2001	American Hi-Fi
0013563	DON'T WANNA LIVE INSIDE MYS	Gibb	100.00	BMI	1971	Bee Gees (The)
0260371	DON'T YOU WISH	Nelson/Williford	50.00	PRS	2001	Ford, Willa
0023397	DOUBLE O RHYTHM	Hudnall/Spencer/Spencer	50.00	BMI		
0062497	DOWN CHILD	Bihari	100.00	BMI		John Lee Hooker
0016527	DOWN ON MY KNEES	Chapman	100.00	ASCAP	1990	Chapman, Beth Nielsen
0051737	DOWN ON MY KNEES	Kirkpatrick	100.00	BMI	1993	
0013565	DOWN THE ROAD	Gibb/Gibb	100.00	BMI		Bee Gees (The)
0169841	DRAMA	Wright/Macklin	50.00	ASCAP	1997	
0176397	DREAM OF THE ARCHER	Fisher/Wilson/Wilson	25.00	ASCAP		Heart
0167993	DRINK, SWEAR, STEAL & LIE	Carpenter/Peterson	50.00	ASCAP	1997	
0147037	DRIVE BY	Dimant/Nichol/Sheppard/McGrath/K	50.00	BMI	1996	Sugar Ray
0050778	DRIVE SOUTH	Hiatt	100.00	BMI	1987	
0175863	DRIVING NOWHERE	Weller	100.00	PRS	1997	Weller, Paul
0060703	DRIVING WHEEL	King/Taub	100.00	BMI	1969	
0134994	DUST DOWN A COUNTRY ROAD	Hiatt	100.00	BMI	1995	
	E LUCEVAN LE STELLE					
0050708	EARLY EVERY MORNING	King/Josea	100.00	BMI		B.B.King
0332394	EASIER SAID THAN DONE	Stone/Lilly/Campbell/Smith	17.00	BMI	2001	Angie Stone

0060710	EASY LISTENING BLUES	King	100.00	BMI	1970	[redacted]	
0013572	EDGE OF THE UNIVERSE	Gibb/Gibb	100.00	BMI	1975		Bee Gees (The)
0036287	EDITIONS OF YOU	Ferry	100.00	PRS			Roxy Music
0202918	EISLER ON THE GO	Bragg/Guthrie	50.00	PRS			Bragg, Billy & Wilco
0026949	EL BRAVO	Manilow/Sussman/Feldman	100.00	BMI	1985		
0016570	EMILY	Chapman	100.00	ASCAP	1990		Chapman, Beth Nielsen
0013576	EMOTION	Gibb/Gibb	100.00	BMI	1977		Destiny's Child :: Samantha
0036347	EMOTIONAL TRUTH	Cochrane	100.00	SOCAN			
0036321	END OF THE LINE	Ferry	100.00	PRS			Concrete Blonde
0246762	ENTER U-GOD	Diggs/Hawkins	50.00	BMI	1999		U-God
0268550	EPILOGUE	Osenga/Lockett	66.67	ASCAP	2002		The Normals
0039709	ES MUY TU VIDA	Contreras	100.00	SACM			
0002237	ESA TRISTE GUITARRA	Perez/Romero	100.00	SGAE	1998		
0223304	ESPIRITU	Momont	100.00	SACEM	2001		Thomas Otten
0015753	ESTA NOCHE VIENE A VERME	Valadez	100.00	SACM			
0134988	ETHYLENE	Hiatt	100.00	BMI	1995		
0026980	EVEN NOW	Manilow/Panzer	100.00	BMI			
0046576	EVEN THE MAN IN THE MOON IS	Collie/Cook	50.00	BMI	1993		
0016665	EVENING STAR	Gibb	100.00	BMI			Kenny Rogers
0043484	EVERY HEARTBEAT	Kirkpatrick/Peacock/Grant	25.00	BMI	1994		
0227941	EVERY MOMENT	Osenga/Lockett/Abejle/Taquino/Co	66.67	ASCAP	2000		The Normals
0178505	EVERY SINGLE TEAR	Krippayne/Siller	50.00	ASCAP	1993		
0009367	EVERY TEAR THAT FALLS	Byrnes/Setzer	20.00	BMI			Brian Setzer
0004878	EVERY TIME TWO FOOLS COLLI	Dyer/Tweel	BMG DOES NOT CLAIM				Kenny Rogers The First Edi
0140240	EVERYBODY HAVE FUN TONIGH	Wolf/Feldman/Hues	10.00	ASCAP	1986		Wang Chung
0148562	EVERYBODY LOVES YOU BABE	Bragg	100.00	PRS			Bragg, Billy
0226694	EVERYBODY WANTS YOU	Watkins/Wilson/Ackerman	66.67	PRS	2000		S Club 7
0026501	EVERYBODY'S SOMEBODY'S FO	Greenfield/Keller	50.00	BMI	1960		Dexter Gordon
0231278	EVERYDAY	Sims	100.00	ASCAP			
0204990	EVERYONE, EVERYWHERE	Sheik	100.00	BMI	1998		Sheik, Duncan
0034121	EVERYTHING COMES AROUND	Cochrane	100.00	SOCAN			
0060717	EVERYTHING I DO IS WRONG	King/Taub	100.00	BMI	1971		
0147074	EVERYTHING'S MOVIN' TOO FAS	Lee/Barbour	100.00	ASCAP	1947		
0226646	EVERYTHING'S NOT LOST	Berryman/Buckland/Champion/Man	100.00	PRS	2001		Coldplay
0180124	EVERYTIME I CRY	Regan/Staley	50.00	ASCAP	1998		
0026129	EVERYTIME I FALL (IT BREAKS H	Macrae/Clark	50.00	ASCAP	1994		Montgomery, John Michael
0246963	EVERYTIME YOU NEED ME	Friese/Zenker/Duderstadt/Duderste	28.75	GEMA			Fragma
0332398	EXCUSE ME	Stone/Saadiq/Standridge/Ozuna/Ri	20.00	BMI	2001		Raphael Saadiq
0207701	EXECUTE THEM	Diggs/Woods/Turner/Charles/Hunte	55.00	BMI	1998		Wu-Tang Killa Bees Rza
0003570	EYE IN THE SKY	Parsons/Woolfson	100.00	BMI	1984		

0174807	EYES A BLEED	Freese/Reyes/Dixon/Edwards/Willi	19.33	ASCAP	1997		Various Artists
0073845	EYES OF TRUTH, THE	Coleman/Dudley/McCurly	2.50	PRS			
0013568	EYES THAT SEE IN THE DARK	Gibb	100.00	BMI			Kenny Rogers
0061213	FACTORY, THE	McGuire, Bud Keith	100.00	BMI	1997		
0207722	FAITHFULLY DANGEROUS	Detweiler	100.00	ASCAP	2001		Over the Rhine
0168223	FALL TO FLY	Matthews/Sitler	50.00	BMI			The Oak Ridge Boys
0032870	FALLING IN LOVE AGAIN	Hollander/Lerner	50.00	ASCAP	1930		
0013591	FANNY (BE TENDER WITH MY L	Gibb/Gibb/Gibb	100.00	BMI	1975		Bee Gees (The)
0168233	FAR AS WE GO	Hiatt	100.00	BMI	1997		
0124654	FASCINATION STREET	Smith/Tolhurst/Gallup/Thompson/W	100.00	PRS			
0016649	FEED THIS FIRE	Prestwood	100.00	BMI	1988		
0185227	FEEL	Tumes	100.00	APRA	1998		Michelle Tumes
0244936	FEEL THE BEAT	Salovaara/Virtanen	100.00	TEOSTO			Darude
0168229	FEELIN' AGAIN	Hiatt	100.00	BMI	1997		
0053062	FEELIN' STRONGER EVERYDAY	Cetera/Pankow	30.00	ASCAP	1973		
0336186	FEELS LIKE HEAVEN	Seal/Garrett/Dublin	33.34	ASCAP	2002		Al Jarreau
	FIEND	Fafara/Rascon/Foss/Cox	100.00	ASCAP			Coal Chamber
0183550	FIESTA EN AMERICA	Herrero Araujo/Gluck Sarasibar	50.00	SACM			Chayanne
0257154	FINAL ANSWER	Kemin/Band	100.00	BMI	2001		The Calling
0328603	FINE WITHOUT YOU	Ahlund/Kronlund	50.00	STIM			Paola
0071968	FINISH WHAT WE STARTED	Powell/Noble	50.00	BMI	1994		
0137535	FIRE IN THE RAIN, A	Giles/Taylor	25.00	BMI			Supernaw, Doug
0163285	FIRESTARTER	Barnes/Steele/Van Zant	100.00	ASCAP	1982		38 Special
0126656	FIRST STEP (IN THE RIGHT DIRE	Sembello/Sembello	50.00	ASCAP	1987		Pebbles
0060724	FIVE LONG YEARS	King	100.00	BMI	1965		
0016668	FIVE MINUTES	Chapman	100.00	ASCAP	1985		Tillis, Pam
0180101	FLAMING JUNE	Transeau	100.00	GEMA	1997		BT
0233574	FLAVOR OF THE WEAK	Jones	100.00	ASCAP	2001		American Hi-Fi
0036342	FLESH AND BLOOD	Ferry	100.00	PRS			Roxy Music
0001899	FLOR DE LIS	Djavan	100.00	SICA			
0230547	FOOL AGAIN	Eliofsson/Kreuger/Magnusson	30.00	STIM	2000		Westlife
0029240	FOOLISH LITTLE GIRL	Greenfield/Miller	50.00	BMI	1963		
0043466	FOR ALWAYS	Sprague/Thomas/Winans	15.00	ASCAP	1987		
0033317	FOR EVERY TIME	Chapman/Camp/Camp/Frazier	6.67	BMI	1991		
0030505	FOR THE GOOD TIMES	Kristofferson	100.00	BMI	1968		
0030118	FOR THE SAKE OF THE CALL	Chapman, Steven Curtis	16.66	BMI	1991		
0028138	FOR WHO HE REALLY IS	Chapman, Steven Curtis/Moore	16.66	BMI	1988		
0168413	FOR YOU	Sheik	100.00	BMI	2002		Duncan Sheik
0166320	FORCED TO DO DIRT	Muchita/Johnson/Givens/Marrow	25.00	ASCAP	1996		Ice-T
0209126	FREEDOM	Brickman	100.00	SESAC	1998		

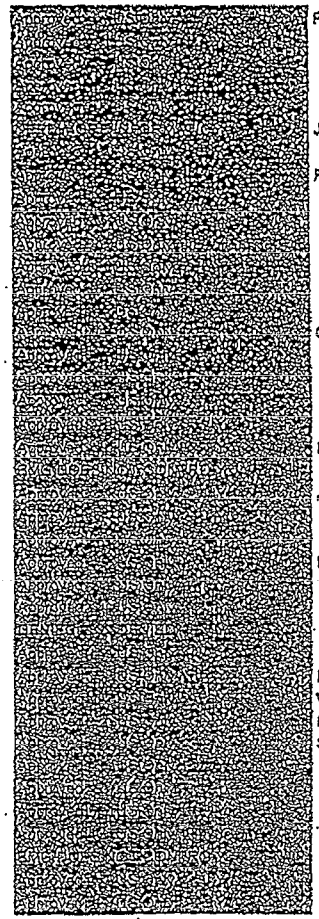
0230549		FREESTYLER	Salovaara/Ebanks	100.00	STIM	2002	Bomfunk MC's
0175866		FRIDAY STREET	Weller	100.00	PRS	1997	Weller, Paul
0147292		FRIEND OF MINE	Hiatt	100.00	BMI	1995	
0034124		FRIENDLY ADVICE	Cochrane	100.00	SOCAN		
0016981		FRIENDS IN LOW PLACES	Blackwell/Lee	50.00	BMI	1990	
0163254		FROM RED TO BLUE	Bragg	100.00	PRS		Bragg, Billy
0030876		FRYING PAN	Williams	100.00	BMI	1995	Williams, Victoria
0161374		FUCK UP BEATS	Rowlands/Simons	75.00	PRS		
0071711		FUCKIN WITH MY HEAD	Hansen	100.00	ASCAP	1994	
0132102		FUE TAN POCO TU CARINO	Valadez	100.00	SACM		Rocio Durcal
0328708		GANK, THE	Haynes/Epperson	50.00	ASCAP	2002	Nelly
0330605		GENIUS	Sheik	100.00	BMI	2002	Duncan Sheik
0192385		GEORGE	Christodal	100.00	ASCAP	1998	Jude
0053040		GET AWAY	Cetera/Lamm/Foster	33.34	ASCAP	1982	
0034125		GET BACK UP	Cochrane	100.00	SOCAN		
0243329	T-071.09	GET OVER YOURSELF	Hummon/Osborne	50.00	BMI	2002	Shedaisy
0226750		GET REAL PAID	Hansen	100.00	ASCAP	1999	
0192968		GHETTO SUPASTAR (THAT IS W	Gibb/Gibb/Gibb/Brown/Jones/Lenhc	60.00	BMI	1998	Various Artists
0127145		GHETTO WOMAN	King,Clark	BMG DOES NOT CLAIM			
0016926		GHOST IN THIS HOUSE	Prestwood	100.00	BMI	1992	
0217957		GIFT, THE	Heselv/DeVille/Bagge/Antnor	50.00	BMI	1999	
0176987		GIFT, THE	Brickman/Douglas	50.00	SESAC	1997	
0127284		GIRLFRIEND	Reid	100.00	ASCAP	1994	Jesus & Mary Chain
0013602		GIVE A HAND, TAKE A HAND	Gibb/Gibb	100.00	BMI	1979	
0039742		GIVE IT TO ME	Selzer/McDonnell/Drucker	BMG DOES NOT CLAIM			The Stray Cats
0174707		GIVE IT UP	Cunningham/Helmermann/Kittleman	11.25	BMI	1997	Avalon
0142093		GIVE THEM ALL TO JESUS	Johnson/Benson, Sr.	100.00	SESAC	1975	
0053069		GLORY OF LOVE, THE	Cetera/Nini/Foster	50.00	ASCAP	1986	
0042382		GLORY TO GOD	Talbot	100.00	ASCAP		
0267636		GLOW	Falera/Rascon/Foss/Cox	100.00	ASCAP		Coal Chamber
0148560		GOALHANGER	Bragg	100.00	PRS		Bragg, Billy
0202443		GOD IS EXALTED	Sims/Licciardello/Wolk/T-Bone	8.75	ASCAP	1996	Carman
0193175		GOD OF WINE	Cadogan/Jenkins/Salazar/Hargreav	50.00	BMI	1997	
0259709		GOD PUT A SMILE UPON YOUR I	Berrymen/Buckland/Champion/Mart	100.00	PRS	2002	Coldplay
0004490		GOD SAVE THE QUEEN	Lydon/Cook/Jones/Matlock	25.00	BMI	1977	The Sex Pistols
0143694		GOD'S FOOTBALLER	Bragg	100.00	PRS		Bragg, Billy
0193769		GOIN' DOWN	Diggs/Jones	50.00	BMI	1995	Ol Dirty Bastard
0175668		GOLDEN SANDS	Weller	100.00	PRS	1997	Weller, Paul
0053017		GONE LONG GONE	Cetera	100.00	BMI	1979	
0037410		GONE TO EARTH	Fripp/Sylvian	50.00	PRS		David Sylvian

0250388		GONNA GET BETTER	Sims/Writer Unknown	50.00	ASCAP	2001	Cece Winans
0134992		GOOD AS SHE COULD BE	Hiatt	100.00	BMI	1995	
0052267		GOOD FOR ME	Kirkpatrick/Snow/Gtuska/Grant	16.67	BMI	1991	
0193310		GOOD FOR YOU	Cadogan/Jenkins/Salazar	50.00	BMI	1997	
0263090		GOOD MAN	Mason/Thomas/Huggar	33.34	PRS	2002	RL
0330610		GOOD MORNING	Sheik	100.00	BMI	2002	Duncan Sheik
0060751		GOOD ROCKIN' DADDY	Bihari/Berry	100.00	BMI		
0060751		GOOD ROCKIN' DADDY	Josea/Berry	100.00	BMI	1955	
0326365		GOOD STUFF, THE	Wiseman/Collins	50.00	ASCAP	2002	Kenny Chesney
0070298		GOODBYE SAYS IT ALL	MacRae/Black/Fischer	33.34	ASCAP	1993	
0060755		GOT 'EM BAD	King/Josea	100.00	BMI	1965	
0267611		GOT ME A MODEL	Mason/Writer Unknown	12.50	PRS	2002	RL
0323297		GOTSTA BE	Mason/Thomas/Russell/Buller	31.25	PRS	2002	B2K
0060756		GOTTA FIND MY BABY	King	100.00	BMI	1962	
0266547		GRACE	Osenga/Aberle	25.00	ASCAP	2002	The Normals
0193311		GRADUATE	Cadogan/Jenkins/Salazar	50.00	BMI	1997	
0162102		GRADUATED	Hiatt	100.00	BMI	1997	
0147078		GRAIN BELT BLUES, THE	Lee/Raskin/Schulger	100.00	ASCAP	1963	
0052672		GRAND CANYON	Kirkpatrick	100.00	BMI	1992	
0186464	T-070.25	GRANDPA IN THE CORNPATCH	Williams	100.00	BMI	1998	Williams, Victoria
0193973		GRAVITATIONAL PULL	Curry/Methvin	50.00	ASCAP		
0145234		GREAT DIVIDE, THE	Cunningham/Huesmann	50.00	BMI	1996	
0268517		GREATEST REWARD, THE	Eliofsson/Carlsson/Guirao/Obispo/F	9.37	STIM	2002	Celine Dion
0266342		GREEN EYES	Berryman/Buckland/Champion/Mart	100.00	PRS	2002	Coldplay
NEED MORE INFO!		GREENSLEEVES	Traditional				King's Singers
0030112		GREEN-TINTED SIXTIES MIND	Gilbert	100.00	BMI	1991	Mr. Big
0036289		GREY LAGOONS	Ferry	100.00	PRS		Roxy Music
0003691		GROW SOME FUNK OF YOUR O	Johnstone/Taupin/John	25.00	PRS		
0024607		GUNS OF LOVE	Keller/Caruso/Sharp	25.00	BMI	1991	O'connell, Maura
0014440		GYPSYS, TRAMPS AND THIEVES	Stone	100.00	BMI	1971	
0013616		HAD A LOT OF LOVE LAST NIGH	Gibb/Gibb/Gibb	100.00	BMI	1979	Bee Gees (The)
0330606		HALF-LIFE	Sheik	100.00	BMI	2002	Duncan Sheik
0032026		HAND ON THE PUMP	Freese/Williams/Bouldin/Edwards/E	16.67	ASCAP	1991	Cypress Hill
0266549		HAPPINESS	Osenga/Lockett/Aberle/Cooley	31.67	ASCAP	2002	The Normals
0007452		HAPPY BIRTHDAY MY DARLING	Fontana	100.00	SICAM		Nelson Ned
0026502		HAPPY BIRTHDAY SWEET SIXTE	Greenfield/Sedaka	50.00	BMI	1981	
		HAPPY GIRL	ANNIE SHOES ROBOFF/BETH NE NEED MORE INFORMATION				Chapman, Beth Nielsen
0053063		HAPPY MAN	Cetera	80.00	ASCAP	1974	
0057654		HAPPY NATION	Berggren/Ekoerg	100.00	STIM	1994	Ace of Base
0017190		HARD ROCK BOTTOM OF YOUR	Hugh Prestwood	100.00	BMI	1990	

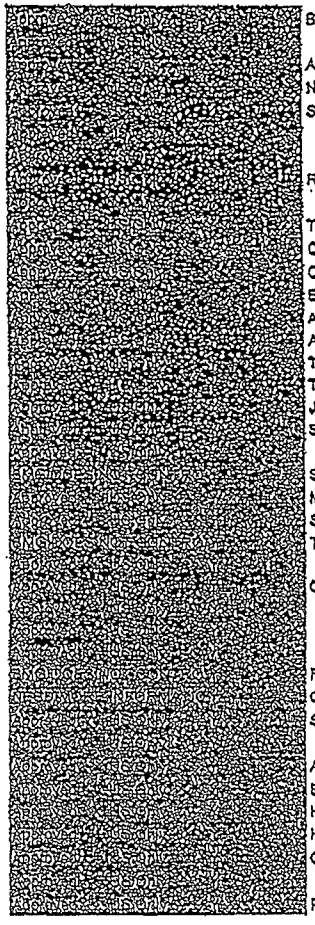
0138399	HARD TO KILL	Smith/Green/Reed	16.66	BMI	1994	[redacted]	Various Artists
0053041	HARD TO SAY I'M SORRY	Cetera/Foster	50.00	ASCAP	1982		
0257115	HARDER CARDS	Wiseman/Henderson	37.50	ASCAP			Kenny Rogers
0131151	HARRY WENT TO HEAVEN	Williams	100.00	BMI	1995		Williams, Victoria
0006085	HASTA QUE TE CONOCI	Valadez	100.00	SACM	1990		
0032109	HAVE YOU EVER BEEN IN LOVE	Hill/Sinfield/Danter	33.34	PRS			Cetera, Peter
0052874	HAZEL	Greenfield/Sedaka	50.00	BMI	1965		
0021454	HE TALKS TO ME	Reid/Bourke	50.00	ASCAP	1989		
0194102	HE THINKS HE'LL KEEP HER	Carpenter/Schlitz	12.50	ASCAP	1992		
0219296	HE THINKS I DON'T KNOW	Isaac	100.00	BMI	2002		Mary J. Blige
0234252	HE WASN'T MAN ENOUGH	Mason/Jerkins/Daniels/Jerkins III	8.00	PRS	2000		Toni Braxton
0043893	HE WILL CARRY YOU	Brown, Scott Wesley	100.00	ASCAP	1982		
0031317	HE WORKS	Hogue/Silvey/McKeehan	16.67	BMI			dc Talk
	HEADS UP FOR THE WRECKING	BETH NIELSEN CHAPMAN	NEED MORE INFORMATION				Chapman, Beth Nielsen
0185233	HEALING WATERS	Tumes/Huesmann	50.00	APRA	1998		Michelle Tumes
0001284	HEART AND SOUL	Chapman/Chinn	100.00	ASCAP	1981		
	HEART BEATS LIKE A HAMMER	JULES BIHARI/RILEY B. KING	NEED MORE INFORMATION				Clapton, Eric/ B.B. King
0181745	HEART IS A LONELY HUNTER, TI	Hill/Sanders/Williams	33.34	BMI	1994		
0172581	HEART OF IMAGINATION	Transeau/Coe	50.00	GEMA			BT
0162480	HEARTBROKE EVERY DAY	LaBounty/Vincent/King	33.34	BMI	1994		
0332391	HEAT, THE (OUTRO)	Stone/Tabb	60.00	BMI	2001		Angie Stone
	HEATHER'S WALL		BMG DOES NOT CLAIM				
0052584	HEAVEN	Thomas/Winans	25.00	ASCAP	1989		Michelle Williams
0227942	HEAVEN HEALS	Osenga/Lockell/Aberle/Taquino/Co	58.67	ASCAP	2000		The Normals
0165588	HEAVEN WILL BE NEAR ME	Tumes	100.00	APRA	1998		Michelle Tumes
0250389	HEAVENLY FATHER	Sims/Writer Unknown	50.00	ASCAP	2001		Cece Winans
0013628	HEAVY BREATHING	Gibb/Gibb	100.00	BMI	1979		Bee Gees (The)
0008823	HEAVY TRAFFIC	Johnstone/Taupin/John	33.34	PRS	1988		John, Elton
0046455	HE'LL MAKE A WAY	Palmore	100.00	BMI			Daryl Coley
0337359	HELL YEAH	Wiseman/Steele	50.00	ASCAP	2002		Montgomery Gentry
0073439	HELP SAVE THE YOUTH OF AME	Bragg	100.00	PRS			Bragg, Billy
0159712	HELPING HAND	Grant/Darnell/Sims	15.00	ASCAP	1997		
0017082	HERE YOU ARE	Prestwood	100.00	BMI	1994		John McDermott
0037312	HEROES	Eno/Bowie	25.00	PRS	1977		
0194101	HEROES AND FRIENDS	Schlitz/Travis	12.50	ASCAP			Travis, Randy
0022017	HE'S IN DALLAS	Ross/MacRae/Kees	66.67	ASCAP	1990		McEntire, Reba
0060767	HEY HENRY	Gallo/Bihari	100.00	BMI	1955		Etta James
0265876	HEY LUV (ANYTHING)	Muchita/Johnson/Williams/Keith/Sc	78.00	BMI/ASC	2002		Mobb Deep Featuring 112
0053754	HIDEAWAY	Cetera	90.00	ASCAP			
0028254	HIDING PLACE	Chapman/Salley	66.67	SESAC	1987		

0233569	HI-FI KILLER	Jones	100.00	ASCAP	2001	[redacted]	American Hi-Fi
0224442	HIGH SPEED	Berryman/Buckland/Champion/Mart	100.00	PRS	2001		Coldplay
0030134	HIGHER WAYS	Nalsh/Chapman	28.18	BMI	1991		Steven Curtis Chapman
0060774	HIGHWAY BOUND	King/Taub	100.00	BMI	1953		
0219681	HILLARY	Osenga	66.67	ASCAP	2000		The Normals
0219681	HILLARY	Osenga	66.67	ASCAP	2000		The Normals
0219179	HIP HOP FURY	Diggs/Writer Unknown	10.00	BMI	1998		Various Artists
0052801	HIPPY HIPPY SHAKE	Romero	70.00	BMI	1959		
0028255	HIS EYES	Elliot/Chapman, Steven Curtis	22.22	BMI	1989		
0028260	HIS STRENGTH IS PERFECT	Salley/Chapman, Steven Curtis	66.67	SESAC	1987		
0160955	HIT 'EM UP	Jackson/Lambert/Golde/Shakur/Hill	28.75	BMI/ASC	1998		2Pac
0131158	HITCHHIKERS SMILE	Williams	100.00	BMI	1995		Williams, Victoria
0061209	HOBO BLUES	Hooker/Besman	100.00	BMI	1971		
NEED MORE INFO	H-O-E-K	K-Dee, Mack 10					Mack 10
0074972	HOLD ME JESUS	Mullins	100.00	ASCAP	1999		
0035204	HOLD ME NOW	Currie/Leeway/Bailey	100.00	PRS			
0053028	HOLD ON	Celera	100.00	ASCAP	1980		
0147035	HOLD YOUR EYES	Diman/Nichol/Sheppard/McGrath/K	50.00	BMI	1996		Sugar Ray
0013636	HOLIDAY	Gibb/Gibb	100.00	BMI	1968		Various Artists
0004489	HOLIDAYS IN THE SUN	Lydon/Cook/Jones/Beverly	25.00	BMI	1977		The Sex Pistols
0263077	HOLLABACK	Mason/Thomas/Russell/Butler	31.25	PRS	2002		Mario
0226758	HOLLYWOOD FREAKS	Hansen/Simpson/King	70.00	ASCAP	1999		
0231273	HOLLYWOOD KISS	Hummon	100.00	BMI			Emerson Drive
0202590	HOLY HOLY	Bannister/Bannister/Smith/Smith	25.00	ASCAP	1985		
0043909	HOLY IS HIS NAME	Talbot	100.00	ASCAP	1981		
0148351	HOME	Shiek	100.00	BMI	1996		
0128230	HONKY TONK BOOGIE	Brooks, Hadda Rish	100.00	BMI			
0336173	HONY TONK (IF YOU LOVE COUI	Hill/DiPiero/Sanders	33.34	BMI	2002		Aaron Tippin
0221461	HOODOO VOODOO	Bragg/Guthrie/Harris/Tweedy/Benni	8.34	PRS			Bragg, Billy & Wilco
0063083	HOOGIE BOOGIE	Hooker/Besman	100.00	BMI	1971		John Lee Hooker
0152026	HOPE HAS A WAY	Krippayne/Wood/Lacy	66.67	ASCAP	1998		
0033628	HOPE YOU'RE FEELING BETTER	Rolie	100.00	BMI	1970		
0061838	HOPE YOU'RE SATISFIED	James/Fuqua	100.00	BMI			Etta James
0049697	HOPELESSLY	Fisher/Astley	50.00	ASCAP	1994		
0196085	HORROR SHOW	Cadogan/Jenkins	20.00	BMI	1999		
0004577	HOT BUTTERFLY	Diamond	100.00	ASCAP			Khan, Chaka
0328711	HOT IN HERRE	Haynes/Brown/Williams/Hugo	22.50	ASCAP			Nelly
0060786	HOT LITTLE MAMA	Davis/Blanc/Watson	66.66	BMI	1955		Johnny Guitar Watson
0048875	HOT ROD HEARTS	LaBounty/Greyer	50.00	BMI	1981		
0211758	HOT ROD HOTEL	Bragg/Guthrie	50.00	PRS			Bragg, Billy & Wilco

0204993	HOUSE FULL OF RICHES	Sheik	100.00	BMI	1998	Sheik, Duncan
0145222	HOUSE THAT MERCY BUILT, THI	Cunningham/Huesmann	50.00	BMI	1996	
0052589	HOW CAN WE SEE THAT FAR	Hamby/Grant	50.00	ASCAP	1991	Grant, Amy
0064814	HOW COME YOU GO TO HER	Garyln/Boguss/Smith	33.33	BMI	1993	Suzy Bogguss
0253075	HOW DO I TELL HER	Lawrence/Richardson	50.00	BMI	2001	Luther Vandross
0028275	HOW EXCELLENT IS THY NAME	Smith/Tunney/Tunney		ASCAP	1985	
0032022	HOW I COULD JUST KILL A MAN	Freese/Reyes/McCracklin/Fulsom/I	66.66	ASCAP/	1993	Cypress Hill
0193312	HOW'S IT GOING TO BE	Cadogan/Jenkins/Salazar	50.00	BMI	1997	
0137260	HOY	Manzanero	100.00	SACM		Grupo Bryndis
	HUMPTY OUMPTY HEART	Hank Thompson	BMG DOES NOT CLAIM			Hank Thompson
0133164	HUNG UP	Weller	100.00	PRS	1996	Weller, Paul
0216023	HUNTER	Armstrong/Armstrong	35.00	PRS	1999	Dido
0166424	HYMN OF THE BIG WHEEL	Hinds/Del Naja/Marshall/Vowles/Ch	5.00	PRS		Massive Attack
0026984	I AM YOUR CHILD	Manilow/Panzer	100.00	BMI	1973	
0127171	I BELIEVE I'VE BEEN BLUE TOO	King/Clark	BMG DOES NOT CLAIM			
0047153	I BUY HER ROSES	Ray/Brown	25.00	SESAC	1991	
0052725	I CALL IT LOVE	Brown/Sprague	82.50	ASCAP	1988	
0160256	I CAN ALMOST HEAR HER WING	Moore/Travis/Lee	33.34	BMI	1997	Travis, Randy
0060790	I CAN HEAR MY NAME	King/Ling	100.00	BMI	1964	
0056645	I CAN'T GET STARTED WITH YOI	Duke/Gershwin	BMG DOES NOT CLAIM	ASCAP		
0134995	I CAN'T WAIT	Hiatt	100.00	BMI	1995	
0252119	I CAN'T HELP YOU NOW	Sims/Kirkpatrick/Kennedy	33.34	ASCAP	2002	Bonnie Raitt
0013648	I CAN'T LET YOU GO	Gibb/Gibb/Gibb	100.00	BMI	1979	Bee Gees (The)
0194729	I CAN'T MAKE YOU LOVE ME	Reid/Shamblin	12.50	ASCAP		
0192560	I DO aka CAMMIE	Christodal	100.00	ASCAP	1998	Jude
0207572	I DON'T HAVE TO BE ME ('TIL MC	Shipley/Young/Azar	33.34	BMI	2002	Steve Azar
0265324	I DON'T KNOW ENOUGH ABOUT	Barbour, Lee	100.00	ASCAP		
0231226	I DON'T WANT TO ROCK D.J.	Chambers/Williams/Andrews/Paris/	16.00	PRS	2000	Robbie Williams
0194105	I FEEL LUCKY	Carpenter/Schlitz	12.50	ASCAP	1992	
0265529	I GET IT STARTED	Smith/Writer Unknown	16.67	BMI	2002	Mystikal
0202917	I GUESS I PLANTED	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0063206	I HAD A WOMAN	King/Josea	100.00	BMI	1970	
0008762	I JUST FALL IN LOVE AGAIN	Skelrov/Lloyd/Herbstritt/Dorff	100.00	ASCAP,	1977	
0126825	I JUST WANNA HANG AROUND \	Sembello/Sembello/Sembello/Semt	BMG DOES NOT CONTROL			Benson, George
0017314	I KEEP COMING BACK TO YOU	Chapman/Lloyd	100.00	ASCAP/	1990	Chapman, Beth Nielsen
0023396	I LIKE THAT	Hudnall/Armstrong/Quander	40.00	BMI		
0050307	I LIKE THE LIKES OF YOU	Duke/Harburg	50.00	ASCAP	1933	
0006302	I LIVE FOR YOUR LOVE	Reswick/Rich/Wertel	7.50	ASCAP/	1987	Cole, Natalie
0147094	I LOVE BEING HERE WITH YOU	Lee/Schluger	100.00	ASCAP	1960	
0054561	I LOVE THE WAY YOU LOVE ME	Shaw/Cannon	50.00	ASCAP	1991	

0265228	I LOVE YOU	Best/Lopez/Combs/Evans/Haynes/I	16.00	ASCAP	2002		Faith Evans
0201560	I LOVE YOU BABY	Lawrence, Ron/Writer Unknown	12.50	BMI			
0052213	I MISS THE WAY	Kirkpatrick/Smith	50.00	BMI	1988		
0051641	I NEED	Harrington/Patton	50.00	ASCAP	1998		
0060803	I NEED YOU SO BAD	King/Ling	100.00	BMI	1958		
	I NEED YOU TONIGHT	NEED MORE INFORMATION	NEED MORE INFORMATION				Junior M.A.F.I.A.
0134273	I SAW YOU DANCING	Bergeron	100.00	STIM	1965		
0175864	I SHOULD HAVE BEEN THERE T(	Weller	100.00	PRS	1997		Paul Weller
0060804	I STAY IN THE MOOD	King/Josea	100.00	BMI	1957		
0194106	I TAKE MY CHANCES	Carpenter/Schiltz	12.50	ASCAP	1992		
0194055	I THINK ABOUT IT ALL THE TIME	Schiltz/Livsey	12.50	ASCAP			
0004710	I WANNA BE COMMITTED	Chapman/Chinn	100.00	ASCAP			
0130811	I WANNA GO TOO FAR	Martine/Robbins	12.50	BMI	1995		
0215884	I WANNA SING	Krippayne/Mathews/Hooper	66.67	ASCAP	1999		
0228457	I WANT PUSSY	Diggs/Jones	50.00	BMI	2000		Ol Dirty Bastard
0162481	I WANT TO BE LOVED LIKE THAT	LaBounty/Barnhart/Hogin	33.34	BMI			
0222002	I WANT TO BE YOUR EVERYTHIT	Regan/Lindsey	50.00	ASCAP			
0051234	I WANT TO GET MARRIED	King/Josea	100.00	BMI	1957		
0074197	I WANT YOU	Roberts, Juliet / Jones	50.00	PRS	1995		
0184377	I WANT YOU BACK	Sandberg/Volle	100.00	STIM	1998		N'Syne
0127176	I WANT YOU SO BAD	King	BMG DOES NOT CLAIM				
0249818	I WANT YOUR LOVE	Cauty/Lyte/Kershaw/McClarnon/MC	8.77	PRS			Atomic Kitten
0026986	I WAS A FOOL TO LET YOU GO	Manilow/Panzer	100.00	BMI	1978		
0071866	I WAS BLOWN AWAY	Martine	25.00	BMI	1994		
0211764	I WAS BORN	Bragg/Guthrie	50.00	PRS			Bragg, Billy & Wilco
0046496	I WAS MEANT TO BE WITH YOU	Powell/Cochran/Rae/Cubois	25.00	BMI	1993		
0029323	I WILL BE HERE	Chapman, Steven Curtis	33.34	BMI	1990		
0216383	I WILL BE THERE	Gibb/Gibb/Gibb	100.00	BMI	2000		
0009230	I WILL NOT BE DENIED	Williams, Jerry Lynn	50.00	BMI			
0216976	I WILL RESCUE YOU	Kotcha	100.00	BMI	2000		Plus One
0234144	I WILL SURVIVE	Baxter/Teren/Bentley	33.34	BMI	2001		Wild Horses
0228943	I WISH FOR PEACE	Turnes	100.00	APRA	2000		Michelle Turnes
0330209	I WISH I WERE THE RAIN	Hummon/Writer Unknown	50.00	BMI	2002		Sheedsy
0200256	I WON'T GIVE UP	Powell/Cox/Stephens	30.00	BMI	1998		
0001282	I WRITE THE SONGS	Johnston	100.00	ASCAP	1979		
0043485	I.O.U. ME	Sprague/Winans/Thomas/Repp/Hei	20.00	ASCAP	1987		
0139822	I'LL LEAD YOU HOME	Kirkpatrick/Smith	50.00	BMI	1997		
0127177	I'M GONNA DO WHAT THEY DO	King	BMG DOES NOT CLAIM				
0051208	I'M IN THE MOOD	Hooker/Besman	100.00	BMI	1951		
0051667	I'VE GOT PAPERS ON YOU	King/Taub	100.00	BMI	1970		

0074110	IF I WAS ONLY WELCOMED IN al	Lawrence/Winans		50.00	ASCAP	1996
0047465	IF I WERE YOUR GIRL	Lawrence, Rhett/Bernard		50.00	ASCAP	1985
0332395	IF IT WASN'T	Stone/Lyles/Moore		50.00	BMI	2001
0149276	IF LOVE AIN'T THERE	Burke		33.34	BMI	1963
0030152	IF ONLY	Cregan/Seviger/Stewart		16.66		
0036291	IF THERE IS SOMETHING	Ferry		100.00	PRS	
0136938	IF TOMORROW NEVER COMES	Blazy/Brooks		50.00	ASCAP	1988
0266722	IF YOU BELIEVE	Roche/Pelken		50.00	ASCAP	2002
0053756	IF YOU LEAVE ME NOW	Cetera		80.00	ASCAP	1976
0266542	I'LL BE HOME SOON	Osenga		66.67	ASCAP	2002
0181785	I'LL GET YOU BACK	Mayo/Drake/Harbin		33.34	BMI	1999
0143948	ILLUSIONS	Freese/Evans/Muggerud		25.00	ASCAP	1996
0063219	I'M A FOOL	Biehn/Berry		100.00	BMI	
0245353	I'M A FOOL	Jones		100.00	ASCAP	2001
0329912	I'M BACK	Best/Cruz/Williford/Wilson/Caston/I		20.00	ASCAP	2002
0254099	I'M GOIN' BACK	Wiseman/Terry/Gravlatt		33.34	ASCAP	2001
0194109	I'M GONNA HAVE A LITTLE TALK	Schlitz/Travis		12.50	ASCAP	
0061723	I'M JUST A COUNTRY BOY	Bihari/Szabo		100.00	BMI	
0332747	I'M NOT BREAKIN'	Christian/Foster		50.00	BMI	
0149539	IMAGINATION	Burke/Van Heusen		25.00	ASCAP	1940
	IMAGINE	C-Murder, Larry Mac, Soulja Slim	BMG DOES NOT CLAIM			
0224919	IMMORTAL	Tumes/Kenney		90.00	APRA	2000
0204987	IN BETWEEN	Sheik		100.00	BMI	1998
	IN FOR LIFE	Delgado/Garcia/Perez/Perez	BMG DOES NOT CONTROL			
0028361	IN HIS PRESENCE	Tunney/Tunney		66.67	ASCAP	1988
0249096	IN MY PLACE	Berryman/Buckland/Champion/Man		100.00	PRS	2002
0047833	IN PICTURES	Doyle/Boyd		100.00	ASCAP	1994
0053084	IN TERMS OF TWO	Cetera		80.00	ASCAP	1974
0004711	IN THE HEAT OF THE NIGHT	Chapman/Chinn		100.00	ASCAP	
	IN THE REAL WORLD	Kerr/Jennings	BMG DOES NOT CLAIM			
	IN THE TIME IT TAKES	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION			
0028373	IN THIS LITTLE ROOM	Chapman/Moore		25.00	BMI	1990
0033630	INCIDENT AT NESHABUR	Gianquinto/Santana		100.00	BMI	1970
0332397	INGREDIENTS OF LOVE, THE	Stone/Haggins/Johnson/Barias/Hub		6.25	BMI	2001
0202916	INGRID BERGMAN	Bragg/Guthrie		50.00	PRS	
0134916	INNER GARDEN I	Fripp/Levin/Below		40.00	PRS	
0134917	INNER GARDEN II	Fripp/Levin/Below		40.00	PRS	
0066759	INSANE IN THE BRAIN	Freese/Reyes/Muggerud		50.00	ASCAP	1996
0160983	INVISIBLE MAN	Hosein/DeVille/Kipner		66.67	BMI	1997
0232672	IS IT LOVE	Elofsson/Sandberg		67.50	STIM	2001



BeBe CeCe Winans
Angie Stone
Nat King Cole
Stewart, Rod
Rachel Lampa
The Normals
Chesnutt, Mark
Cypress Hill
Ella James
American Hi-Fi
AZ
Trace Adkins
Travis, Randy
Jimmy Witherspoon
Steve Holy
Soulja Slim
Michelle Tumes
Sheik, Duncan
Terror Squad
Coldplay
Roy Orbison
Chapman, Beth Nielsen
Steven Curtis Chapman
Angie Stone
Bragg, Billy & Wilco
King Crimson
King Crimson
Cypress Hill
Play

0065226	IS IT OVER YET	Kirsch, Billy	100.00	BMI	1993	
0013693	ISLANDS IN THE STREAM	Gibb/Gibb/Gibb	100.00	BMI		Kenny Rogers
0034153	IT AIN'T COOL TO BE CRAZY ABI	Porter/Dillon	100.00	ASCAP	1986	
0203360	IT DON'T MATTER TO THE SUN	Sims/Kennedy/Kirkpatrick	8.34	ASCAP	1998	
0210831	IT FEELS SO GOOD	Burdick/Belofsky/Pleeth/Clarke	50.00	GEMA	2000	
0034561	IT HURTS TO BE IN LOVE	Greenfield/Sedaka	50.00	BMI	1964	
0160854	IT MATTERS TO ME	Hill/Sanders	50.00	BMI	1995	
0028363	IT MUST BE HIM .	David/Becaud/Vidalin	33.34	SACEM		
0253574	IT WAS YOU	Wiseman/Bruce	31.25	ASCAP		
0027481	IT'S A HEARTACHE	Wolfe/Scott	50.00	PRS	1978	
0060821	IT'S A MEAN WORLD	King	100.00	BMI	1967	
0181073	IT'S ALWAYS SOMETHIN'	Mayo/Green	50.00	BMI	1999	
0002289	IT'S IMPOSSIBLE	Wayne/Manzanero	100.00	ASCAP	1970	
0026982	IT'S JUST ANOTHER NEW YEAR'	Manilow/Panzer	100.00	BMI		
0060822	IT'S MY OWN FAULT DARLIN'	King/Taub	100.00	BMI	1952	
0026981	IT'S A MIRACLE	Manilow/Panzer	100.00	BMI		Barry Manilow
0205063	IT'S MY OWN FAULT	Hooker/Besman	100.00	BMI		
0247253	I'VE LEARNED	Lauer/Writer Unknown	50.00	ASCAP	2002	Andy Griggs
0155472	JACKASS	Hansen/King/Simpson/Dylan	60.00	ASCAP	1996	Beck
0332400	JAM FOR THE LADIES	Stone/Moorer/Hall/Writer Unknown	10.00	BMI	2001	Moby
0132184	JAMAS TE OLVIDARE	Valadez	100.00	SACM		Rocio Durcal
0235361	JEALOUS	Stewart/O'Connor	50.00	PRS	2000	O'connor, Sinead
NEED MORE INFO!	JESUS IS ALRIGHT	Traditional				The Holmes Brothers
0028407	JESUS IS BORN	Nalsh/Green/Green/Green	7.40	ASCAP	1987	
0009911	JESUS IS JUST ALRIGHT	Reynolds, Arthur	25.00	ASCAP	1969	
0247386	JEZEBEL	Hummon/Demarcus	50.00	BMI	2001	Chely Wright
0013703	JIVE TALKIN'	Gibb/Gibb/Gibb	100.00	BMI	1975	Bee Gees
0211755	JOE DI MAGGIO	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0147861	JOHNNY WAS A FYRO	Larkin, Patty	100.00	ASCAP		
0041792	JOY OF THE WORLD, THE (DIE F	Vale, Allene	100.00	SESAC	1971	
0140382	JUAN Y MARIA	Valadez	100.00	SACM		
0027148	JUMP SHOUT BOOGIE	Manilow/Sussman	100.00	BMI	1976	
0060830	JUNGLE, THE	King/Josea	100.00	BMI	1967	
0180855	JUST ANOTHER HEARTACHE	Hill/Sanders	50.00	BMI	1997	
0036322	JUST ANOTHER HIGH	Ferry	100.00	PRS		Roxy Music
0029534	JUST ARRIVED	Manilow/Sussman/Feldman	100.00	BMI		
0060833	JUST LIKE A WOMAN	King	100.00	BMI		
0124556	JUST LIKE HEAVEN	Smith/Tolhurst/Gallup/Thompson/W	100.00	PRS		The Cure
0003956	JUST LIKE ME	Day/Hart	100.00	BMI		Pat Benatar
0179709	JUST LIKE ME	Seal/Dupri/Jones	40.00	ASCAP	1998	

0052799		JUST ONE LOOK	Payne/Carroll	100.00	BMI	1983	
0027149		JUST REMEMBER	Manilow/Mercer	50.00	BMI	1985	
0257156		JUST THAT GOOD	Kamin/Band	100.00	BMI	2001	The Calling
		JUST WHAT I NEEDED	Ocasek	BMG US DOES NOT CLAIM			
0206711		KALIFORNIA	Gilbert/Cook	66.67	PRS	1999	Fatboy Slim
0186466	T-070.25	KASHMIR'S CORN	Williams	100.00	BMI	1998	Williams, Victoria
0130714		KEEP IT BETWEEN THE LINES	Louvin/Smith	50.00	BMI	1991	
0181855		KEEPER OF THE STARS	Mayo/Staley/Lee	50.00	BMI	1994	
0231221		KIDS	Chambers/Williams	50.00	PRS	2000	Robbie Williams & Kylie Mir
0163257		KING JAMES VERSION	Bragg	100.00	PRS		Bragg, Billy
0127155		KING OF GUITAR	King	100.00	BMI	1985	
0032913		KING OF WHO I AM, THE	Sykes/Goodman	100.00	ASCAP	1984	
0180537		KISS 'EM ALL	Regan/Pennig	50.00	ASCAP	1999	Lace
0004637		KISS YOU ALL OVER	Chapman/Chinn	100.00	PRS	1979	
0214992		KLAP YOUR HANDZ	Walta/Miljak	100.00	GEMA		Das Efx
0006107		LA FELICIDAD	Contreras	100.00	SADAIC		Flaco Jimenez
0133163		LA MEDIA VUELTA	Jimenez	100.00	SACM		
0003347		LADY LOVE ME (ONE MORE TIM	Howard/Paich	50.00	PRS		
0036294		LADYTRON	Ferry	100.00	PRS		Roxy Music
0028442		LANGUAGE OF LOVE IS JESUS, '	Nelson/Naish/Brown/McHugh	39.44	ASCAP/	1987	
0253587		LAST THING ON MY MIND, THE	Wiseman/Anderson	37.50	ASCAP		
0186465	T-070.25	LAST WORD	Williams	100.00	BMI	1998	Williams, Victoria
0203298		LATELY	Gibson/Allen	50.00	ASCAP	1999	
0262175		L'AUTRE VALSE D'AMELIE 3	Tiersen	50.00	SDRM		
0205333		LAZY FILES	Hansen	100.00	ASCAP	1998	
0052275		LEAD ME ON	Kirkpatrick/Smith/Grant	33.34	BMI	1988	
0026957		LET FREEDOM RING	Manilow/Sussman/Feldman	100.00	BMI	1986	
0186469	T-070.25	LET IT BE SO	Williams	100.00	BMI	1998	Williams, Victoria
0004934		LET IT SHINE	Hargrove	100.00	BMI	1973	
0032259		LET ME BE YOUR WINGS	Manilow/Sussman/Feldman	100.00	BMI		
0174330		LET ME ENTERTAIN YOU (STRE	Chambers/Williams	50.00	PRS		Various Artists
0044420		LET ME HAVE A DREAM	Rogers	100.00	ASCAP	1977	Dannie Belle Hall
0231630		LET ME LOVE YOU	Mayo/Luther/Green/Lindsey	50.00	BMI	2001	Tim McGraw
0203677		LET YOUR DADDY RIDE	Hooker/Besman	100.00	BMI		John Lee Hooker
0203457		LET YOUR LOVE	Madeira/Borders/Borders	33.34	ASCAP	1999	
		LET'S GET DOWN TO BUSINESS	King	BMG DOES NOT CLAIM			
0227041		LET'S MAKE LOVE	Mayo/Luther/Green/Lindsey	50.00	BMI	2000	
0124628		LET'S GO TO BED	Smith/Tolhurst	100.00	PRS		The Cure
0251789		LETTER 2 MY UNBORN	Jackson/Jackson/Shakur/Riggens/I	21.25	ASCAP	2001	2Pac
0004488		LIAR	Lydon/Cook/Jones/Matlock	25.00	BMI	1977	The Sex Pistols

0055661	LIDO SHUFFLE	Scaggs/Patch	50.00	ASCAP	1976	
0139518	LIFE GOES ON	Folles/Grey/McHugh	33.34	BMI	1995	
0018297	LIFE HOLDS ON	Chapman	100.00	ASCAP	1990	Chapman, Beth Nielsen
0034117	LIFE IS A HIGHWAY	Cochrane	100.00	SOCAN	1993	Tom Cochrane
0073451	LIFE WITH THE LIONS	Bragg	100.00	PRS		Bragg, Billy
0032918	LIFT HIM UP	Jarvis, Don	100.00	ASCAP	1989	
0213920	LIFT ME UP	Watkins/Wilson/Halliwell/Ackerman	50.00	PRS	1999	Geri Halliwell
0043984	LIFT UP A SONG	Fry, Steven	100.00	ASCAP	1984	
0245405	LIFT YOUR FIST	Thompson/Collins/Poyser/Elam	55.00	BMI	2001	Guru's Jazzmatazz
0202544	LIGHT IN YOUR EYES	Sims/Sloan	12.50	ASCAP		
0030884	LIGHTS	Williams	100.00	BMI	1995	Williams, Victoria
0020655	LILY WAS HERE	Stewart	100.00	PRS		Various Artists
0249297	LINCHPIN	Cazares/Bell/Wolbers/Bell/Herrera	100.00	ASCAP	2001	Fear Factory
0216815	LISTEN	Thornalley	100.00	PRS		Johnny Hates Jazz
0021485	LISTENING TO OLD VOICES	Hiatt	100.00	BMI	1990	Hiatt, John
0148340	LITTLE HANDS	Sheik/Banish	75.00	BMI	1996	Sheik, Duncan
0162104	LITTLE HEAD	Hiatt	100.00	BMI	1997	
0053018	LITTLE MISS LOVIN'	Cetera	100.00	ASCAP	1979	
0135193	LITTLE OLD LADY FROM PASADI	Christian/Atfield	50.00	BMI	1994	
0160954	LITTLE RASCALS	Diggs	100.00	BMI	1996	Shyheim
0073448	LITTLE TIME BOMB	Bragg	100.00	PRS		Bragg, Billy
	LIVE YOUR LIFE		STILL RESEARCHING			Bomfunk MC's
0026958	LOLA	Manilow/Sussman/Feldman	100.00	BMI	1985	
0193313	LONDON	Cadogan/Jenkins/Salazar	50.00	BMI	1998	
0005609	LONELY	Lynn/Matasa	NEED MORE INFORMATION			Kenny Rogers
0145008	LONELY RIVER	Kirkpatrick/Smith	50.00	BMI	1996	Susan Ashton
0071976	LONELY TOO LONG	Rice/Rice/Lawler	66.67	ASCAP	1996	
0253591	LONELY TOO LONG	Wiseman/Anderson	37.50	ASCAP		
0165345	LONG DISTANCE AFFAIR	Barnes/Steele/Van Zant	100.00	ASCAP	1983	38 Special
0055655	LOOK WHAT YOU'VE DONE TO M	Scaggs/Foster	66.67	ASCAP	1980	
0181664	LOOK WHERE SHE IS TODAY	Hill/Spencer	50.00	BMI	1996	Wills, Mark
0127118	LOOKING THE WORLD OVER	King/Josea	100.00	BMI		
0071706	LOSER	Hansen/Stephenson	100.00	ASCAP	1994	
0053019	LOSER WITH A BROKEN HEART	Cetera	100.00	ASCAP	1979	
0193314	LOSING A WHOLE YEAR	Cadogan/Jenkins/Salazar	50.00	BMI	1997	
0004162	LOST IN LOVE	Russell, Graham	100.00	PRS	1980	Air Supply
0021724	LOST IN THE FIFTIES TONIGHT	Reid/Parris/Seals	25.00	ASCAP	1985	
0202545	LOST IN YOU	Sims/Kennedy/Kirkpatrick	8.34	ASCAP	1999	
0013746	LOST IN YOUR LOVE	Gibb/Gibb	100.00	BMI	1979	Bee Gees (The)
0052606	LOST WITHOUT YOU	Thomas/Winans	25.00	ASCAP	1989	

0260364		LOVE	Lawrence	25.00	BMI	2001	Mary J. Blige
0041582		LOVE	Williams	100.00	BMI	1993	Williams, Victoria
0061721		LOVE AND FRIENDSHIP	Bihari/Szabo	100.00	BMI	2000	Jimmy Witherspoon
0241890		LOVE I FOUND IN YOU, THE	Brickman/Writer Unknown	50.00	SESAC	2000	
0003369		LOVE IS A BATTLEFIELD	Chapman/Knight	50.00	ASCAP	1984	
0036323		LOVE IS THE DRUG	MacKay/Ferry	100.00	PRS	1975	
0171674		LOVE IS THE RIGHT PLACE	Hummon/Sims	75.00	BMI / AS	1997	
0061458		LOVE IS WHAT WE MAKE IT	Murrah/Siegall	37.50	BMI	1985	Kenny Rogers The First Edi
0022142		LOVE JUNKYARD	Keller/Weiss	50.00	BMI	1991	Jones, Ricki Lee
0013749		LOVE ME	Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0060666		LOVE ME BABY	Booker/Bihari	100.00	BMI	1956	Johnny Guitar Watson
0036331		LOVE ME MADLY AGAIN	Ferry	100.00	PRS		Bryan Ferry
0053042		LOVE ME TOMORROW	Cetera/Foster	50.00	ASCAP	1982	
0006319		LOVE NEVER DIES	Caffey/Caffey/Nowels	80.00	ASCAP	1987	
0209139		LOVE OF MY LIFE	Brickman/Douglas	50.00	SESAC	1999	
0055060		LOVE PROFOUND	Kirkpatrick	100.00	BMI	1998	Susan Ashton
0234251		LOVE REMAINS	Goodrum/Mathes	50.00	ASCAP		
0013753		LOVE SO RIGHT	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0018610	T-070.10	LOVE SOMEONE LIKE ME	Dunn/Foster	100.00	BMI	1986	Dunn, Holly
0201813		LOVE SONG	Turner, Jennifer	100.00	ASCAP	1999	
0028519		LOVE WILL BE OUR HOME	Chapman, Steven Curtis	33.33	BMI	1994	
0253656		LOVE WORKING ON YOU	Wiseman/Collins	25.00	ASCAP		
0061230		LOVE YOU BABY	King/Taub	100.00	BMI	1954	
0028521		LOVE YOU WITH MY LIFE	Chapman, Steven Curtis	33.33	BMI	1990	
0044289		LOVE'S NOT A FEELING	Frazier/Camp	100.00	ASCAP	1984	
0228938		LOVELY	Turnes	100.00	APRA	2000	Michelle Turnes
0013757		LOVERS	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0031778		LOVIN' A HURRICANE	Hiatt	100.00	BMI	1993	
0055862		LOWDOWN	Scaggs/Palch	50.00	ASCAP	1976	
0053752		LOWDOWN	Cetera/Seraphine	30.00	ASCAP	1971	
0004319		LUCIFER	Parsons/Woolfson	100.00	BMI	1978	Trance Atlantic Air Waves
0127202		LUCILLE	King	BMG DOES NOT CLAIM			
0138071		LUCKY LOVE	Berggren/Steinberg	80.00	STIM	1995	
0199037		MACY DAY PARADE	Penn, Michael	100.00	BMI	1998	
0312387		MAD ISSUES	Stone/Tabib/Moore	50.00	BMI	2001	Angie Stone
0034118		MAD MAD WORLD	Cochrane	100.00	SOCAN	1993	
0330609		MAGAZINES	Sheik	100.00	BMI	2002	Duncan Sheik
0196086		MAKE UP YOUR MIND	Mayo/Lindsey	50.00	BMI	1998	Deana Carter
0053755		MAMA MAMA	Cetera	90.00	ASCAP		
0195488		MAN OF MY WORD	Shamblin/Burr	9.37	ASCAP		

0026962	MAN WANTED	Manilow/Sussman/Feldman		100.00	BMI	1985
0036371	MANIFESTO	Ferry/Manzanera		100.00	PRS	
0031829	MARE	Maycotte/Yance/Galeraza/Pacho/Hr		100.00	SACM	
0126757	MARGARITA	Sembello/Waldman		50.00	ASCAP	
0071072	MAYBE SHE'S HUMAN	Martine/Robbins		12.50	BMI	1995
0001781	ME NACE DEL CORAZON	Valadez		100.00	SACM	1991
0211762	MEANEST MAN	Bragg/Guthrie		50.00	PRS	
0209128	MEANT TO BE	Brickman		100.00	SESAC	
0018347	MEET ME UNDER THE MISTLET(	Collins/Irwin		66.66	ASCAP	1989
0330611	MEMENTO	Sheik		100.00	BMI	2002
0015811	MEMORIES OF OLD SANTA FE	RICK PEOPLES/ROGER BROWN	DENIED			
0209129	MEMORY	Brickman		100.00	SESAC	1999
0175870	MERMAIDS	Weller		100.00	PRS	1997
0207179	MERRY CHRISTMAS, HAPPY HO	Degiorgio/Timberlake/Chasez/Renr		10.00	SOCAN	1999
0140330	MEXICO QUE SE NOS FUE, EL	Valadez		100.00	SACM	
0283536	MI CHICO LATINO	Watkins/Wilson/Halliwell		66.67	PRS	1999
0021165	MI FRACASO	Valadez		100.00	SACM	1991
0003540	MICKEY	Chapman/Chinn		100.00	PRS	1982
	MIDNIGHT	King	BMG DOES NOT CLAIM			
0140134	MIDNIGHT CINDERELLA	Blazy/Brooks/Williams		33.34	BMI	1998
0203118	MILLENIUM	Chambers/Brisusse/Barry/Williams		33.34	PRS	
0172641	MIRACLE IN THE MAKING	Doyle/Kear		100.00	ASCAP	1998
0202550	MIRROR BALL	Sims/Frederick/Sims		8.34	ASCAP	
0017345	MISERY AND GIN	Durrill/Garrett		100.00	ASCAP/BMI	
0127185	MISS MARTHA KING	King		100.00	BMI	
0184218	MISS MISERY	Smith, Steven P.		100.00	BMI	1997
0224918	MISSING YOU	Tumes/Kenney		90.00	APRA	2000
0057420	MISSISSIPPI QUEEN	West/Pappalardi/Laing/Rea		100.00	ASCAP	1970
0081529	MISTREATED BLUES	Taub/Hopkins		100.00	BMI	1971
0064608	MISTREATED WOMAN	King/Taub		100.00	BMI	
0149285	MISTY	Burke/Garner		16.66	ASCAP	1954
0226749	MIXED BIZNESS	Hansen		100.00	ASCAP	1999
0336181	MOMENT LIKE THIS, A	Elofsson/Reid		50.00	STIM	2002
0200669	MOMMA AIN'T HOME TONIGHT	Shirley/Wade/Moore/Honeycutt		25.00	BMI	1999
0168474	MORE LIKE A WHISPER	Krippayne/Siter		50.00	ASCAP	1998
0013776	MORE THAN A WOMAN	Gibb/Gibb/Gibb		100.00	BMI	
0013441	MORE THAN EVER	Tanner/Nelson/Nelson		33.34	ASCAP	1990
0250629	MORE THAN WHAT I WANTED	Sims/Gurvitz/O'Neal		33.34	ASCAP	2001
0028568	MORE TO THIS LIFE	Chapman/Nalsh		31.80	ASCAP	1990
0036295	MOTHER OF PEARL	Ferry		100.00	PRS	

[redacted]

Roxy Music
Bobby Pulido
Bragg, Billy & Wilco
Travis, Randy
Duncan Sheik
Travis, Randy
Weller, Paul
N Sync
Geri Halliwell
Robbie Williams
Singletary, Daryle
Michelle Tumes
Kelly Clarkson
Confederate Railroad
Tavares
Cece Winans
Roxy Music

0143695	MOTHER OF THE BRIDE	Bragg	100.00	PRS		Bragg, Billy
0071828	MOVING ON UP	Pickering/Heard	50.00	PRS	1994	M•People
0143691	MOVING THE GOALPOSTS	Bragg	100.00	PRS		Bragg, Billy
0056652	MR. GONE	Gilbert/Sheehan/Torpey	50.00	BMI	1993	Mr. Big
0013781	MR. NATURAL	Gibb/Gibb	100.00	BMI	1979	
0067678	MUCHACHA	Duke/Gorney/Harburg	33.34	ASCAP	1931	
0054553	MUSIC ON THE WIND	Shaw/Byrd/Stanfield	33.34	ASCAP	1991	
0054553	MUSIC ON THE WIND	Shaw/Byrd/Stansfield	33.34	ASCAP		
0229853	MUSIC SOUNDS BETTER WITH \	Musker/King/Bangalter/Queme/ Col	25.00	PRS		Stardust
0073445	MUST I PAINT YOU A PICTURE	Bragg	100.00	PRS		Bragg, Billy
0070511	MUTHERFUKER	Hansen	100.00	ASCAP	1994	
0053569	MY BABY'S GONE	Taub	100.00	BMI	1979	
0201776	MY BEST FRIEND	Mayo/Lutner	100.00	BMI	1999	
	MY BEST FRIENDS GIRL	Ocasek	BMG US DOES NOT CLAIM			
0185229	MY CONSTANT ONE	Tumes	100.00	APRA	1998	Michelle Tumes
0044372	MY EYES ARE DRY	Green, Keith	100.00	ASCAP	1979	
0211760	MY FLYING SAUCER	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0201814	MY FRIEND'S GALLERY	Turner	100.00	ASCAP	1999	Fursilde
0212533	MY GIDGET	Greenfield/Sedaka	50.00	BMI		
0162467	MY KIND OF CRAZY	LaBounty/Cook/Brooks	33.34	BMI	1994	
0065695	MY KIND OF GIRL	Powell/Jarrad/Cochran	33.34	BMI	1994	
0030109	MY KINDA WOMAN	Gilbert/Sheehan/Martin	45.00	BMI	1991	Mr. Big
0151610	MY LAST CIGARETTE	Hewerdine/Maccoll/Clark	25.00	PRS		
0036373	MY LITTLE GIRL	Ferry/Manzanera	100.00	PRS		Roxy Music
0126980	MY LOVE IS FOR REAL	Lawrence, Rhett/Abdul	85.00	ASCAP	1985	
0057668	MY MIND	Berggren	100.00	STIM	1994	
0243279	MY ONLY ENEMY	Jones	100.00	ASCAP	2001	American Hi-Fi
0036343	MY ONLY LOVE	Ferry	100.00	PRS		Roxy Music
0202553	MY STORY	Sims/Uccilardello/Wolk/T-Bone	8.75	ASCAP		Carman
0026597	MY TURN NOW	Chapman/Lamb	25.00	BMI	1989	
0179711	MY WAY	Seal/Dupri/Raymond	40.00	ASCAP	1997	
0219162	N 2 GETHER NOW	Smith/Martin/Borland/Otto/Rivers/D	25.00	BMI	2000	Limp Bizkit
0057385	NANTUCKET SLEIGHRIDE	Pappalardi/Collins	100.00	ASCAP	1971	
0193315	NARCOLEPSY	Cadogan/Jenkins/Salazar	50.00	BMI	1998	
0134993	NATIVE SON	Hiatt	100.00	BMI		
0251820	NATURE	Muchita/Johnson/Glover/Robinson/	20.00	BMI/AS(	2001	India.Arie
	NATURE BOY	WILLIAMS	NEED MORE INFORMATION			Williams, Victoria
0328703	NELLYVILLE	Haynes/Epperson	50.00	ASCAP	2002	Nelly
0040988	NEON ROW	Kees/Jay	100.00	BMI	1988	
0251800	NESSUN DORMA	Simoni/Adami/Puccini	100.00	SIAE		

		NESSUN DORMA	Frank Peterson, Giacomo Puccini	DO NOT CONTROL THIS ARRANGEMEN				Sarah Brightman
0262061	T-071.35	NEVER	Isaac		100.00	BMI	2002	Maria
0265523		NEVER BE THE SAME AGAIN	Woods/Coles/Palmer/Moore/Meken		20.00	BMI	2002	Ghostface Killah featuring C
0192015		NEVER EVER	Mather/Jazayeri/Lewis		40.00	GEMA	1998	
0245907		NEVER HAD A DREAM COME TF	Ellis/Dennis		50.00	PRS	2000	
0029227		NEVER KNEW LOVE LIKE THIS B	Lucas/Mtume		50.00	BMI	1980	
0228068		NEW OLD HAT	Cline		100.00	ASCAP	2000	Banyan
0228068		NEW OLD HAT	Cline		100.00	ASCAP	2000	Banyan
0155473		NEW POLLUTION, THE (LP VERS	Hansen/Simpson/King		66.67	ASCAP	1996	
0060718		NEW WAY OF DRIVING, A	King/Ling		100.00	BMI		
0004486		NEW YORK	Lydon/Cook/Jones/Matlock		25.00	BMI	1978	The Sex Pistols
0147114		NEW YORK CITY BLUES	Lee/Jones/Schluger		100.00	ASCAP	1983	
0169874		NEXT LIFETIME	Wright/Scott		50.00	ASCAP	1997	
0024190		NEXT TO YOU NEXT TO ME	Orrell/Wright		50.00	ASCAP	1990	
0262169		NI UN POQUITO DE PIEDADE	Pires Do Nascimento/Ferreira/Estel		66.67	SICAM		Alexandre Pires
0179708		NICE & SLOW	Seal/Dupri/Raymond/Casey		45.00	ASCAP	1997	
0204994		NICHIREN	Sheik		100.00	BMI	1998	Sheik, Duncan
		NICKELS AND DIMES AND LOVE	CLARK/MACRAE	STILL RESEARCHING				Montgomery, John Michael
0229737		NIGGA PLEASE	Diggs/Jones		50.00	BMI	2000	Oi Dirty Bastard
0036325		NIGHTINGALE	Bryan Ferry, Phil Manzanera		100.00	PRS		Roxy Music
0013798		NIGHTS ON BROADWAY	Gibb/Gibb/Gibb		100.00	BMI	1975	Bee Gees (The)
0002923		NIGHTSHIFT	Lamber/Golde/Orange		33.34	BMI	1985	
0186227		NINE WAYS[PLUMP DJ'S REMIX]	Napolitano/Pearce		50.00	PRS		Liquid Todd
0028421		NINETEEN SOMETHING	Lee/Writer Unknown		50.00	BMI	2002	Mark Wills
0071715		NITEMARE HIPPY GIRL	Hansen		100.00	ASCAP	1994	
0009122	T-073.15	NO ALIBIS	Williams		25.00	BMI	1990	Clapton, Eric
0227944		NO ALIBIS	Osenga/Lockett/Abede/Taquino/Co		56.67	ASCAP	2000	The Normals
0227944		NO ALIBIS	Osenga/Lockett/Abede/Taquino/Co		56.67	ASCAP	2000	The Normals
0030137		NO BETTER PLACE	Chapman/Naish		29.17	BMI	1991	
0023384		NO BUSINESS	Hiatt		100.00	BMI		Bonnie Raitt
0002630		NO FEELINGS	Lydon/Cook/Jones/Matlock		25.00	BMI		The Sex Pistols
0148755		NO HIGHER PLACE	Harrington/Arends		65.00	ASCAP		
0030153		NO HOLDING BACK	Cregan/Saviger/Stewart		22.50			Stewart, Rod
0169869		NO LOVE	Wright/Bradford/Hutson/Dickerson/		50.00	ASCAP	1997	
0202556		NO MONSTERS	Sims/Licciardello		8.75	ASCAP	1996	Carman
		NO MORE (BABY I'MA DO IT RIGHT)		BMG DOES NOT CLAIM				3LW
0060727		NO MORE DOGGIN'	Taub/Gordon		100.00	BMI	1966	
0170972		NO MORE PRETENDING	Matthews/Krippayne		100.00	BMI / AS	1997	
		NO ONE KNOWS BUT YOU	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION				Chapman, Beth Nielsen
0043165		NO ONE LIKE YOU	Meine/Schenker		100.00	GEMA		

0027105	NO OTHER LOVE	Manilow/Anderson	100.00	BMI	1981	[redacted]	
0034119	NO REGRETS	Cochrane	100.00	BMI	1995		
0036375	NO STRANGE DELIGHT	Ferry/ Manzanera	100.00	PRS			Roxy Music
0019203	NO SYSTEM FOR LOVE	Chapman	100.00	ASCAP	1990		Chapman, Beth Nielsen
0053022	NO TELL LOVER	Cetera/Serphine/Loughnane	33.34	ASCAP	1973		
0016969	NO TENGO DINERO	Valadez	100.00	SACM			
0003019	NO YOU DON'T	Chapman/Chinn	100.00	ASCAP	1978		
0006320	NOBODY OWNS ME	Caffey/Leiberman/Holden	100.00	ASCAP	1987		
0143699	NORTH SEA BUBBLE	Bragg	100.00	PRS			Bragg, Billy
0148561	NORTHERN INDUSTRIAL TOWN	Bragg	100.00	PRS			Bragg, Billy
0217000	NOT OF THIS EARTH	Chambers/Williams	50.00	PRS			
0324660	NOT SO DISTANT DAY	Hummon/Followill/Followill	33.34	BMI	2002		
0204992	NOTHING SPECIAL	Sheik	100.00	BMI	1998		Sheik, Duncan
0024931	NOTHING'S GONNA STOP US NO	Warren/Hammond	18.75	ASCAP	1987		
0257150	NOTHING'S CHANGED	Kamin/Band	100.00	BMI	2001		The Calling
0148344	NOVEMBER	Sheik	100.00	BMI	1996		
0061554	NUMBER ONE	Bihari	100.00	BMI			Etta James
0033172	OCEAN FRONT PROPERTY	Porter/Dillon/Cochran	66.67	ASCAP,	1987		
0235184	ODDITY	Farara/Rascon/Foss/Cox	100.00	ASCAP			Coal Chamber
0060734	OH BABY	Bihari/Watson/Davis	66.66	BMI			Johnny Guitar Watson
0026521	OH CAROL	Greenfield/Sedaka	50.00	BMI	1959		
0044032	OH I WANT YOU TO KNOW MOR	Fry, Steven	100.00	ASCAP	1983		
0044033	OH LORD, YOU'RE BEAUTIFUL	Green, Keith	100.00	ASCAP	1981		
0328893	OH NELLY	Haynes/Epperson/Lee	45.00	ASCAP	2002		Nelly
0194110	OH WHAT A TIME TO BE ME	Schiltz/Travis	12.50	ASCAP			Travis, Randy
0036344	OH YEAH	Ferry	100.00	PRS			Roxy Music
0132948	OLE OLE OLE (?')	Aitken/Waterman/Stock/Armatt/Dej	16.00	PRS			
0330608	ON A HIGH	Sheik	100.00	BMI	2002		Duncan Sheik
0169866	ON AND ON	Wright/Cantero	50.00	ASCAP	1997		
0330614	ON HER MIND	Sheik/Jones	50.00	BMI	2002		Duncan Sheik
0268544	ON MY OWN	Osenga/Lockett	66.67	ASCAP	2002		The Normals
0223258	ON THE COAST OF SOMEWHER	Reid/Luther/Simpson	100.00	ASCAP/	2002		Kenny Chesney
0328716	ON THE GRIND	Haynes/Thomas/Epperson	45.00	ASCAP	2002		Nelly
0139508	ON THE VERGE	Prestwood	100.00	BMI	1995		
0037361	ONCE IN A LIFETIME	Eno/Frantz/Byrne/Harrison/Weymo	25.00	PRS	1981		Talking Heads
0211589	ONE AND THE SAME	Matthews/Carlson	50.00	ASCAP	1998		Take 6
0179923	ONE DAY YOU'LL BE MINE	Seal/Raymond/Dupri/Jasper	22.50	ASCAP	1997		
0021488	ONE KISS	Hiatt	100.00	BMI	1990		Hiatt, John
0036337	ONE KISS	Ferry	100.00	PRS			Bryan Ferry
0027412	ONE MAN WOMAN aka FEELS LI	Roberts/Prince/Garrett	33.34	PRS			Jones, Quincy

0021733		ONE NIGHT	Reid/Seals	50.00	ASCAP	1987	Rogers, Kenny
0165348		ONE OF THE LONELY ONES	Barnes/Steele/Van Zant	100.00	ASCAP	1983	38 Special
0127617		ONE OF THESE DAYS	Hummon/Powell/Raines	66.67	BMI	1997	
0182541		ONE OF THOSE NIGHTS TONIGH	Giles/Longacre	50.00	BMI	1997	
0004151		ONE THAT YOU LOVE, THE	Russell	100.00	PRS	1981	Air Supply
0048951		ONE TOKE OVER THE LINE	Brewer/Shipley	100.00	BMI	1970	
0253596		ONE TONIGHT	Wiseman/Anderson	37.50	ASCAP		
0181501		ONE, TWO, I LOVE YOU	Hill/Jones	50.00	BMI	1997	
0178376		ONLY FOR THE WEAK	Puryear/Snead/Krippayne	100.00	BMI / AS	1999	
0028674		ONLY LOVE	Hummon/Mutrah	50.00	BMI	1993	
		ONLY SO MANY TEARS	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION			Chapman, Beth Nielsen
0019403	T-070.24	ONLY WHEN I LOVE	Dunn/Water/Shapiro	33.34	BMI	1987	Dunn, Holly,
0258183		OOH OOH	Nelson/Williford	50.00	PRS	2001	Ford, Willa
0257143		ORDINARY LOVE	Wiseman/Diperio/Truman	25.00	ASCAP		
0044427		ORDINARY PEOPLE	Hall	100.00	ASCAP	1977	Dannie Belle Hall
0181997		ORDINARY PEOPLE	Hill/Wiseman	87.50	BMI / AS	1998	
0230548		OTHER EMCEE'S	Salovaara/Ebanks	100.00	STIM		Bomfunk MC's
0060748		OTHER NIGHT BLUES, THE	King/Taub	100.00	BMI	1971	
0169879		OTHER SIDE OF THE GAME	Thompson/Hubbard/Wright/Nichols	75.00	BMI / AS	1997	
0165714		OUR LIPS ARE SEALED	Wiedlin/Hall	60.00	ASCAP	1981	
0293079		OUR SONG	Mather/Jazayerl/Gibb/Gibb/Gibb	30.00			M2m
0073845		OUT FROM THE DEEP	Coleman/Dudley/McCurly/Mersman	2.50	PRS		
0028683		OUT IN THE HIGHWAYS	Moore/Chapman	12.50	BMI	1990	Steven Curtis Chapman
0244950		OUT OF CONTROL	Salovaara/Virtanen	100.00	TEOSTO		Darude
0192382		OUT OF L.A.	Christodal	100.00	ASCAP	1998	Jude
0146348		OUT OF ORDER	Shelx	100.00	BMI	1996	
0036423		OUT OF THE BLUE	Ferry/ Manzanera	100.00	PRS		Roxy Music
0133162		OUT OF THE SINKING	Weller	100.00	PRS		Weller, Paul
0061360		OVER MY HEAD	McVie	100.00	BMI	1977	
0201808		OVER MY HEAD	Turner, Jennifer	100.00	ASCAP	1999	
0036377		OVER YOU	Ferry/Manzanera	100.00	PRS		Roxy Music
0055686		OVERDRIVE	Scaggs	100.00	ASCAP	1988	
0053037		OVERNIGHT CAFÉ	Cetera	100.00	ASCAP	1980	
		PANDORA'S BOX	Chaggey/Saviger/Narlock	STILL RESEARCHING			Yva Adam
0243149		PARACHUTES	Berryman/Buckland/Champion/Man	100.00	PRS	2001	Coldplay
0026967		PARADISE CAFÉ	Manilow/Sussman/Feldman	100.00	BMI	1984	
0218595		PARIS SOUS LA NEIGE	Woodcock/Luginbuhl/Begon-Lours	100.00	SACEM		Mellow
0323465		PART II	Smith/Bryce/Serman/Noble/Edmon	12.50	BMI	2002	Method Man & Redman
0209115		PART OF MY HEART	Brickman	100.00	SESAC		
0200207		PARTNERS IN CRIME	Brickman/Koz	50.00	SESAC	1998	

0036338	PARTY DOLL	Ferry	100.00	PRS		Bryan Ferry
0060761	PAST DAY	King/Bihari	100.00	BMI	1970	B.BKing
0071710	PAY NO MIND	Hansen	100.00	ASCAP	1994	
0127220	PAYING THE COST TO BE THE B	King	BMG DOES NOT CLAIM			
0163387	PEACOCK SUIT	Weller	100.00	PRS	1997	Weller, Paul
0134922	PEOPLE	Levin/Gunn/Bruford/Fripp/Bolew/Mc	50.00	PRS		King Crimson
0001759	PERDONAME, OLVIDALO	Valadez	100.00	SACM		Rocio Durcal
0186460	PERIWINKLE SKY	Williams	100.00	BMI	1998	
0132584	PERO QUE NECESIDAD	Valadez	100.00	SACM	1997	
0033823	PERSUASION	Santana/Rollie/Areas/Carabello/Shri	100.00	BMI	1968	
0009509	PIANGI CON ME aka LET'S LIVE T	Shapiro/Rapetti	50.00	SIAE		
0176478	PICTURE OF YOU	Watkins/Keating/Kennedy/Wilson	65.00	PRS	2001	Boyzone
0174709	PICTURE PERFECT WORLD	Cunningham/Peacock	50.00	BMI	1997	Avalon
0133370	PINK ON WHITE WALLS	Weller	100.00	PRS	1998	Weller, Paul
0168235	PIRATE RADIO	Hiatt	100.00	BMI	1997	
0332388	PISSED OFF	Stone/Tabib/Moore/Bolton	50.00	BMI	2001	Angie Stone
0132526	PISTOLGRIP-PUMP	Vidal/Vidal/Hawkins/Troutman	60.00	ASCAP	1995	
0052283	PLACE IN THIS WORLD	Kirkpatrick/Smith/Grant	25.00	BMI	1990	
0225042	PLAYA PLAYA	Thompson/Stone/D'Angelo	12.50	BMI	2000	D'Angelo
0063691	PLAYING THE RACES	Hooker/Besman	100.00	BMI	1971	John Lee Hooker
0060766	PLEASE ACCEPT MY LOVE	King/Ling	100.00	BMI	1970	
0185230	PLEASE COME BACK	Tumes/Arthur	50.00	APRA	1998	Michelle Tumes
0185230	PLEASE COME BACK	Tumes/Arthur	50.00	APRA	1998	Michelle Tumes
0061325	PLEASE HURRY HOME	King/Taub	100.00	BMI		
0060772	PLEASE LOVE ME	King/Taub	100.00	BMI	1953	
0063714	PLEASE SET THE DATE	King/Taub	100.00	BMI	1970	
0194136	POINT OF LIGHT	Schlitz/Schuyler	12.50	ASCAP		
0131153	POLISH THOSE SHOES	Williams	100.00	BMI	1998	Travis, Randy
0266341	POLITIK	Berryman/Buckland/Champion/Mart	100.00	PRS	2002	Williams, Victoria
0149544	POLKA DOTS AND MOONBEAMS	Burke/Van Heusen	25.00	ASCAP	1940	Coldplay
0021560	POP MUZIK	Scott	100.00	PRS	1997	
0015752	POR SI QUIERES VOLVER	Valadez	100.00	SACM	1991	U2
0030316	POR TI ME CASARE	Cogliati/Ramazzotti/Cassano	50.00	SIAE		
0133345	PORCELAIN GODS	Weller	100.00	PRS	1998	Ednita Nazario
0144600	POWER, THE	Sims/Spence	45.84	ASCAP	1984	Weller, Paul
0060773	POWERHOUSE	King/Bihari	100.00	BMI	1969	
0036424	PRAIRIE ROSE	Ferry/ Manzanera	100.00	PRS		B.BKing
0186454	PRAYIN' FOR DAYLIGHT	Giles/Bogard	50.00	BMI	2000	Roxy Music
0226754	PRESSURE ZONE	Hansen	100.00	ASCAP		
0009128	PRETENDING	Williams, Jerry Lynn	25.00	BMI	1985	

0022029	PRETTY LITTLE ANGEL EYES	Lee/Boyce	100.00	BMI	1961		
0002629	PRETTY VACANT	Lydon/Cook/Jones/Matlock	25.00	BMI	1977		The Sex Pistols
0056549	PRICE YOU GOTTA PAY	Gilbert/Sheehan/Martin/Torpey	10.00	BMI	1993		Mr. Big
0053044	PRIMA DONNA	Cetera/Goldenberg	50.00	ASCAP	1984		
0002628	PROBLEMS	Lydon/Cook/Jones/Matlock	25.00	BMI			The Sex Pistols
0202561	PROMISE I MAKE, A	Logan/Kirkpatrick/More/Kennedy/Sl	6.25	ASCAP			
0192388	PROPHET	Christodal	100.00	ASCAP	1998		Jude
0133770	PROTECT YA NECK II THE ZOO	Diggs/Jones	50.00	BMI	1995		Ol Dirty Bastard
0034265	PROVOCAME	Katwijk/Schimscheimer	100.00	BUMA			Chayanne
0036296	PSALM	Ferry	100.00	PRS			Roxy Music
0036839	PYJAMARAMA	Ferry	100.00	PRS			Roxy Music
	QUARTET	Anderson	BMG DOES NOT CLAIM				Jethro Tull
0189528	QUE IRONIA	Gonzalez, Braulio Benitez	100.00	SACM	1999		
0015756	QUE SEA MI CONDENA	Valadez	100.00	SACM			
0018120	QUE TE VAYA BONITO	Jimenez	100.00	SACM			
0006104	QUEDATE CONMIGO ESTA NOCI	Valadez	100.00	SACM			
0063741	QUEEN BEE	Hooker/Besman	100.00	BMI	1958		
0001836	QUERIDA	Valadez	100.00	SACM	1991		
0002143	QUIERO DORMIR CANSADO	Perez/Romero	100.00	ASCAP	1998		
0052785	RAINMAKER	Williams	100.00	BMI			Williams, Victoria
0232450	RAP SUPERSTAR	Freese/Muggerud	50.00	ASCAP	2000		Cypress Hill
0133776	RAW HIDE	Diggs/Smith/Woods/Jones	83.34	BMI	1995		Ol Dirty Bastard
0153334	READY MADE	Hansen/King/Simpson	66.66	ASCAP	1996		Beck
0148777	READY TO GO	Todd/Sprackling/Male/Dorney	50.00	PRS	1997		
0200916	READY TO RUN	Hummon/Seidel	50.00	BMI	1999		
0027201	T-070.24 READY TO TAKE A CHANCE AG/	Fox/Gimbel	33.33	BMI	1977		Barry Manilow
0008784	REAL MAN	Williams, Jerry Lynn	25.00	BMI			
0148352	REASONS FOR LIVING	Sheik	100.00	BMI	1998		Sheik, Duncan
0329913	RE-BIRTH	Best/Mansfield/Cruz	12.50	ASCAP	2002		AZ
0060780	RECESSION BLUES	King	100.00	BMI			
0036297	RE-MAKE/RE-MODEL	Ferry	100.00	PRS			Bryan Ferry
0053045	REMEMBER THE FEELING	Cetera/Champlin	50.00	ASCAP	1984		
0209136	RENDEZVOUS	Brickman/Upchurch	50.00	SESAC			
0330210	REPENT	Hummon/Writer Unknown	50.00	BMI	2002		Shedaisy
0053043	RESCUE YOU	Cetera/Foster	50.00	ASCAP	1982		
0018107	REY, EL	Jimenez	100.00	SACM	1971		
0002945	RHYTHM OF THE NIGHT	Warren	75.00	ASCAP	1985		
0020615	RIDE LIKE THE WIND	Cross	100.00	BMI	1980		
0135308	RIDE THE WILD SURF	Christian/Wilson/Berry	33.34	BMI	1964		
0229721	RIDE WITH ME	Haynes/Debarge/Debarge/Jordan/V	23.33	ASCAP	2000		Nelly

0050671		RIDING WITH THE KING	Hiatt	100.00	BMI	1983	BB King / Eric Clapton
0170077		RIM SHOT (INTRO)	Wright/Chinwah	50.00	ASCAP	1997	
0030111		ROAD TO RUIN	Gilbert/Sheehan/Paris/Torpey	16.00	BMI	1991	Mr. Big
0328698		ROC THE MIC (REMIX)	Haynes/Grant/Harper/Blaze/Pridger	20.00	ASCAP	2002	Nelly
0003108		ROCK AND ROLL HOOCHIE KOO	Derringer, Rick	100.00	BMI	1970	
0060789		ROCK ME BABY	King/Josea	100.00	BMI	1964	
0162498		ROCK MY WORLD (LITTLE COUI	LaBounty/O'Brien	43.75	BMI		
0037504		ROCK OF AGES	Ferry/James/Thomas	100.00	PRS		Bryan Ferry
0043180		ROCK YOU LIKE A HURRICANE	Meine/Schenker/Rarebell	50.00	GEMA		Scorpions
0230555		ROCKIN THAT SPOT	Salovaara/Ebanks	100.00	STIM		Somfunk MC's
0203140		ROLLERCOASTER	Hedges/Ackerman/Brannigan/B*Wr	28.34	PRS		
0052929	T-070.24	ROOF GARDEN	Canning/Graydon/Jarreau	20.00	BMI	1981	Jarreau, Al
0061577		ROSE COLORED GLASSES	Clayton-Fell/Ward	100.00	ASCAP	1992	
0073449		ROTTING ON REMAND	Bragg	100.00	PRS		Bragg, Billy
		ROUND	Clive Bunker, Glen Cornick, Ian Ani	BMG DOES NOT CLAIM			Jethro Tull
0268500		ROUND & ROUND	Smith/Mills/Showes/Cottrell	25.00	BMI	2002	Jonell & Method Man
0168424		RUBBED OUT	Shaik	100.00	BMI	1998	Shaik, Duncan
0060831		RUBEN	Bihari/Watson/Davis	66.66	BMI	1977	Johnny Guitar Watson
0061245		RUBY LEE	King/Taub	100.00	BMI	1974	
0265652		RULES	Smith/Hunter/Woods/Diggs/Bean/C	45.00	BMI	2002	Wu-Tang Clan
0246765		RUMBLE	Smith/Hunter/Hawkins/Harris/Irizarr	12.50	BMI	1999	U-God
0143699		RUMOURS OF WAR	Bragg	100.00	PRS		Bragg, Billy
0028781		RUNAWAY	Chapman, Steven Curtis	33.34	BMI	1987	
0168213		RUNAWAY	Hiatt	100.00	BMI	1997	
0009135		RUNNING ON FAITH	Williams, Jerry Lynn	25.00	ASCAP	1985	
0036379		RUNNING WILD	Ferry/Manzanera	100.00	PRS		Roxy Music
0243026	T-071.09	RUSH	Hummon/Osborne	50.00	BMI	2002	Shedaisy
0004392		SAD EYES	Pedrick, Robert John	75.00	BMI	1979	
0005757		SAD SITUATION	Pitts/Deaton	50.00	BMI	1968	Reprise Archives
0152086		SAFE	Harrington/Green	50.00	ASCAP		
0233563		SAFER ON THE OUTSIDE	Jones	100.00	ASCAP	2001	American Hi-Fi
0020616		SAILING	Cross	100.00	BMI	1980	
0205069		SALLY MAE	Hooker/Besman	100.00	BMI	1971	
0033627		SAMBA PA TI	Santana	100.00	BMI	1970	
0036841		SAME OLD SCENE	Ferry	100.00	PRS		Roxy Music
0147126		SAN FRANCISCO BLUES	Lee/Raskin/Schuiger	100.00	ASCAP	1963	
		SAND AND WATER	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION			Chapman, Beth Nielsen
0237437		SANDSTORM	Salovaara/Virtanen	100.00	TEOSTO	2001	Darude
0223008		SANZA	Momont	100.00	SACEM	2001	Thomas Otten
0010747		SATELLITE KID	Lydon/Cook/Jones/Matlock	25.00	BMI		The Sex Pistols

0005075		SAVE YOUR HEART FOR ME					
0016822		SAVE YOUR LOVE	Harris/Holden/Price	33.34	ASCAP		Tracie Spencer
0019592		SAVE YOURSELF	Chapman, Beth Nielsen	100.00	ASCAP		
0145561		SAY A PRAYER	Matkosky/Winans/Stone	33.34	ASCAP		CeCe Winans
		SAY GOODNIGHT	BETH NEILSEN CHAPMAN/John F	NEED MORE INFORMATION			Chapman, Beth Nielsen
		SAY IT TO ME NOW	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION			Chapman, Beth Nielsen
0328709		SAY NOW	Haynes/Epperson	50.00	ASCAP	2002	Nelly
0243282		SCAR	Jones	100.00	ASCAP	2001	American Hi-Fi
0146659		SCATMAN	Larkin/Catania	50.00	GEMA		Scatman
0175867		SCIENCE	Weller	100.00	PRS	1997	Weller, Paul
		SCREAM	Smith	BMG DOES NOT CLAIM			Lonnie Smith
0033625		SE ACABO	Areas	100.00	BMI	1970	
0328194		SE ME SUBE	Aponte/Lemos	50.00	BMI	2002	Manny Manuel
0036298		SEA BREEZES	Ferry	100.00	PRS		Bryan Ferry
0034126		SECRET IS TO KNOW WHEN TO	Cochrane / Cody	50.00	SOCAN		
0165353		SEE ME IN YOUR EYES	Barnes/Carlisi/Steele	100.00	ASCAP	1983	38 Special
0028801		SEEKERS OF YOUR HEART	Tunney/Tunney/Darnell	75.00	ASCAP	1987	
0036324		SENTIMENTAL FOOL	Ferry/Mackay	100.00	PRS		Roxy Music
0148342		SERENA	Sheik/Banish	75.00	BMI	1996	
0036299		SERENADE	Ferry	100.00	PRS		Roxy Music
0215998	T-071.33	SET THIS CIRCUS DOWN	Luther/Kear	100.00	ASCAP/	2001	Tim McGraw
		SEVEN DAYS	Lowery/Hickman	NEED MORE INFORMATION			Cracker
0020554		SEVEN LITTLE INDIANS	Hiatt	100.00	BMI	1980	Hiatt, John
		SEVEN SHADES OF BLUE	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION			Chapman, Beth Nielsen
0004483		SEVENTEEN	Lydon/Cook/Jones/Matlock	25.00	BMI	1977	The Sex Pistols
0143707		SEXUALITY	Bragg/Mart	50.00	PRS		Bragg, Billy
		SHAKE IT UP	Ocasek	BMG US DOES NOT CLAIM			
0060846		SHAKE IT UP AND GO	King/Taub	100.00	BMI	1982	
0202922		SHE CAME ALONG TO ME	Bragg/Tweedy/Bennett/Guthrie	35.00	PRS		Bragg, Billy & Wilco
0036087		SHE DON'T KNOW SHE'S BEAUT	Harrison/McDill	50.00	BMI	1993	
0199990		SHE GETS THE FEELING	Christodal	100.00	ASCAP	1998	Jude
0051775		SHE MOVES ME	Watson/Sihari	50.00	BMI		Johnny Guitar Watson
0286267		SHE NEVER CRIED	Weller/Mayo/Rae	33.34	BMI		Confederate Railroad
0120621		SHE NEVER CRIED WHEN OLD \	Weller/Rae/Mayo	33.34	BMI	1991	
0148345		SHE RUNS AWAY	Sheik	100.00	BMI	1996	
0072063		SHE SAID YES	Doyle/Adkins	50.00	ASCAP	1986	
0037603		SHE SELLS	Ferry/ Jobson	100.00	PRS		Roxy Music
0182088	T-070.24	SHE TOOK IT LIKE A MAN	Staley/Mayo/Nelson	66.66	BMI	1991	Confederate Railroad
0035195		SHE WANTS TO BE WANTED AG	Jones/Henderson	50.00	ASCAP	1993	
0199976		SHE'S ALWAYS RIGHT	Hill/Bamhart/McDonald	33.34	BMI	1998	

0232173	SHE'S BEEN GOOD TO ME	Mason, Jr./Anthony/Daniels/Rooney	16.67	PRS	2000	
0073617	SHE'S DYNAMITE	King	100.00	BMI		
0140512	SHE'S EVERY WOMAN	Shaw/Brooks	50.00	ASCAP	1996	
0183419	SHE'S GONNA MAKE IT	Blazy/Brooks/Williams	33.34	BMI	1997	
0014720	SHE'S OUT OF MY LIFE	Bahler	16.67	BMI	1979	
0035908	SHE'S ALL THAT	T. MCILWAIN, A. KROELL, T. BAK STILL RESEARCHING				Campbell, Tevin
0061052	SHE'S GOING OUT OF MY MIND	Mcanally	100.00	ASCAP	1984	
0073444	SHE'S GOT A NEW SPELL	Bragg	100.00	PRS		Bragg, Billy
0330612	SHINE INSIDE	Shaik	100.00	BMI	2002	Duncan Sheik
0223705	SHIVER	Berryman/Buckland/Champion/Mart	100.00	PRS	2001	Coldplay
0006321	SHOULD I LET YOU IN	Caffey/Holden	100.00	ASCAP	1997	
0176077	SHOW ME LOVE	Sandberg/Carlsson	100.00	STIM		
0134996	SHREDDING THE DOCUMENT	Hiatt	100.00	BMI	1995	
0060854	SHUT YOUR MOUTH	King/Taub	100.00	BMI	1955	
0015757	SI DIOS ME AYUDA	Valadez	100.00	SACM		
0073321	SI JAMIS JE TE REVOIS	Rice/Rice	100.00	ASCAP		
0019212	SI NOS DEJAN	Jimenez	100.00	SACM	1999	
0249888	SICK	Coverdale-Howe/Corner/Pickering	100.00	PRS		Sneaker Pimps
0015738	SIEMPRE EN MI MENTE	Valadez	100.00	SACM	2001	
0036335	SIGN OF THE TIMES	Ferry	100.00	PRS		Bryan Ferry
0073038	SIGN, THE	Berggren/Berggren/Berggren/Ekber	100.00	STIM	1993	
	SILENCE	ASRID NORTH				Various Artists
0063796	SINCE I FELL FOR YOU	Josea	100.00	BMI		
0129543	SINGIN' WITH THE BIG BANDS	Manilow/Sussman	100.00	BMI	1995	
0033624	SINGING WINDS AND CRYING BI	Carabello	100.00	BMI	1970	
0201823	SKINNY GIRL	MacDougal/Turner/Leder	100.00	ASCAP	1999	Furslide
0326334	SLENDER THREADS THAT BIND	Hummon/Mattea	50.00	BMI	2002	Kathy Mattea
0220264	SLOW IT DOWN	Terry/Elliot	50.00	PRS		Richard Elliot
0061334	SLOW WALK	King	100.00	BMI	1970	
0061725	SLOW YOUR SPEED (*)	Bihari/Witherspoon	100.00	BMI		Jimmy Witherspoon
0239481	SMILIN'	Mayo/Luther/Green/Lindsey	50.00	BMI	2001	Tim McGraw
0133771	SNAKES	Diggs/Jones	53.00	BMI	1995	Ol Dirty Bastard
0160939	SNOWFALL ON THE SAHARA	Wolf/Wolf/Cole	66.67	ASCAP	1999	Cole, Natalie
0147024	SNUG HARBOR	Dimant/Nichol/Sheppard/McGrath/K	50.00	BMI	1996	Sugar Ray
0257303	SO COMPLETE	Best/Dennis/Combs/Reid/Wilans/J	17.50	ASCAP	2001	Cherri Dennis
0127079	SO EXCITED	King/Gerald	BMG DOES NOT CLAIM			
	SO GOOD	MILES WATERS/PETER VALE	NEED MORE INFORMATION			Jarreau, Al
0208274	SO MUCH	Hummon/Warner	50.00	BMI		Steve Warner
0004284	SO SAD THE SONG	Masser/Goffin	50.00	ASCAP	1977	Pendergrass, Teddy
0027114	SOME KIND OF FRIEND	Manilow/Anderson	100.00	BMI	1982	

0064278	SOME THINGS ARE MEANT TO E	Garvin/Payne	50.00	BMI	1992	
0061144	SOMEDAY	King/Josea	100.00	BMI	1961	
0060875	SOMEONE CARES FOR ME	Bihari/Watson/Davis	66.66	BMI		Johnny Guitar Watson
0004440	SOMEONE THAT I USED TO LOV	Masser/Goffin	50.00	ASCAP	1978	Natalie Cole
0022136	SOMETHING WILD	Hiatt	100.00	BMI	1990	Iggy Pop
0046598	SOMETHING'S GONNA CHANGE	Collie/Cook	50.00	ASCAP	1993	
0211547	SOMETIMES	Elofsson	50.00	STIM		
0170080	SOMETIMES (MIX #9)	Lewis/Thompson/Hubbard/Saunder	75.00	BMI / AS	1997	
0142734	SOMETIMES HE CALMS THE ST(	Wood/Stokes	100.00	BMI / AS	1998	
0022483	SOMETIMES I WONDER WHY	Reid/Mack	75.00	ASCAP	1995	Baker, Anita
0043221	SOMETIMES LOVE JUST AIN'T EI	Bunnick/Smyth	12.50	ASCAP	1988	
0137078	SOMEWHERE OTHER THAN THI	Blazy/Brooks	50.00	BMI	1992	
0001546	SOMOS NOVIOS	Manzanero	100.00	SACM		
0148248	SONG	Horner, Paul	100.00	ASCAP	1993	
0132317	SONG OF RECONCILIATION	Kirkpatrick, Wayne	100.00	BMI		
0161372	SONG OF THE SIREN	Rowlands/Simons	75.00	PRS		
0033657	SONG OF THE WIND	Santana/Rolie/Schon	100.00	BMI	1972	
0040308	SONG REMEMBERS WHEN, THE	Prestwood	100.00	BMI	1993	
0021438	SONGBIRD	Gibb/Gibb/Gibb/Weaver	100.00	BMI	1976	Bee Gees (The)
0026971	SOON	Manilow/Sussman/Feldman	25.00	BMI		
0332390	SOUL INSURANCE	Stone/Tabib	80.00	BMI	2001	Angie Stone
0003821	SOUL SACRIFICE	Santana/Rolie/Brown/Malone	100.00	BMI / AS	1969	
0071707	SOUL SUCKIN JERK	Hansen/Stephenson	100.00	ASCAP	1995	
0224440	SPARKS	Berryman/Buckland/Champion/Mart	100.00	PRS	2001	Coldplay
0186845	SPEED OF LIGHT	Matthews/Huesman/Passons/McBr	15.00	BMI	1998	
0223708	SPIES	Berryman/Buckland/Champion/Mart	100.00	PRS	2001	Coldplay
0168408	SPINNING LIKE A WHEEL	Kirkpatrick/Ashton	50.00	BMI	1997	Susan Ashton
0328707	SPLURGE	Haynes/Epperson	50.00	ASCAP	2002	Nelly
0256365	STARLIGHT	Allan/Benichou	50.00	SACEM	2002	Supermen Lovers
0205341	STATIC	Hansen	100.00	ASCAP	1999	
0053046	STAY THE NIGHT	Celeta/Foster	55.00	ASCAP	1984	
0071714	STEAL MY BODY HOME	Hansen	100.00	ASCAP	1994	
0213027	STEAM	Regan/Anderson	50.00	ASCAP	1999	
0060882	STEP IT UP	King	50.00	BMI	1985	B.B King
0202567	STEP OF FAITH	Sims/Lieciardello	2.50	ASCAP		Carman
0211757	STETSON KENNEDY	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0330594	STICK OUT YA WRIST	Haynes/Epperson	50.00	ASCAP	2002	Nelly
0257161	STIGMATIZED	Kamin/Band/Bazilian	80.00	BMI	2001	The Calling
0036393	STILL FALLS THE RAIN	Ferry/Manzanera	100.00	PRS		Roxy Music
0043179	STILL LOVING YOU	Meine/Schenker	100.00	GEMA		

0227506		STILL THE ONE	Mason Jr/Mason Sr.	50.00	PRS		Fourplay
0334420		STOLE	Hosein/DeVillier/Kipner	66.67	ASCAP	2002	Kelly Rowland
0023832	T-070.24	STOLEN MOMENTS	Hiatt	100.00	BMI	1990	Hiatt, John
0218361		STOMP TO MY BEAT	Selovaara	100.00	TOES	1999	
0183176		STOP	Watkins/Wilson/Hallowell/Bunton/B	50.00	PRS	1998	
0057794		STRANGE BREW	Pappalardi/Collins/Clapton	66.67	BMI	1967	
0061806		STRANGE THINGS HAPPENING	James	100.00	BMI		Etta James
0036300		STREET LIFE	Ferry	100.00	PRS		Roxy Music
0036301		STRICTLY CONFIDENTIAL	Ferry	100.00	PRS		Roxy Music
0055481		STUBBORN LOVE	Bannister/Grant/Chapman/Smith/Sl	25.00	ASCAP	1982	
0004481		SUBMISSION	Lydon/Cook/Jones/Matlock	25.00	BMI	1977	The Sex Pistols
0013929		SUBWAY	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0330607		SUCH REVERIES	Sheik	100.00	BMI	2002	Duncan Sheik
0148558		SUGARDADDY	Bragg	100.00	PRS		Bragg, Billy
0036302		SUNSET	Ferry	100.00	PRS		Roxy Music
0132104		SUNSHINE COUNTRY	Williams/Williams/Williams	60.00	BMI	1995	Williams, Victoria
		SUPER ELECTRIC	STILL RESEARCHING				Bomfunk MC's
0241892		SUPREME	Chambers/Fekaris/Perren/Williams	7.50	PRS	2000	Robbie Williams
0191544		SUR TES PAS	Dumont/Leullier/Ensuque	100.00	SACEM	1998	
0243276		SURROUND	Jones	100.00	ASCAP	2001	American Hi-Fi
0147536		SWEET ASYOU ARE	Geissman	100.00	ASCAP	1988	Various Artists
0004778		SWEET DREAMS	Russell	100.00	BMI	1981	Air Supply
0001964		SWEET DREAMS ARE MADE OF	Lennox/Stewart	100.00	PRS	1983	
0026972		SWEET HEAVEN	Manilow/Sussman/Feldman	100.00	BMI	1985	
0060894		SWEET LITTLE ANGEL	King/Taub	100.00	BMI	1956	BB King
0160724		SWING, THE	Regan/Orall	50.00	ASCAP	1997	
0164257		TABLE OF GRACE	Harrington/Hutto	50.00	ASCAP		
0036595		TAKE A CHANCE WITH ME	Ferry/Manzanera	50.00	PRS		Roxy Music
0165355		TAKE 'EM OUT	Barnes/Carlisi/Steele/Van Zant	100.00	ASCAP	1982	38 Special
0143697		TANK PARK SALUTE	Bragg	100.00	PRS		Bragg, Billy
0036404		TARA	Ferry/Mackay	100.00	PRS		Roxy Music
0057407		TAUNTA (SAMMY'S TUNE)	Pappalardi	100.00	ASCAP	1972	
0030879		TC	Williams	100.00	BMI	1995	Williams, Victoria
0024023		TE JURO QUE TE AMO	Repetil/Lauzi/Prudente	50.00	SIAE	2001	Various Artists
0901489		TE LLEGARA MI OLVIDO	Gabriel	100.00	SACM		Graciela Beltran
0023521		TE SIGO AMANDO	Valadez	100.00	SACM	1997	
0014945		TE SOLTE LA RIENDA	Jimenez	100.00	SACM		
		TEACH ME TO LOVE	BMG DOES NOT CLAIM				
0003947		TEACHER'S PET	Lubin, Joe	100.00	BMI	1957	
		TEAR APART	STILL RESEARCHING				Darude

0197740	TEARIN' UP MY HEART	Sandberg/Lundin	100.00	STIM	1998	
0203717	TEASE ME BABY	Hooker/Besman	100.00	BMI		John Lee Hooker
0128242	TEENAGE BOOGIE	Brooks, Hadda Rish	100.00	BMI		
	TELETUBBIES SAY EH-OH!	Neil Hannon	BMG US DOES NOT CLAIM			
0257166	TELL HER	Wiseman/Kwesi	37.50	ASCAP		
0045991	TELL ME WHAT YOU DREAM	Leo/Schmit/Melamed	15.00	BMI	1985	
0022296	TEMA DE AMOR	Mochi/Ferro Garcia	100.00	ASCAP		Arturo Benavides
0056654	TEMPERAMENTAL	Gilbert/Sheehan/Martin/Torpey/Fam	35.00	BMI	1993	Mr. Big
0060908	TEN LONG YEARS	King/Taub	100.00	BMI	1955	
	TEN POUND HEART	KENYA WALKER/NICK PELLEGRI	NEED MORE INFORMATION			Mason, Mila
0073446	TENDER COMRADE	Bragg	100.00	PRS		Bragg, Billy
0060900	TEQUILA	Rio, Chuck	20.00	BMI	1958	
0161680	TESKO SUICIDE	Coverdale-Howe/Corner/Pickering	100.00	ASCAP	1997	
0060910	TEXAS HOP	Bihari/Crayton	100.00	BMI	1977	Duke Robillard Band
0050413	TEXAS TO A "T"	Pistilli/Foster	50.00	ASCAP	1993	Murphey, Michael Martin
0257160	THANK YOU	Kamin/Band	100.00	BMI	2001	The Ceiling
0193316	THANKS A LOT	Cadogan/Jenkins/Salazar	50.00	BMI		
0060912	THAT AIN'T THE WAY TO DO IT	King/Taub	100.00	BMI	1952	
0265262	THAT DAY	Imbruglia/Leonard	50.00	PRS	2002	Natalie Imbruglia
0204989	THAT SAYS IT ALL	Sheik	100.00	BMI	1998	Sheik, Duncan
0063875	THAT'S HOW MUCH YOU MEAN	King/Josea	100.00	BMI	1970	
0180869	THAT'S ME (EVERY CHANCE I GI	Hill/Sanders	50.00	BMI	1997	
0009152	THAT'S WHAT I GET	Williams, Jerry Lynn	25.00	ASCAP	1985	
0148635	THAT'S WHAT I GET FOR LOVIN	Blazy/Thrasher	50.00	ASCAP	1996	
0061555	THAT'S WHERE I WANNA TAKE I	Dillon/Cochran	50.00	BMI	1991	
0026971	THAT'S WHERE THE JOY COME	Elliot, John G.	100.00	ASCAP	1987	
0060913	THAT'S ALL	Davis/Biahrl	100.00	BMI	1955	Etta James
0199989	THE ASSHOLE SONG	Christodal	100.00	ASCAP	1998	Jude
0219679	THE BEST I CAN	Osenga/Lockett/Aberle/Taquino/Co	66.67	ASCAP	2000	The Normals
0219679	THE BEST I CAN	Osenga/Lockett/Aberle/Taquino/Co	66.67	ASCAP	2000	The Normals
0072754	THE BEST STUFF IN THE WORL	Matthews	100.00	BMI	1995	Take 6
	THE COLOR OF ROSES	BETH NEILSEN CHAPMAN/MATT	NEED MORE INFORMATION			Chapman, Beth Nielsen
0251938	THE COWBOY IN ME	Wiseman/Steele/Anderson	33.34	ASCAP	2001	Tim McGraw
0148350	THE END OF OUTSIDE	Sheik	100.00	BMI	1996	Sheik, Duncan
0140695	THE FEW	Bragg	100.00	PRS		Bragg, Billy
0163255	THE FOURTEENTH OF FEBRUAF	Bragg	100.00	PRS		Bragg, Billy
0265877	THE LEARNING (BURN)	Mucnita/Johnson/Perry/Williams	33.34	BMI/AS(	2002	Mobb Deep
0073452	THE ONLY ONE	Bragg	100.00	PRS		Bragg, Billy
0073447	THE PRICE I PAY	Bragg	100.00	PRS		Bragg, Billy
0224838	THE RED SUMMER SUN	Cadogan/Jenkins/Salazar/Hargreav	50.00	BMI	2000	Third Eye Blind

0021286	T-070.24	THE REST OF THE DREAM	Hiatt	100.00	BMI	1990	Coldplay
0335732		THE SCIENTIST	Berryman/Buckland/Champion/Mar	100.00	PRS	2002	Bragg, Billy
0073453		THE SHORT ANSWER	Bragg	100.00	PRS		Bragg, Billy
0148559		THE SPACE RACE IS OVER	Bragg	100.00	PRS		Mccoy, Neal
0199982		THE STRONGEST MAN IN THE W	Hill/Harbin/Tribble	33.34	BMI		Bragg, Billy & Wilco
0202920		THE UNWELCOME GUEST	Bragg/Guthrie	50.00	PRS		Mr. Big
0056653		THE WHOLE WORLD'S GONNA F	Gilbert/Sheehan/Martin/Torpey	10.00	BMI	1993	Carman
0202569		THERE IS A GOD	Sims/Ucciardello	10.00	ASCAP		
0044378		THERE IS A REDEEMER	Sievright, Melody Green	100.00	ASCAP	1982	
0073438		THERE IS POWER IN A UNION	Bragg	100.00	PRS		Bragg, Billy
0002114		THERE MUST BE AN ANGEL	Lennox/Stewart	100.00	PRS	1985	Eurythmics
0219472		THERE YOU ARE	Hill/Sanders/Diplero	33.34	BMI	1999	
0173804		THERE YOU HAVE IT	Giles/Bogard	50.00	BMI	1998	
0219683		THESE TIMES	Osenga/Lockett/Aberle/Taquino/Co	66.67	ASCAP	2000	The Normals
0166319		THEY WANT ME BACK IN	Diggs/Smith/Ascencio/Marrow	25.00	BMI	1995	Ice-T
0239482		THINGS CHANGE	Mayo/Luther/Green/Lindsay	50.00	BMI	2001	Tim McGraw
0257157		THINGS DON'T ALWAYS TURN C	Kamin/Sand	100.00	BMI	2001	The Calling
0032963		THINKIN' ABOUT HOME	Toler, Terry	100.00	ASCAP	1984	
0195563		THINKING PROBLEM	Ball/Shamblin/Zill	41.67	BMI / ASCAP		
0060916		THIRTY-EIGHTH STREET BLUES	King	50.00	BMI	1965	B.B.King
0046005		THIS COWBOY'S HAT	Brooks, Jake	100.00	BMI	1992	
0052797		THIS FLAME	Elias/Elias/Becker	37.50	BMI	1993	Various Artists
0043695		THIS IS THE DAY (A WEDDING S	Brown, Scott Wesley	100.00	BMI	1978	
0036333		THIS IS TOMORROW	Ferry,	100.00	PRS		Bryan Ferry
0218230		THIS IS WHAT IT IS	Hanson/Dente/Dente	16.67	BMI		Out of the Grey
0257129		THIS IS YOUR BRAIN	Wisman/Garrett	37.50	ASCAP		
0036332		THIS ISLAND EARTH	Ferry	100.00	PRS		Bryan Ferry
		THIS KISS	ANNIE ROBOFF/BETH NEILSEN C	NEED MORE INFORMATION			Hill, Faith
0043565		THIS LITTLE CHILD	Brown/Hart	100.00	BMI		
0209718		THIS LOVE	Burns/Armstrong	25.00	PRS		Various Artists
0052784		THIS MOMENT	Williams	100.00	BMI	1994	Williams, Victoria
0048521		THIS NIGHT WON'T LAST FORE\	LeBounty/Freeland	100.00	BMI		
0026993		THIS ONE'S FOR YOU	Manilow/Panzer	100.00	BMI		
0029002		THIS VERY DAY	Elliott/Overstreet	16.67	ASCAP		
0013948		THIS WOMAN	Gibb/Galuten	100.00	BMI		Kenny Rogers
0180871		THIS'D BE A REAL GOOD DAY	Hill/Sanders	50.00	BMI	2001	Austin, Chad
0265521		THREE AMIGOS IF IT'S ON	Smith/Writer Unknown	25.00	BMI	2001	Various Artists
0036427		THREE AND NINE	Ferry/Mackay	100.00	PRS		Roxy Music
0064807		THREE HOURS PAST MIDNIGHT	Watson/Ling	100.00	BMI	1970	
0060919		THREE O' CLOCK BLUES	King/Taub	100.00	BMI	1952	
0060920		THRILL IS GONE, THE	Darnell/Hawkins	100.00	BMI	1951	

0014796		THROUGH THE YEARS	Dorf/Panzer	100.00	BMI	1981	
0020551		THROUGH YOUR HANDS	Hiatt	100.00	BMI	1990	Joan Baez
0013950		THROW A PENNY	Gibb/Gibb	100.00	BMI	1974	Bee Gees (The)
0053047		THUNDER AND LIGHTNING	Cetera/Seraphine/Lamm	16.00	ASCAP	1980	
0302363		'TIL I WHISPER U SOMETHING	Stewart/O'Connor	50.00	PRS		O'connor, Sinead
0004290		TIME	Parsons/Woolfson	100.00	PRS	1981	
0143079		TIME FOR LIVIN'	Addrisi/Addrisi	50.00	BMI	1968	Association
0057321	T-070.24	TIME HAS COME TODAY	Chambers/Chambers	100.00	BMI	1966	
0262122		TIME OF OUR LIVES	Sims/Beal	100.00	ASCAP	2002	Bonnie Raitt
0255210		TIME OF THE MONTH	Isaac/Jackson/Yancey	25.00	BMI	2001	Angie Stone
0005023		TIME OFF FOR BAD BEHAVIOR	Keel/Latimer	50.00	BMI	1984	Confederate Railroad
0133165		TIME PASSES	Weller	100.00	PRS	1998	Weller, Paul
NEED MORE INFO!		TIME WILL TELL	Allee Willis, Kenny Moore, Sami McKinney				LaBelle, Patti
0030558		TO BEAT THE DEVIL	Kristofferson	100.00	BMI	1970	Kristofferson, Kris
0168252		TO CALL YOU LORD	Puryear/Liles	50.00	BMI	1999	Kim Hill
0073416		TO HAVE AND TO HAVE NOT	Bragg	100.00	PRS		Bragg, Billy
0013954		TO LOVE SOMEBODY	Gibb/Gibb	100.00	BMI	1968	Stewart, Rod
0036844		TO TURN YOU ON	Ferry	100.00	PRS		Roxy Music
0036334		TOKYO JOE	Ferry	100.00	PRS		Bryan Ferry
0248695		TOO FAR FROM TEXAS	Stewart/Booker	50.00	PRS	2001	Nicks, Stevie
0183179		TOO MUCH	Watkins/Wilson/Hallowell/Bunton/Br	50.00	PRS	1997	
0176702		TOO RUDE aka WINSOME	Roberts/Dunbar/Shakespeare	50.00	BMI		Keith Richards
0021748		TOO SOON TO TELL	Reid/Bourke	50.00	ASCAP		
0060926		TOO TIRED	Davis/Watson/Ling	100.00	BMI	1955	
0150456		TORN	Thornalley/Previn/Culler	33.34	PRS	1996	
0137505		TOSS A LITTLE BONE	Giles/Bogart	25.00	BMI	1995	
0176775		TRAGEDY	Lennox/Stewart/Diggs/Harris	87.50	PRS/BMI		Confederate Railroad
0178058		TRANSWAY	Transeau/Writer Unknown	50.00	GEMA		Wu-Tang Clan
0029028		TREASURE ISLAND	Chapman, Steven Curtis	33.34	BMI	1990	BT
0166461	T-070.25	TREE SONG (EUCALYPTUS LUL	Williams	100.00	BMI	1998	
0032611		TRIBE VIBES	BMG DOES NOT CONTROL				Williams, Victoria
0205336		TROPICALIA	Hansen	100.00	ASCAP	1999	Jungle Brothers
0226647		TROUBLE	Berryman/Buckland/Champion/Mart	100.00	PRS	2001	
0060859		TROUBLES, TROUBLES, TROUBI	King/Ling	100.00	BMI	1985	Coldplay
0143693		TRUST	Bragg	100.00	PRS		
0052720		TRUST HIM	Winans/Thomas	25.00	ASCAP		Bragg, Billy
0227508		TRUTHFULLY	Mason/Nelson	50.00	PRS		BeBe and CeCe Winans
0072108		TRY	Gary Benson, L. Brown, Max Elliott	BMG DOES NOT CLAIM			Brandy
0016954		TU ME DIJISTE ADIOS	Gabriel	100.00	SACM		Maxi Priest
0063951		TURN OVER A NEW LEAF	Hooker/Besman	100.00	BMI		Selena Y Gracielo Beltran

0200568		'TWEEN SUNDAY MORNING ANC	Shirley/Wiseman	50.00	BMI	1999	Confederate Railroad
0002556		TWO DIVIDED BY ZERO	Orlando/Lowe/Tennant	50.00	ASCAP	1986	Pet Shop Boys
0004473		TWO LIVES	Jordan	BMG DOES NOT CONTROL			Raitt, Bonnie
0249037		TWO WAY	Brain/Young/Dioguardi	50.00	ASCAP	2001	Eden's Crush
0232527		TWO WRONGS AND A RIGHT	Osanga/Lockett/Aberle/Taquino/Co	56.67	ASCAP	2000	The Normals
0184052		TYRONE (EXTENDED VERSION)	Wright/Hurt	50.00	ASCAP	1998	Badu, Erykah
0019021		UNDER THIS OLD HAT	Anthony/Cordle	50.00	BMI	1993	Chris Le Doux
0265128		UNDERNEATH IT ALL	Stewart/Stefani	50.00	PRS	2002	No Doubt
0029042		UNDIVIDED	Tunney, Melodie	66.67	ASCAP	1987	
0257149		UNSTOPPABLE	Kamin/Band	100.00	BMI	2001	The Calling
0251795		UNTIL THE END OF TIME	Jackson/Page/George/Shakur/Lang	7.50	ASCAP	2001	2 Pac
0175862		UP IN SUZE'S ROOM	Weller	100.00	PRS	1997	Paul Weller
0003775		UP IN THE AIR	Morse	100.00	BMI		Manuel Barrueco
0148563		UPFIELD	Bragg	100.00	PRS		Bragg, Billy
0037423		UPON THIS EARTH	Stewart/Robert/Fripp	50.00	PRS		David Sylvian
0219830		UPROCKING BEATS	Salovaara/Ebanks	100.00	STIM		Bomfunk MC's
0220307		UTTER CONFUSION	Momont	100.00	SACEM	2001	Thomas Otten
0265798	T-071.35	UZI PINKY RING	Smith/Hunter/Woods/Diggs/Coles/F	44.45	BMI/ASC	2002	Wu-Tang Clan
0002444		VACATION	Caffey/Wiedlin/Valentine	55.00	ASCAP	1982	Go Go's
0167119		VALENTINE	Brickman/Kuegell	BMG DOES NOT CONTROL			
0073450		VALENTINE'S DAY IS OVER	Bragg	100.00	PRS		Bragg, Billy
0205160		VARYING DEGREES OF CON AR	Sheik/Hale	50.00	BMI	1998	Sheik, Duncan
0243811		VEN A MI	Gibb/Gibb/Gibb/Perez	100.00	BMI	2002	Oscar de la Hoya
0036261		VIENNA	Benson/Wildhorn	50.00	PRS		Eder, Linda
0037528		VIRGINIA PLAIN	Ferry	100.00	PRS		Roxy Music
0013970		VOICES	Gibb/Gibb/Gibb	100.00	BMI	1979	Bee Gees (The)
0057646		VOULEZ-VOUS DANSER	Berggren/Ekberg	100.00	STIM	1994	
0127050		W			BMI		
0051315		WAIT	Tramp/Bratta	50.00	GEMA		
0036624		WAIT, THE	Coleman/Walker/Glover/Ferguson	100.00	PRS		
0029061		WAITING FOR LIGHTNING	Chapman, Steven Curtis/Elenburg	16.67	BMI	1990	
0057662		WAITING FOR MAGIC	Berggren/Ekberg	100.00	STIM	1994	
0073454		WAITING FOR THE GREAT LEAP	Bragg	100.00	PRS		Bragg, Billy
0040845		WAITING FOR YOU TO DECIDE	Lukather/Foster/Paich	33.34	ASCAP	1982	
0222034		WAKE UP	Diggs/Hamlin/Ruff/Smith/Grant	50.00	BMI	1999	Wu-Tang Clan
0134991		WALK ON	Hiatt	100.00	BMI	1995	
0038189		WALKING ON BROKEN GLASS	Lennox	100.00	PRS		
0243283		WALL OF SOUND	Jones	100.00	ASCAP	2001	American Hi-Fi
0202913		WALT WHITMAN'S NIECE	Bragg/Guthrie	50.00	PRS		Bragg, Billy & Wilco
0175043		WAR FACE (ASK IF WAR)	Woods/Diggs/Price	75.00	BMI	1997	Killarmy

0259710	WARNING SIGN	Barryman/Buckland/Champion/Mart		100.00	PRS	2002	Coldplay
0036120	WASHED AWAY	Cochrane		100.00	SOCAN		
0127066	WATCH YOURSELF	King		100.00	BMI		
	WATERFALLS	Williams	STILL RESEARCHING				Williams, Victoria
0021446	WAY IT WAS, THE	Gibb/Gibb/Gibb/Weaver		100.00	BMI/PRS		
0331795	WAY OF LIFE	Lambert/Hitchings/Golde/Williams/(		31.88	BMI	2002	Lil Wayne
0202914	WAY OVER YONDER IN THE MIN	Bragg/Guthrie		50.00	PRS		Bragg, Billy & Wilco
0032490	WE AIN'T OUT OF LOVE YET	Pistilli/Henley		50.00	ASCAP	1986	Travis, Randy
0044433	WE ALL NEED EACH OTHER	Hall		100.00	ASCAP		Dennis Belle Hall
0219686	WE ARE THE BEGGARS AT THE	Osenga/Lockett/Aberle/Tequino/Co		66.67	ASCAP	2000	The Normals
0002787	WE BUILT THIS CITY	Wolf/Lamber/Page/Taupin		20.00	ASCAP	1985	
0006318	WE CAN CHANGE	Caffey/Nowels		50.00	ASCAP	1987	Carlisle, Belinda
0006457	WE CAN STOP THE HURTIN'	Neal/Champlin/Lamn		33.34	BMI	1984	
0054456	WE DON'T HAVE TO DO THIS	Shaw/Burr		50.00	ASCAP	1993	
0178314	WE FALL DOWN	Matthews		100.00	ASCAP	1999	
0002438	WE GOT THE BEAT	Caffey		100.00	ASCAP	1981	
0205335	WE LIVE AGAIN	Hansen		100.00	ASCAP	1999	
0223706	WE NEVER CHANGE	Berryman/Buckland/Champion/Mart		100.00	PRS	2001	Coldplay
0055710	WE'RE ALL ALONE	Scaggs		100.00	ASCAP	1976	
0061461	WE'RE IN THIS LOVE TOGETHER	Murrah/Stegall		37.50	BMI	1983	
0029098	WEAK DAYS	Chapman, Steven Curtis/Elliott		16.67	BMI	1987	
0044171	WEDDING PRAYER	Hopkins, Mary Rice		100.00	ASCAP	1982	
0049925	WEEKEND IN MONACO	Freeman		100.00	BMI	1993	
0257156	WE'RE FORGIVEN	Kamin/Band		100.00	BMI	2001	The Calling
0266183	WHAT A GIRL WANTS	Roche/Pelken		50.00	ASCAP	1999	Christina Aguilera
0195558	WHAT A WONDERFUL BEGINNIN	Shamblin/Cunningham		9.37	ASCAP		
0233563	WHAT ABOUT TODAY	Jones		100.00	ASCAP	2001	American Hi-Fi
0195362	WHAT DO YOU WANT WITH HIS	Ball/Jefferies		50.00	BMI		Ball, David
0053066	WHAT ELSE CAN I SAY	Cetera		80.00	ASCAP	1971	
0181482	WHAT EVER YOU SAY	Hill/Martin		50.00	BMI	2001	
0209959	WHAT I GOT	Roberts/Nowell/Gaugh/Wilson		40.00	BMI		Sublime
0201564	WHAT I NEED TO DO	Luther/Dampier		50.00	BMI	1999	
0178576	WHAT I SEE	Ahlstrom/O'Donnell		50.00	ASCAP	1998	
0182186	WHAT IF I DO	Hill/Sanders/Malloy		33.34	BMI	2000	
0327889	WHAT IT'S LIKE TO BE ME	Hill/Smith		50.00	BMI	2002	Kellie Coffey
0030139	WHAT KIND OF JOY	Chapman, Steven Curtis		33.33	BMI	1991	
0014085	WHAT NOW MY LOVE	Bacaud/Delance/Sigman		80.00	SACEM	1990	
0332389	WHAT U DYIN' FOR	Stone/Muhammad		50.00	BMI	2001	Angie Stone
0209282	WHAT WE BELIEVE IN	Brickman/Douglas		50.00	SESAC		
0253080	WHAT YO NAME IS	Mason/Thomas/Russell/Butler/Mark		30.00	PRS	2002	Mario

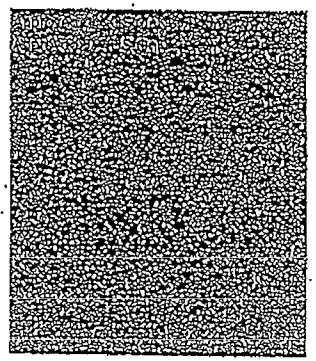
0149548	WHAT'S NEW?	Burke/Haggart	16.66	ASCAP	1939		
0249563	WHATEVER YOU SAY	Detweiler/Bergquist	BMG DOES NOT CLAIM				
0055793	WHAT'S GOING ON IN YOUR WC	Chamberlain/Porter/Steagall	50.00	BMI/ASC	1989		George Strait
0056651	WHAT'S IT GONNA BE	Gilbert/Pessis/Marin/Torpey	66.00	BMI	1993		Mr. Big
	WHAT'S NEW	Sigman/Russell	STILL RESEARCHING				Ronstadt, Linda
0144576	WHAT'S THE MATTER BABY?	Knopfler/Knopfler	50.00				Dire Straits
0057656	WHEEL OF FORTUNE	Berggren/Ekberg	100.00	BMI	1994		
	WHEN I FEEL THIS WAY	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION				Chapman, Beth Nielsen
0030650	WHEN I SAY NO AKA MAYBE I MI	Dunn/Waler/Shapiro	33.34	BMI	1991		Dunn, Holly
0060875	WHEN MY HEART BEATS LIKE A	King/Taub	100.00	BMI	1954		
0036336	WHEN SHE WALKS IN THE ROOI	Ferry	100.00	PRS			Bryan Ferry
0193893	WHEN THE LIGHTS GO OUT	Lever/Percy/McLaughlin/Kennedy/F	40.00	PRS			
0259159	WHEN WE WERE YOUNG	Percy/Lever/Woodcock/Human Nat	40.00	PRS			Human Nature
0030140	WHEN YOU ARE A SOLDIER	Chapman, Steven Curtis	33.34	BMI	1991		
0127067	WHEN YOUR BABY PACKS UP A	King	100.00	BMI			
0072721	WHERE DID THE LOVIN' GO	Cetera	100.00	ASCAP			
0053067	WHERE DO WE GO FROM HERE	Cetera	100.00	ASCAP	1970		
0149659	WHERE DO YOU GO	Walls/Bischof-Fallenstein	100.00	ASCAP	1996		
0129551	WHERE DOES THE TIME GO?	Manilow/Sussman	100.00	BMI	1995		
0026553	WHERE THE BOYS ARE	Greenfield/Sedaka	50.00	BMI	1960		
0265089	WHERE THE PARTY AT?	Haynes/Casey/Cox/Dupri/Casey	16.00	ASCAP	2002		Jagged Edge with Nelly
0054621	WHERE THE ROAD LEADS	Shaw/Child	50.00	ASCAP	1995		
0055262	WHERE THERE'S SMOKE	Collie/Baker	50.00	ASCAP	1989		
0257152	WHEREVER YOU WILL GO	Kamin/Band	100.00	BMI	2001		The Calling
0133371	WHIRLPOOL'S END	Weller	100.00	PRS	1996		Weller, Paul
0036326	WHIRLWIND	Ferry/ Manzanera	100.00	PRS			Roxy Music
0073763	WHISKEYCLONE HOTEL CITY 19	Hansen	100.00	ASCAP	1994		
0074119	WHO AM I KIDDING	Manilow/Sussman/Feldman	100.00	BMI	1997		
NEED MORE INFO!	WHO AM I?	Chad Horton, L. Davis					Lily Frost
0161740	WHO DO YOU THINK YOU ARE	Watkins/Wilson/Halliwell/Bunton/Br	50.00	PRS	1997		Spice Girls
0263142	WHO INVENTED THE WHEEL	Wiseman/Smith/Terry	25.00	ASCAP			Anthony Smith
0029136	WHO MAKES THE RULES	Chapman/Elliot/ Nalsh/Chapman	22.22	BMI/ASC	1990		Steven Curtis Chapman
0229733	WHOA!	Best/Ross	50.00	ASCAP	2000		Black Rob
0064187	WHOLE LOT OF LOVIN', A	Davis/Josea	100.00	BMI	1954		
0038186	WHY	Lennox	100.00	PRS	1992		
	WHY	Edwards/Rogers	NEED MORE INFORMATION				Ronny Jordan
0060884	WHY DID YOU LEAVE ME	King/Taub	100.00	BMI	1953		
0015966	WHY DON'T THAT TELEPHONE I	Hellard/Quillen	100.00	BMI / AS	1993		
0127102	WHY I SING THE BLUES	King/Clark	BMG DOES NOT CLAIM				
	WILDCAT DAYS	Ferry/Eno	NEED MORE INFORMATION				Bryan Ferry

0013993	WIND OF CHANGE	Gibb/Gibb	100.00	BMI		[redacted]	Bee Gees (The)
0166539	WINGSWEPT	Ferry	100.00	PRS			
0133372	WINGS OF SPEED	Weller	100.00	PRS	1998		Weller, Paul
NEED MORE INFO	WINTER I	Vanessa-Mae					Vanessa Mae
0143700	WISH YOU WERE HER	Bragg	100.00	PRS			Bragg, Billy
0170722	WISHING I WAS THERE	Campsie/Thornalley/Imbruglia	100.00	PRS	1998		Natalie Imbruglia
0053757	WISHING YOU WERE HERE	Cetera	90.00	ASCAP	1974		
0268557	WITH ME	Owens/Morgan	50.00	ASCAP	2002		Ginny Owens
0228940	WITH THE ANGELS	Tumes/Mallory	70.00	APRA	2000		Michelle Tumes
0060890	WOKE UP THIS MORNING	King/Taub	100.00	BMI	1951		
	WOMAN	Johnson /Huxley	BMG DOES NOT CLAIM				Brother Cane
0064224	W-O-M-A-N	Mallory/Hawkins/Rogers/Mitchell	100.00	BMI	1955		Etta James
0060893	WOMAN I LOVE, THE	King/Josea	100.00	BMI	1958		
0064223	WOMAN I LOVE, THE	King/Taub	100.00	BMI	1954		
0213791	WOMAN IN ME	Beckman/Bagge	50.00	STIM	2000		Jessica Simpson
0168222	WOMAN SAWED IN HALF	Hiatt	100.00	BMI	1997		
0203723	WOMEN IN MY LIFE	Hooker/Besman	100.00	BMI	1971		John Lee Hooker
0202650	WONDER WHY	Hanson, Joel	50.00	BMI	1995		
0133360	WOODCUTTER'S SON	Weller	100.00	PRS	1998		Weller, Paul
0013998	WORDS	Gibb/Gibb/Gibb	100.00	BMI	1968		
0328895	WORK IT	Haynes/Timberlake/Epperson	40.00	ASCAP	2002		Nelly
0024918	WORLD WITHOUT YOU	Warren	33.34	ASCAP	1988		Carlisle, Belinda
0060899	WORST THING IN MY LIFE, THE	King/Taub	100.00	BMI	1965		
0005049	WOULD YOU LAY WITH ME (IN A	Coe, David Allan	50.00	BMI			
0194275	WRITTEN IN STONE	Schlitz/Mcanally	12.50	ASCAP			Travis, Randy
0061576	WRONG	Clayton/Ward	100.00	ASCAP			School of Fish
0265263	WRONG IMPRESSION	Imbruglia/Clark	50.00	PRS	2002		Natalie Imbruglia
0265522	WU-TANG CLAN LIVE FREESTYL	Diggs/Smith/Woods/Grice	100.00	BMI/ASC	2001		Various Artists
0017987	Y VOY A SER FELIZ	Cortez, Xavier Santos	100.00	SACM			
0172183	YA NO ME VUELVO A ENAMORA	Valadez	100.00	SACM	2001		
0265800	Y'ALL BEEN WARNED	Smith/Hunter/Woods/Diggs/Harris/(	53.60	BMI	2002		Wu-Tang Clan
0184051	YE YO	Wright	100.00	ASCAP	1997		Badu, Erykah
0230980	YELLOW	Berryman/Buckland/Champion	100.00	PRS	2001		Coldplay
0001939	YESTERDAY I HEARD THE RAIN	Lees/Manzanero	100.00	SACM	1968		
0001847	YO ME VOY	Gabriel	100.00	SACM			Selena Y Los Dinos
0241653	YO NO SOY ESA MUJER	DeWalden/Writer Unknown	25.00	BMI	2001		Various Artists
0334430	YOU	DeVille/Hosein/Brickman	66.67	ASCAP	2002		Jim Brickman
0005209	YOU AIN'T SO TOUGH	Lambert/Amore/Becket/Kipner	15.00	BMI	1987		Heart
0252032	YOU ARE ALIVE	Zenker/Friese	26.75	GEMA			Fragma
0046454	YOU CAN DO ALL THINGS	Palmore	50.00	BMI	1993		Daryl Coley

0072092		YOU CAN'T MAKE A HEART LOVI	Macrae/Clark	50.00	ASCAP	1995	
0127634		YOU CHANGED THE WORLD	Wood/Krippayne/Matthews	100.00	ASCAP	1997	
0243816		YOU DA MAN	Wiseman/Clark	100.00	ASCAP	2002	Jameson Clark
0060909		YOU DON'T KNOW	King/Taub	100.00	BMI	1970	
0201610		YOU DON'T KNOW ME (LIKE YOI	Bryant/Writer Unknown	30.00	ASCAP	1998	Brandy
0329850		YOU GETS NOT LOVE (REMIX)	Stewart/Lennox/Evans/Jamison/Wil	50.00	PRS	2002	Faith Evans
0211546		YOU GOT ME	Collins/Thompson/Storch/Scott	40.00	BMI	1999	
0135034		YOU GOTTA BE	Ingram/Weekes	40.00	BMI	1995	
0207285		YOU HAVE BEEN GOOD	Krippayne/Wood	50.00	ASCAP	1999	
		YOU HOLD THE KEY	BETH NEILSEN CHAPMAN	NEED MORE INFORMATION			Chapman, Beth Nielsen
0029846		YOU KNOW BETTER		BMG DOES NOT CLAIM			
0029683	T-070.24	YOU KNOW HOW TO LOVE ME	Lucas/Mtume	50.00	BMI	1979	Robin S
0061811		YOU KNOW I GO FOR YOU	King/Taub	100.00	BMI	1958	
0061390		YOU MAKE LOVIN FUN	McVie	100.00	BMI	1977	
0179707		YOU MAKE ME WANNA	Seal/Dupri/Raymond	40.00	ASCAP	1997	
0192384		YOU MAMA YOU	Christodal	100.00	ASCAP	1998	Jude
0147293		YOU MUST GO	Hiatt	100.00	BMI	1995	
0150248		YOU NEVER CHANGE	Harrington/Green/Green	33.34	ASCAP		
0024643	T-070.24	YOU REALLY HAD ME GOING	Dunn/Water/Shapiro	33.34	BMI	1990	Dunn, Holly
0226800		YOU REMAIN	Poythress/Satcher	50.00	ASCAP	2002	Willie Nelson
0203575		YOU SAVED ME	Puryear/Silvey	50.00	BMI	2000	
0020235		YOU SAY YOU WILL	Chapman/Thompson	50.00	ASCAP	1992	Chapman, Beth Nielsen
0014009		YOU SHOULD BE DANCING	Gibb/Gibb/Gibb	100.00	BMI	1976	Bee Gees (The)
0202779		YOU SHOULD BE MINE	Lawrence, Ron/McKnight/Combs/Br	8.00	BMI	1999	
0014010		YOU STEPPED INTO MY LIFE	Gibb/Gibb/Gibb	100.00	BMI	1978	Bee Gees (The)
0160933		YOU THEN ME, THEN YOU THEN	Halligan/Shaw	66.67	ASCAP	1997	
0060929		YOU UPSET ME BABY	King/Taub	100.00	BMI	1954	
0143706		YOU WOKE UP MY NEIGHBOUR	Bragg/Buck	50.00	PRS		Bragg, Billy
0186274		YOU WON'T FORGET ME	Reuther/McCray/Bischof-Fallenstei	100.00	ASCAP	1988	
0169903		YOU'RE NOT ALONE	Taylor-Firth/Kellet	50.00	ASCAP	1997	
0053050		YOU'RE THE INSPIRATION	Cetera/Foster	55.00	ASCAP	1984	
0060934		YOU'VE BEEN AN ANGEL	King/Taub	100.00	BMI	1958	
0266574		YOUNG	Wiseman/Mcewan/Sheridan	100.00	ASCAP/	2002	Kenny Chesney
0057660		YOUNG AND PROUD	Berggren/Ekberg	100.00	STIM	1994	
0177757		YOUNG GODZ	Diggs/Franklin/Barry/Hamlin	50.00	BMI	1995	Wu-Tang Clan
0003612		YOUNG LOVE	Russell/Graham	100.00	PRS	1982	Air Supply
0218305		YOUR CHILD	Isaac	100.00	BMI	1999	Mary J. Blige
0222002		YOUR EVERYTHING	Regan/Lindsey	50.00	ASCAP	1999	
0032982		YOUR GRACE STILL AMAZES ME	Lehman/Harding/Brown	100.00	ASCAP	1983	
0179037		YOUR LOVE	Brickman/Hossin/DeVilier	100.00	SESAC	1998	

0135000 YOUR LOVE IS MY REST Hiatt
0218194 YOUR WAYS ARE HIGHER THAN Mizell

100.00 BMI 1995
100.00 ASCAP 2000



July 21, 2003

MIDIRingtones, LLC
~~368~~ 380 Jackson Street, ~~Suite 900~~ SF
Saint Paul, MN 55101

Re: **Ring Tone License Agreement between MIDIRingtones, LLC and BMG Songs, Inc. & Careers BMG Music Publishing Inc. dated August 1, 2002 (the "Agreement")**

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. Term

The Term of Agreement shall continue without interruption until July 31, 2004, unless terminated earlier in accordance with Article 7 of the Agreement.

2. Advances

Upon execution of this amendment, Licensee shall pay to BMG a non-returnable advance of $2500 recoupable from all royalties payable under the Agreement.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Careers-BMG Music Publishing, Inc.

By: _____

BMG Songs, Inc.

By: _____

Agreed and Accepted:

MIDIRingtones, LLC

By: _____

RING TONE LICENSE

Agreement made August 1, 2002 between BMG Songs, Inc. and Careers-BMG Music Publishing, Inc., 1540 Broadway, New York, NY 10036 (hereinafter referred to as "BMG") and MIDIRingTones, LLC, 380 Jackson Street, Suite 700, Saint Paul, MN 55101 (hereinafter "Licensee").

For good and valuable consideration, BMG and the Licensee hereby agree as follows:

1. (a) BMG grants to Licensee the non-exclusive licence for the territory of the United States ("the Territory") for a term commencing on August 1, 2002 and expiring on July 31, 2003 ("the Term") to use the musical works listed on Schedule "A" attached hereto ("the Composition(s)") (but solely to the extent of BMG's interest therein) as follows:

(i) To create a MIDI or other digital computer file of the Composition(s) (the "File(s)");
(ii) To record a sequence from the File(s) of musical tones only without lyrics or instrumentation, not to exceed thirty (30) seconds in duration ("the Recording(s)");
(iii) To transform the Recording(s) into mobile telephone ring tone formats ("the Ring Tone(s)");
(iv) To create a database containing the Ring Tone(s) available to Licensee's customers or subscribers and/or to third party companies serviced by Licensee ("Third Party Companies") which in turn service customers or subscribers ("the Customers") for download onto mobile telephones (for a fee or otherwise) for personal use by the Customers ("Download"), for the express purpose of such Ring Tone(s) sounding as the ringing alert on such mobile telephones;
(v) To promote and advertise segments of the Ring Tones (not to exceed thirty (30) seconds each) solely on Licensee's and/or Third Party Companies' web site(s) (i.e. a web site in which Customer can preview a Ring Tone before purchasing same).

All of the foregoing activities shall be conducted at Licensee's sole expense.

(b) Schedule "A" may be amended, in BMG's sole discretion, from time to time as reasonably requested by Licensee on a composition-by-composition basis, subject to the terms of this Agreement. In addition, BMG may, in its sole discretion, inform Licensee from time to time of additional Compositions it wishes to make available for license hereunder.

2. (a) Licensee shall send to BMG notice indicating by title and songwriter(s) the identity of each Composition converted to a Ring Tone by Licensee. Such notice shall be sent within ten (10) days of each Ring Tone becoming available for Download by a Customer.

(b) BMG reserves all rights in and to the Composition(s), including the right in its sole discretion to restrict or rescind the use of any Composition at any time. In the event that BMG shall request Licensee to cease using any Composition, Licensee shall do so as soon as practicable after receiving notice.

3. In consideration of the foregoing licence, Licensee shall pay to BMG the following:

(a) Promptly following complete execution of this license agreement, a royalty of $14.16 which represents the amount due in connection with the Downloads which occurred prior to the beginning of the Term (an accounting reflecting same is attached hereto as Exhibit "A").

(b) With respect to each individual Download, a sum equal to BMG's percentage of control of each applicable Composition multiplied by ten percent (10%) of the actual price charged to Customers for each Ring Tone Downloaded ("the Royalty"), provided that in no circumstances shall the Royalty be less than $.10 per Download irrespective of the price (if any) actually charged;

(c) For each Composition converted to a Ring Tone, a one-time non-recoupable fixing fee equal to the BMG Share of each applicable Composition multiplied by $25 (the "Fixing Fee");

(d) An advance of $2,500 recoupable from all Royalties payable hereunder.

(e) If at any time during the Term hereof Licensee pays any royalty or fixing fee in connection with Ring Tone Service to any other owner or administrator of musical compositions higher than the Royalty or Fixing Fee specified hereunder, on a per composition basis or otherwise, Licensee shall pay such higher royalty or fixing fee to BMG retroactively to the accounting period during which such higher royalty or fixing fee is accounted to such other owner or administrator.

4. For each calendar month of the Term, Licensee shall render to BMG within sixty (60) days of the end of such calendar month a true and detailed accounting of (i) all Ring Tones Downloaded; and (ii) all Ring Tones created pursuant to paragraph 2 above. Each accounting shall report each Composition by title, the number of Downloads and the resultant Royalty due hereunder and be accompanied by payment to BMG of all Royalties and Fixing Fees due. All accountings and resultant royalties and fees shall be forwarded to BMG Music Publishing, 8750 Wilshire Boulevard, Beverly Hills, CA 90211, attn: Director of Royalties.

5. (a) Licensee shall maintain accurate and complete records and books of account detailing the creation of Ring Tones hereunder and all Downloads and containing all other information needed to compute and

verify the amounts payable to BMG hereunder. BMG may audit those books and records. BMG may make such an examination for a particular statem nly once. BMG may conduct such audit only ng Licensee's usual business hours, and at the place wher keeps the books and records to be examined. t least thirty (30) days prior notice.

(b) Such audit shall be conducted at BMG's sole expense, except that if any audit reveals an error resulting in an underpayment to BMG of five percent (5%) or more of the total amount accounted to BMG during the accounting periods audited, then Licensee shall pay to BMG all reasonable audit costs, including travel, hotel and per diems, together with the underpayment.

(c) Any royalty shortfall shall bear interest at the composite "prime rate" (as published in the Wall Street Journal) plus two percent (2%).

6. Licensee may not assign, transfer or sub-licence any of its rights hereunder without BMG's prior written consent and any purported such assignment, transfer or licence shall be void ab *initio*.

7. (a) BMG may terminate this Agreement by giving Licensee notice in any of the following circumstances:

(i) If Licensee fails to perform any of its material obligations under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to BMG's satisfaction within thirty (30) days after BMG gives Licensee notice of it.

(ii) If Licensee attempts to assign any of its rights under this agreement without BMG's prior written consent, or if any of those rights succeeds to any other person or entity by operation of law.

(iii) If the control or ownership of Licensee or the majority of Licensee's capital stock vests, directly or indirectly, in any person or entity except the persons or entities who actually own Licensee's outstanding capital stock now, without BMG's prior written consent.

(b) This Agreement will terminate automatically, without notice, if Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent, or if a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property.

(c) A termination of the Agreement under this paragraph 7 will not limit or affect any of BMG's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Composition(s), or of the Files, Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and shall within fifteen (15) days after the end of the Term deliver to BMG an affidavit evidencing such destruction.

(e) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

8. (a) For the avoidance of doubt, no rights are granted in any recording in the Composition(s), and no rights are granted other than those expressly referred to herein.

(b) Licensee shall not issue any press releases or other forms of publicity materials which make reference to BMG or this agreement without the prior written consent of BMG.

(c) BMG will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) Licensee shall be responsible for securing, and paying for, whatever public performance licenses required in connection with its Ring Tone service throughout the Territory. For avoidance of doubt, it is acknowledged and agreed that the Royalty shall not be inclusive of public performance monies payable in connection with Ring Tones, if any, and no public performance license is granted hereunder.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of New York whose courts shall have exclusive jurisdiction over any dispute arising herefrom

10. This Agreement contains all the terms agreed between the parties and replaces any and all previous agreements whether written or oral concerning the subject matter hereof.

AS WITNESS the hands of the parties the day and year first above written

BMG Songs, Inc.

By: _____

Careers-BMG Music Publishing, Inc.

By: _____

MIDIRingTones, LLC

By: _____

BMG SONG	SONGTITLE	WRITERS
211251	(YOU DRIVE ME) CRAZY	Elofsson/Sandberg/Magnusson/Kreuger
239923	COME ON OVER BABY (ALL I WANT IS YOU)	Aberg/Rein/Roche/Peiken/Fair/Blackmon/Cham/Dawkins/Aguilera
26947	COPACABANA	Manilow/Sussman/Feldman
251540	DONT STOP MOVING	Ellis/Solomon/S Club 7
216023	HUNTER	Armstrong/Armstrong
54561	I LOVE THE WAY YOU LOVE ME	Shaw/Cannon
245907	NEVER HAD A DREAM COME TRUE	Ellis/Dennis
60980	TEQUILA	Rio, Chuck
183179	TOO MUCH	Watkins/Wilson/Hallowall/Bunton/Brown/Chism/Adams
2787	WE BUILT THIS CITY	Woll/Lambert/Page/Taupin
257152	WHEREVER YOU WILL GO	Kamin/Band
266574	YOUNG	Wiseman/Mcewan/Sheridan

June 1, 2003

Faith West, Inc.
500 3rd Street, Suite 410
San Francisco, CA 94107

Re: Ring Tone License Agreement between Faith West, Inc. and BMG Songs, Inc. & Careers BMG Music Publishing, Inc. dated June 1, 2002 (the "Agreement")

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. The Term of Agreement shall continue without interruption until May 31, 2004.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Careers-BMG Music Publishing, Inc.

By: _____

BMG Songs, Inc.

By: _____

Agreed and Accepted:

Faith West, Inc.

By: _____

May 1, 2003

Faith West, Inc.
500 3rd Street, Suite 410
San Francisco, CA 94107

Re: Ring Tone License Agreement between Zomba Enterprises, Inc. & Zomba Songs, Inc. and FAITH, Inc. dated May 1, 2002 (the "Agreement")

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. Contracting Party

(a) Licensee has previously granted and assigned to Faith West, Inc. all of its right, title and interest in and to the Agreement. Zomba hereby acknowledges and consents to such assignment.

(b) All references in the Agreement to Licensee shall be deemed to refer to Faith West, Inc. instead of FAITH, Inc.

2. Term

The Term of Agreement shall continue without interruption until May 31, 2003.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Zomba Enterprises, Inc.

By: _____

Zomba Songs, Inc.

By: _____

Agreed and Accepted:

Faith West, Inc.

By: _____

BMP 03-64.doc

June 1, 2003

Faith West, Inc.
500 3rd Street, Suite 410
San Francisco, CA 94107

Re: **Ring Tone License Agreement between Faith West, Inc. and Zomba Enterprises Inc., Zomba Songs Inc. and Zomba Melodies Inc., dated May 1, 2002 as amended on May 1 , 2003 (the "Agreement")**

Gentlemen:

When signed by the parties below, the following shall modify the Agreement. All terms used herein shall be accorded the same meaning as in the Agreement.

1. The Term of Agreement shall continue without interruption until May 31, 2004.

As modified above, the Agreement is hereby ratified, and apart from the foregoing, all terms and conditions of the Agreement shall remain in full force and effect.

Very truly yours,

Zomba Enterprises Inc., Zomba Songs Inc.,
Zomba Melodies Inc.

By: _____

Agreed and Accepted:

Faith West, Inc.

By: _____

RING TONE LICENSE

Agreement made as of May 1, 2002 between Zomba Enterprises Inc. and Zomba Songs Inc. with offices located at 138 West 25th Street, New York, NY 10001 (hereinafter referred to as "Zomba") and FAITH, INC., with offices located at 303 Twin Dolphin Dr., 6th Floor, Redwood City, CA 94065 and Imon-Meijiseimei Building, 566-1, Karasumaoike-Sagarutoraya-cho, Nakagyo-ku, Kyoto 604-8171, Japan (hereinafter "Licensee") (collectively, the "Parties," and each, a "Party").

WHEREAS, Zomba owns and/or controls certain musical compositions listed on Exhibit A, annexed, together with other musical compositions which Zomba may, in its discretion, add to such Exhibit A during the Term hereof, and

WHEREAS, Licensee intends to provide Ring Tone Service (as defined in paragraph 1(a)(vi)) to its mobile phone customers, and/or to companies which in turn provide services to mobile phone customers (collectively, the "Customers") and wishes to license the Compositions (as defined in paragraph 2(a)) for such purpose; and

WHEREAS, Zomba desires to license the Compositions to Licensee for exploitation, throughout the World (the "Territory"), for use in connection with a Ring Tone Service;

WHEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. License

(a) Zomba grants to Licensee the non-exclusive, nontransferable, limited license to use the Compositions as follows:

(i) To create a MIDI or digital file of the Compositions (the "File(s)").

(ii) To arrange and/or record a sequence from the File, of musical tones only without lyrics or instrumentation, not to exceed thirty (0:30) seconds (the "Recording(s)"); provided, however, that any arrangement of any of the Compositions by Licensee ("Licensee Arrangements") shall be done on a "work-made-for-hire" basis for Zomba under the United States Copyright Act and all similar laws (collectively, the "Act"), and all right, title and interest in and to such arrangements, including without limitation the copyright therein, shall belong exclusively to Zomba for the term of copyright and any renewals thereof, throughout the universe, in perpetuity, in all languages, formats and media, whether now known or hereafter created. If the Licensee Arrangements or any part thereof, is deemed not to be "work-made-for-hire" under the Act, Licensee assigns exclusively to Zomba all right, title and interest in and to the Licensee Arrangements, including, without limitation, throughout the universe, in perpetuity in all languages, formats and media, whether now known or hereafter created. Notwithstanding anything to the contrary contained herein, Licensee may not alter the fundamental character of the Compositions, or make any other use of the Compositions not expressly granted by Zomba herein. Zomba agrees that it will not sell, distribute, publish, post or utilize the Licensee's

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Recordings of the Compositions, or the Arrangements thereof, in any manner without Licensee's prior written approval.

(iii) To transform the Recordings into ring tone formats, monophonic or polyphonic sound only (the "Ring Tone(s)").

(iv) To make a database of the Ring Tones available via Licensee's proprietary Web site, and those Web sites it hosts and maintains for its licensees and business partners, to the Customers for download onto their mobile phones for personal use by that Customer, provided that Licensee uses secured technology in accordance with industry standards to safeguard the Compositions from unauthorized access or copying. Licensee acknowledges that the Ring Tones will remain resident on Licensee's server located in the United States.

(v) To make server, incidental and buffer copies of the Ring Tones to facilitate the implementation of the rights granted in this License.

(vi) To allow end users to preview Licensee's service via use of segments of the Ring Tones not to exceed thirty (0:30) seconds each, limited to streaming only on Web sites that provide Licensee's services. In no event shall the Compositions be used in any endorsements, commercials or co-/cross-promotions of any service, product or entity, including but not limited to Licensee's Ring Tone Service.

All of the foregoing activities shall be performed at Licensee's sole expense. The license granted under this agreement is referred to herein as the "License". As used herein, "Ring Tone Service" shall mean the provision of Ring Tones, via Licensee's proprietary Web site, to Customers for their personal use.

(b) The term of the License (the "Term") shall be for one (1) year, commencing on May 1, 2002 and expiring on April 30, 2002 unless terminated earlier in accordance with Article 5 below. It is understood, though, that Customers may continue to use in the manner specified herein, after the Term, the Ring Tones downloaded onto their cellular phones during the Term.

(c) Zomba expressly reserves all rights now known or hereafter to become known in the Compositions. All rights, title and interest in and to the Compositions (and as re-recorded by or on behalf of Licensee) in all media now known or hereafter developed, are owned and retained solely and exclusively by Zomba.

2. Operating Procedures

(a) Licensee shall present a list of requested compositions to Zomba which Licensee desires to license, which list shall be supplemented from time to time by Licensee. Zomba shall determine in its sole discretion to license such compositions to Licensee hereunder. Zomba shall notify Licensee in writing which compositions are approved and such approved compositions shall be deemed to be added to Exhibit A and shall become subject to all the terms and conditions of this License (individually and collectively, the "Compositions").

(b) Licensee will comply with all restrictions relating to territory, name and likeness, use restrictions and other restrictions to which Zomba is contractually bound. Zomba will inform Licensee of such restrictions when the Compositions are added to Exhibit A.

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(c) Where practicable Licensee shall cause to be printed on all physical and digital materials used in connection with exploitation of the Compositions, the title of the Compositions, the names of the songwriter(s), notation that Licensee is the licensee of Zomba and an appropriate copyright notice. Any act or omission by Licensee not in compliance herewith shall be without the authority of Zomba. Notwithstanding the foregoing, any inadvertent failure to provide such credit shall not be a material breach of this License and Licensee agrees to prospectively cure any such credit omission.

(d) Upon request, Zomba shall endeavor to identify for Licensee the genre of each Composition subject hereto.

(e) In the event Zomba shall request Licensee to cease using any Composition, Licensee shall do so soon as practicable after receiving notice, but not later than three (3) business days after receiving such notice. Notwithstanding the foregoing, in the event that (i) Zomba no longer has rights to exploit certain Compositions, or (ii) upon written notice by Zomba to Licensee that, in Zomba's reasonable discretion, any use of the Compositions is likely to generate any legal claims, or (iii) there is a security breach in Licensee's encryption technology, Zomba may require Licensee to immediately cease distribution and accessibility of certain Compositions, and Licensee shall cooperate with such requests on an immediate basis.

3. Royalties

(a) In consideration of the rights granted herein, Licensee shall pay to Zomba a license fee of: (i) Twenty-Five Dollars ($25.00) for each Ring Tone copied to the master server, plus (ii) for downloads of Ring Tones that take place in the United States, the greater of Ten Cents ($0.10) for each completed download of a Ring Tone to a Customer (regardless of whether any charge is made to or collected from the Customer therefor) or Ten Percent (10%) of gross revenues generated by Licensee in connection with Licensee's Ring Tone Service (the "US Rate"), and (iii) for downloads of Ring Tones that take place in any country outside of the United States, the greater of the prevailing royalty rate in the country where the Ring Tone is downloaded or the US Rate. All sums shall be based on Zomba's pro-rata share of the copyright interest in and to the Compositions as set forth on Schedule A.

(b) With respect to any and all incidental and/or buffer copies made of the Ring Tones to facilitate the implementation of the rights granted in this License, Licensee shall pay to Zomba the sum of One Dollar ($1.00), receipt of which is hereby acknowledged.

(c) Licensee shall be responsible for securing, and paying for, whatever public performance licenses are required in connection with its Ring Tone Service throughout the Territory.

(d) Licensee and Zomba shall endeavor to achieve as transparent a royalty accounting system hereunder as technically is feasible. Without limitation of Zomba's rights under subparagraph 4(d) below, from time to time during the Term upon reasonable notice, but no more often than quarterly, Licensee shall permit Zomba access to the relevant portions of Licensee's computer systems so as to allow Zomba to directly verify the number and location of each download of a Ring Tone hereunder.

(e) Upon the execution of this License, Licensee shall pay to Zomba a non-returnable advance ("Advance") of Two Thousand Dollars ($2,000.00) recoupable from the royalties payable under subparagraph 3(a)(ii) above.

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4. Royalty Accountings

(a) Within forty-five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30, and December 31, Licensee will render to Zomba a true and detailed accounting of all Ring Tones deriving from the Compositions downloaded hereunder during the period concerned, directed to:

Zomba Music Publishing
Attn: Nancy Bloom - Associate Director, Business Affairs
138 W. 25th Street
New York, New York 10001

Each accounting period shall report each Composition by title and country, the number of downloads and the resultant royalty hereunder. Each accounting shall be accompanied by payment to Zomba of all royalties due. Upon Zomba's request, Licensee shall furnish such statement in electronic or digital form.

(b) No payments shall be diminished or reduced in any manner for any reason, including without limitation, any withholdings, currency restrictions, exchanges or taxes. Upon written request, Zomba shall provide Licensee with a current W-9 form.

(c) All payments to Zomba shall be remitted in United States Dollars. Each conversion from another currency for the purpose of computing such payments shall be calculated at the rate of exchange in effect on the date the statement concerned is rendered.

(d) Licensee shall maintain accurate and complete records and books of account covering the licensing of the Compositions under the License and containing all other information needed to compute and verify the amounts payable to Zomba hereunder. Zomba may audit those books and records within two (2) years after rendered and no more frequently than semi-annually. Zomba may make such an examination for a particular statement only once. Zomba may conduct such audit only during Licensee's usual business hours, and only at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice. Such audit shall be conducted at Zomba's sole expense; provided, however, that if, as a result of any audit, it is determined that Licensee has understated the royalties due to Zomba by ten percent (10%) or more, Licensee shall pay to Publisher the amount by which royalties have been understated and shall reimburse Zomba for the cost of the audit.

(e) All payments becoming due to Zomba under this agreement will be made in full without any charge for bad debt, free goods, discounts, container charge, service charge or any other offset or deduction whatsoever.

(f) If Licensee is actually prevented by law or government order from making any payment to Zomba in United States Dollars, Licensee will promptly notify Zomba and will not commingle the moneys concerned with Licensee's other assets or with the property of any other person, but will hold these moneys separately and in trust for Zomba or deposit them as Zomba instructs in writing. Licensee will continue to be obligated for each such amount until Zomba (or the depository so designated by Zomba) has actually received it.

5. Termination

(a) Zomba may terminate the License by giving Licensee notice if Licensee violates any of its obligations, representations and/or or warranties under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Zomba's satisfaction within thirty (30) days after Zomba gives Licensee notice of it.

(b) The License will terminate automatically, without notice, if any of the following circumstances occurs:

(i) If Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent.

(ii) If a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property and it is not dismissed within ten (10) days of such event.

(c) A termination of the License under this Article 5 will not limit or affect any of Zomba's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Compositions, nor of the Files, Recordings or Ring Tones whatsoever.

6. Assignment

Neither Party may assign this License or transfer its rights, duties or obligations under this License to any other entity, without prior written consent of the other Party, except that Zomba may, upon written notice and without Licensee's prior consent, assign this License, or any of its rights hereunder, to an entity that controls, or is controlled by, or is under common control of Zomba, or in connection with any merger, acquisition, divestiture, consolidation or other corporate reorganization of Zomba. Licensee agrees that it will seek prior written consent from Zomba prior to any change of control, merger, acquisition, divestiture, consolidation or other corporate reorganization of Licensee. Any attempt to assign or otherwise delegate any rights, duties or obligations hereunder in contravention of this paragraph 6 will be void and Zomba may immediately terminate this License. This License will bind and inure to the benefit of the Parties and their respective permitted successors and assigns.

7. Notices

All notices under this agreement will be in writing and will be given by registered or certified mail, return receipt requested, at the respective addresses shown above or such other addresses as either party shall designate. Notices shall be deemed given when mailed, except that notice of change of address shall be effective only from the date of its receipt. Each notice shall be sent to:

To Licensee: addresses on page 1

To Zomba: Zomba Music Publishing, 138 West 25th Street, New York, New York 10001, attention: Sr. Vice President, Business Affairs

or to such other address(es) as to which the noticing party shall have theretofore received written notice. All notices to the parties hereto shall be in writing and shall be sent by overnight delivery or facsimile with written confirmation if such notice requires a response or action within a set time period thereunder. The date of mailing shall be the date of the giving of notice.

8. Warranties, Representations, Indemnities

(a) Zomba represents, warrants and agrees as follows (with respect to its respective fractional interests in the Compositions described in Exhibit A):

(i) Zomba has full right, power and authority to enter into this License and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) Zomba will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Zomba administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this License upon the terms and conditions set forth herein.

(ii) The Recordings, Ring Tones and any other content, materials or technology provided, made available or used by Licensee shall not infringe upon any third-party rights.

(iii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iv) Licensee shall comply with all applicable federal, state and local laws, rules and regulations in the performance of its obligations hereunder.

(v) Licensee and its employees, agents or representatives will not, without Zomba's prior written consent in each such instance, refer to or disclose the existence or terms of this License or use Zomba's name, any of Zomba's affiliate or related entities, including without limitation any Zomba related record label, or the name, logo or identifier of any artist, songwriter or Composition associated with Zomba (or any affiliate of Zomba) in any press release, advertisement, announcement or public disclosure. For the avoidance of doubt, this subparagraph 8(b)(v) shall not preclude Licensee from disclosing the terms of this License to other music publisher participants in Licensee's Ring Tone Service or third-party companies with whom Licensee has entered into an agreement to provide its Ring Tone Service.

(vi) Licensee shall enter into all required music performance licenses with ASCAP, BMI and other similar performing rights agencies having jurisdiction relating to performances of the Compositions and pay all fees thereto.

(vii) Upon written instruction from Zomba, Licensee shall not license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of

the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(c) Each party hereunder will hold the other party, its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. In no event shall the total liability of Zomba in connection with the rights granted for the Compositions exceed the consideration received by Zomba in connection with the licensing of said Compositions. Licensee will give Zomba prompt notice of any claim and Zomba will have the right to assume the defense thereof at Zomba's expense.

9. Most Favored Nations

In the event Licensee enters into an agreement with a third party licensor for the use of compositions in Licensee's Ringtone Service similar to the use of the Compositions granted hereunder, and such agreement contains terms and/or conditions which are more favorable than the terms and/or conditions contained herein, then effective as of the date of such agreement, such more favorable terms and/or conditions shall be deemed incorporated herein retroactive to the date of such third party agreement. Notwithstanding the foregoing, any increase in the Royalty and/or Advance on account of the operation of this Section 9 shall be payable retroactively to the date of this License and such increase shall be fully recoupable from royalties payable to Zomba hereunder, provided however, recoupment shall only be required hereunder if Licensee and the third party licensor have agreed upon such a recoupment in their agreement.

10. Miscellaneous

(a) No designation, approval or consent provided for in this License will be deemed given unless it is given in writing and signed by and authorized officer or representative of the party concerned.

(b) Licensee will take such steps as Zomba shall reasonably request in accordance with industry practices and standards for the purpose of protecting or enforcing Zomba's rights in the Compositions. Licensee will notify Zomba promptly of any occurrence which might affect those rights.

(c) Zomba will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) The rights granted herein only pertain to Zomba's pro-rata share of the copyright interest in and to the Compositions as set forth on Schedule A. Licensee must obtain approval from the other publisher(s) of the Compositions, if any.

(e) Licensee will not attack the title of Zomba in the Compositions or any copyright or other rights in them; nor will Licensee attack the validity of the License.

(f) This License contains the entire understanding of the parties and cannot be changed or terminated except by an instrument signed by an officer of each party. A waiver of any provision of this License will not waive that provision for the future or waive any subsequent

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breach of it. All remedies, rights and obligations in this License shall be cumulative and none of them shall be in limitation of any other remedy, right or obligation of either party.

(g) This License has been entered into in the State of New York, and the validity, interpretation and legal effect of this License shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a controversy will be brought in the courts located within the State and County of New York and not elsewhere.

(h) The relationship of the parties is that of independent contractors, and nothing in this agreement will constitute either party an agent of the other.

(i) The parties acknowledge that the nature of this License is unprecedented, that there are a number of marketplace factors pertaining to the subject matter hereof that are uncertain, including but not limited to business considerations. The terms hereof, including but not limited to the payment for in connection with, or value of, any services or products, are not intended to, and shall not, prejudice in any manner or for any purpose any rights or obligations relating to any future periods, arrangements or agreements between the parties or involving the services or industries that are the subject matter hereof and therefore shall not be binding or prejudicial to any position for any period subsequent to the date of this License.

(j) This License will not become effective until executed and delivered by Zomba and Licensee.

FAITH, INC.

By: _____
Masajo Nakanishi
CAROLYNNE SCHLOSSER

Zomba Enterprises Inc.

By _____
Rachelle Greenblatt

Zomba Songs Inc.

By _____
Rachelle Greenblatt

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EXHIBIT A

Composition	Writer(s)	Percentage Controlled
~~"5 6 7 8"~~	~~S. Crosby, B. Upton~~	~~50%~~
~~"18 Til I Die"~~	~~R. J. Lange, B. Adams~~	~~50%~~
~~"(If You're Not In It For Love) I'm Outta Here"~~	~~R.J. Lange, S. Twain~~	~~50%~~
~~"(You Drive Me) Crazy"~~	~~M. Martin, P. Magnusson~~ D. Krueger, J. Eloffson	~~81.25%~~
"A Space Age Love Song"	Maudsley, Reynolds, Score, Score.	100%
"A Woman's Threat"	R. Kelly	100%
~~"Ain't Got Nothing, If You Ain't Got Love"~~	~~R. J. Lange, M. Bolton~~	~~50%~~
~~"All For Love"~~	~~R. J. Lange, B. Adams~~ M. Kamen	~~33.34%~~
"All I Have To Give"	Full Force	100%
~~"All I Want Is You"~~	~~R. J. Lange, B. Adams~~	~~50%~~
"All I Want To Do Is Make Love To You"	R. J. Lange	100%
~~"Any Man Of Mine"~~	~~R. J. Lange, S. Twain~~	~~50%~~
"Anywhere For You"	W. Perry, G. Baker	100%
"As Long As You Love Me"	Max Martin	100%
"...Baby One More Time"	M. Martin	100%
"Back To Your Heart"	K. Richardson, J. Blume, G. Baker	100%
~~"Before The Night Is Over"~~	~~M. Martin, B. Adams~~	~~50%~~
~~"The Best Of Me"~~	~~R. J. Lange, B. Adams~~	~~50%~~
"Born To Make You Happy"	A. Carlsson, K. Lundin,	100%
"Boxerbeat"	D. Collard, R. Marche, T. Ball	100%

EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
~~"Breathless"~~	~~R. J. Lange, S. Corr, A. Corr, C. Corr, J. Corr~~	~~50%~~
"Bump N' Grind"	R. Kelly	100%
"Bye Bye Bye"	A. Carlsson, J. Schulze, K. Lundin	100%
"The Call"	M. Martin, R. Yacoub	100%
"Calypso Crazy"	B. Ocean, R.J. Lange	100%
~~"Can I Touch You...There"~~	~~R. J. Lange, N. Rodgers, M. Bolton, B. Edwards~~	~~60%~~
~~"Can't Stop This Thing We Started"~~	~~R. J. Lange, B. Adams~~	~~50%~~
"Caribbean Queen"	K. Diamond, B. Ocean	100%
~~"Cloud Number Nine"~~	~~M. Martin, G. Peters B. Adams~~	~~33.34%~~
"The Colour Of Love"	B. Eastmond, W. Brathwaite, C. Ocean, J. Skinner	100%
~~"Come On Over"~~	~~R. J. Lange, S. Twain~~	~~50%~~
"Cotton Eye Joe"	J. Ericsson, P. Reiniz, Orban	100%
~~"Darlin'"~~	~~T. Allen, M. Morton~~	~~60%~~
"Dedicated"	R. Kelly	100%
~~"Do I Have To Say The Words"~~	~~R. J. Lange, B. Adams J. Vallance~~	~~33.34%~~
"Do Ya Do Ya Wanna Please Me"	M. Bissell, G. Richardson	100%
"Do You Believe In Love"	R. J. Lange	100%
"Don't Want You Back"	M. Martin	100%
"Don't Wanna Lose You Now"	M. Martin	100%

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EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
~~"Don't Be Stupid (You Know I Love You)"~~	~~R. J. Lange, S. Twain~~	~~50%~~
~~"Don't Let Me Be The Last To Know"~~	~~R. J. Lange, K. Scott~~ S. Twain	~~70%~~
"Don't Try To Stop It"	Bonhomme	100%
"Down Low (Nobody Has To Know)"	R. Kelly	100%
~~"Dreams"~~	~~T. Laws, G. Bobb~~	~~50%~~
~~"Drowning"~~	~~A. Carlsson, R. Yacoub,~~ L. Thompson	~~66.67%~~
"E-Mail My Heart"	E. F. White	100%
"Elephant Stone"	I. Brown, J. Squire	100%
"Everybody (Backstreet's Back)"	M. Martin, D. Volle	100%
~~"Everything I Do I Do It For You"~~	~~R. J. Lange, B. Adams, M. Kamen~~	~~18.75%~~
~~"Food My Frankenstein"~~	~~Cooper, Richard, Manning, Coler~~	~~50%~~
"Final Heartbreak"	E. F. White	100%
~~"Fly (Featuring Super Cat)"~~	~~W. Maragh, A. Shacklock, S. Frazier~~ R. Sheppard, M. McGrath, M. Karges J. Nichol	~~16.67%~~
"Fool's Gold"	I. Brown, J. Squire	100%
"For The Girl Who Has Everything"	J. Skinner, V. Renn	100%
~~"Fool Again"~~	~~P. Magnusson, D. Kreuger~~ J. Elofsson	~~70%~~
"Freaks Come Out At Night"	L. Smith, J. Hutchins	100%
"Fresh Prince Of Bel-Air"	W. Smith, J. Townes	100%
"Friends"	L. Smith, J. Hutchins	100%
"From The Bottom Of My Broken Heart"	E. F. White	100%

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EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
~~"From This Moment On"~~	~~R.J. Lange, S. Twain~~	~~40%~~
~~"Get Down (You're The One For Me)"~~	~~B. Aris, T. Cottura, J. McGuffey~~	~~9.37%~~
"Get Outta My Dreams, Get Into My Dreams"	B. Ocean, R.J. Lange	100%
~~"Giddy Up"~~	~~V. Renn, J. Timberlake, C. Kirkpatrick, J. Fatone, L. Bass~~	~~64%~~
~~"Gina"~~	~~K. Alexander, R. Halligan M. Bolton~~	~~33.34%~~
"Gotham City"	R. Kelly	100%
~~"Groove Is In The Heart"~~	~~J. Davis (p/k/a "Q-Tip"), K. Kier D. Chung, D. Brill, H. Hancock~~	~~7.5%~~
~~"Have You Ever Really Loved A Woman?"~~	~~R.J. Lange, B. Adams, M. Kamen~~	~~33.33%~~
"Hey Mr. DJ (Keep Playin' This Song"	L. Campbell, T. Allen, J. Skinner	100%
~~"Hit Me Like A Hammer"~~	~~H. Lewis, R. J. Lange~~	~~70%~~
~~"Home Ain't Where The Heart Is (Anymore)"~~	~~R. J. Lange, S. Twain~~	~~50%~~
~~"Honey I'm Home"~~	~~R. J. Lange, S. Twain~~	~~50%~~
"Honey Love"	R. Kelly	100%
"I Am The Resurrection"	I. Brown, J. Squire	100%
"I Believe I Can Fly"	R. Kelly	100%
"I Can't Sleep Baby (If I)"	R. Kelly	100%
~~"I Finally Found Someone"~~	~~R. J. Lange, B. Adams, M. Hamlisch, B. Streisand~~	~~25%~~
~~"I Promise You"~~	~~R. J. Lange, M. Bolton~~	~~75%~~
"I Need You Tonight"	A. Fromm	100%

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EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
"I Ran"	Score, Score, Maudsley, Reynolds	100%
~~"I Said I Loved You, But I Lied"~~	~~R. J. Lange, M. Bolton~~	~~75%~~
"I Wanna Be Adored"	I. Brown, J. Squire	100%
"I Wanna Rock"	D. Snider	100%
"I Want It That Way"	M. Martin, A. Carlsson	100%
"I Will Be There"	A. Carlsson, M. Martin	100%
"I Will Still Love You"	E.F. White	100%
"I Wish"	R. Kelly	100%
"If I Could Turn Back The Hands Of Time"	R. Kelly	100%
~~"If I Let You Go"~~	~~P. Magnusson, D. Kreuger J. Elofsson~~	~~70%~~
"If Walls Could Talk"	R. J. Lange	100%
"I'll Never Break Your Heart"	E. Wilde, A. Manno	100%
~~"I'm Not Made Of Steel"~~	~~R. J. Lange, D. Warren M. Bolton~~	~~33.34%~~
"I'm Not Strong Enough To Say No"	R. J. Lange	100%
"I'm Your Angel"	R. Kelly	100%
"It's Gonna Be Me"	A. Carlsson, M. Martin, Rami	100%
"It's Gotta Be You"	R. J. Lange, M. Martin	100%
~~"It's My Life"~~	~~M. Martin, R. Sambora J. Bon Jovi~~	~~33.34%~~
~~"It's My Life"~~	~~T. Friese-Greene, M. Hollis~~	~~25%~~
~~"It's The Way You Make Me Feel"~~	~~J. Elofsson~~	~~25%~~
~~"Irresistible"~~	~~R. J. Lange, S. Corr, A. Corr D. Corr, J. Corr~~	~~50%~~

EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
"Jam It Jam"	A. Jolly, D. McConnell, M. Lewis	100%
"Johnny Friendly"	C. Bostock, D. Collard, T. Ball	100%
"Just Got Lucky"	C. Bostock, T. Ball	100%
"Kiss Me At Midnight"	V. Renn	50%
"Larger Than Life"	M. Martin, K. Lundin, B. Littrell	100%
"Let Me Let Go"	S. Diamond, D. Morgan	50%
"Let's Make A Night To Remember"	R. J. Lange, B. Adams	50%
"Life's What You Make It"	T. Friese-Greene, M. Hollis	25%
"Living In Another World"	T. Friese-Greene, M. Hollis	25%
"Lucky"	M. Martin, Rami, A. Kronlund	75%
"Made of Stone"	I. Brown, J. Squire	100%
"Man! I Feel Like A Woman"	R. J. Lange, S. Twain	50%
"Motormania"	Bonhomme, Dumo, Lambert	100%
"Mr. Gorgeous (& Miss Curvaceous)	N. Miranda, M. Brown, C. Franck	100%
"My Love"	P. Magusson, D. Kreuger J. Elofsson, P. Nylen	37.5%
"The More You Live, The More You Love"	Maudsley, Reynold, Score, Score	100%
"No One Else Comes Close"	W. Perry, G. Baker, J. Thomas	100%
"Old Pop In An Oak"	P. Edenberg	100%
"The One"	M. Martin, B. Littrell	100%
"One Love"	I. Brown, J. Squire	100%
"One Step Closer"	C. Bennington, R. Bourdon E. Delson, J. Hahn, M. Shinoda	100%
"The Only Thing That Looks Good On Me Is You"	R. J. Lange, B. Adams	50%

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EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
"Oops!...I Did It Again"	M. Martin, Rami	100%
~~"Please Forgive Me"~~	~~R. J. Lange, B. Adams~~	~~75%~~
"Points Of Authority"	C. Bennington, R. Bourdon, F. Delson, J. Hahn, M. Shinoda	100%
~~"Quit Playing Games With My Heart"~~	~~H. Crichlow, M. Martin~~	~~50%~~
~~"Rock This Country"~~	~~R.J. Lange, S. Twain~~	~~50%~~
~~"Said I Loved You...But I Lied"~~	~~R.J. Lange, M. Bolton~~	~~75%~~
"Sally Cinnamon"	I. Brown, J. Squire	100%
~~"Shape Of My Heart"~~	~~M. Martin, Rami, L. Miskovsky~~	~~66.67%~~
"She Bangs The Drums"	I. Brown, J. Squire	100%
~~"Show Me The Meaning Of Being Lonely"~~	~~M. Martin, H. Crichlow~~	~~50%~~
~~"Sometimes"~~	~~J. Eleffson~~	~~25%~~
"Stand By"	Lambert	100%
"Stop The Cavalry"	J. Lewie	100%
"Stronger"	Rami, M. Martin	100%
"Suddenly"	B. Ocean, K. Diamond	100%
"Thank You For Being A Friend"	A. Gold	100%
~~"That Don't Impress Me Much"~~	~~R. J. Lange, S. Twain~~	~~50%~~
"That's The Way It Is"	A. Carlsson, K. Lundin, M. Martin	100%
"There'll Be Sad Songs (To Make You Cry)"	B. Eastmond, W. Brathwaite B. Ocean	100%
~~"There'll Never Be Another Tonight"~~	~~R. J. Lange, B. Adams~~ J. Vallance	~~33.34%~~
"These Dreams	B. Taupin, M. Page	100%

EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
"Thought I'd Died And Gone To Heaven"	R. J. Lange, B. Adams	50%
"Touch Me (I Want Your Body)"	J. Astrop, P. Harris, M. Shreeve	100%
"Transfer Affection"	Maudsley, Reynolds, Score, Score	100%
"Underwater Love"	N. Miranda, M. Brown, L. Bonfa	75%
"Until The Time Is Through"	M. Martin, A. Carlsson	100%
"The Voice Of My Heart"	R. J. Lange, D. Child, D. Warren M. Bolton	30%
"Waterfall"	I. Brown, J. Squire	100%
"We Built This City"	M. Page, B. Taupin, D. Lambert, P. Wolf	40%
"We're Not Gonna Take It"	D. Snider	100%
"We've Got It Going On"	M. Martin, D. Volle, H. Crichlow	100%
"What It Takes"	B. Croker	100%
"What The World Is Waiting For"	I. Brown, J. Squire	100%
"When"	R. J. Lange, S. Twain	50%
"When The Going Gets Tough, The Tough Get Going"	B. Ocean, R.J. Lange, B. Eastmond W. Brathwaite	100%
"Who's Bed Have Your Boots Bin Under"	R. J. Lange, S. Twain	50%
"Who's That Girl"	G. Teren, III, S. Bentley,	33.33%
"Who's That Girl" (She's Got It)	Maudsley, Reynolds, Score, Score	100%
"Whole Wide World"	E. Goulden	100%
"Will You Be There (In The Morning)"	R. J. Lange	100%

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EXHIBIT A (cont.)

Composition	Writer(s)	Percentage Controlled
"Wish You Were Here"	T. Agelii-Leskela	100%
"Wishing (If I Had A Photograph Of You)	Maudsley, Reynolds, Score, Score	100%
~~"With You"~~	~~N. Miranda; M. Salazaar~~	~~50%~~
~~"With You"~~	~~G. Bennington, R. Bourdon G. Delson, J. Hahn, M. Shinoda~~	~~75%~~
~~"The Woman In Me (Needs The Man In You)"~~	~~R.J. Lange, S. Twain~~	~~50%~~
"You Are Not Alone"	R. Kelly	100%
"You Got It"	V. Renn	100%
"You'll Always Find Me In The Kitchen At Parties"	J. Lewis, K. Trussell	100%
"Your Body's Callin'"	R. Kelly	100%
~~"You're Still The One"~~	~~R. J. Lange, S. Twain~~	~~40%~~
~~"You've Got A Way"~~	~~R.J. Lange, S. Twain~~	~~40%~~

B

RING TONE LICENSE

Agreement made as of November 15, 2001 between Zomba Enterprises Inc. and Zomba Songs Inc., 138 West 25th Street, New York, NY 10001 (hereinafter referred to as "Zomba") and Wap Oneline USA, LLC, 1629 Washington Ave. 12, New Orleans, LA 70130 (hereinafter "Licensee") (collectively, the "Parties," and each, a "Party").

WHEREAS, Zomba owns and/or controls certain musical compositions listed on Exhibit A, annexed, together with other musical compositions which Zomba may, in its discretion, add to such Exhibit A during the Term hereof, and

WHEREAS, Licensee intends to provide Ring Tone Service (as defined in paragraph 1(a)(vi)) to its mobile phone customers, and/or to companies which in turn provide services to mobile phone customers (collectively, the "Customers") and wishes to license the Compositions (as defined in paragraph 2(a)) for such purpose; and

WHEREAS, Zomba desires to license the Compositions to Licensee for exploitation, throughout the United States (the "Territory"), for use in connection with a Ring Tone Service;

WHEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. License

(a) Zomba grants to Licensee the non-exclusive, nontransferable, limited license to use the Compositions as follows:

(i) To create a MIDI or digital file of the Compositions (the "File(s)").

(ii) To arrange and/or record a sequence from the File, of musical tones only without lyrics or instrumentation, not to exceed thirty (0:30) seconds (the "Recording(s)"); provided, however, that any arrangement of any of the Compositions by Licensee ("Licensee Arrangements") shall be done on a "work-made-for-hire" basis for Zomba under the United States Copyright Act and all similar laws (collectively, the "Act"), and all right, title and interest in and to such arrangements, including without limitation the copyright therein, shall belong exclusively to Zomba for the term of copyright and any renewals thereof, throughout the universe, in perpetuity, in all languages, formats and media, whether now known or hereafter created. If the Licensee Arrangements or any part thereof, is deemed not to be "work-made-for-hire" under the Act, Licensee assigns exclusively to Zomba all right, title and interest in and to the Licensee Arrangements, including, without limitation, throughout the universe, in perpetuity in all languages, formats and media, whether now known or hereafter created. Notwithstanding anything to the contrary contained herein, Licensee may not alter the fundamental character of the Compositions, or make any other use of the Compositions not expressly granted by Zomba herein.

(iii) To transform the Recordings into ring tone formats, monophonic sound only (the "Ring Tone(s)").

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(iv) To make a database of the Ring Tones available via Licensee's proprietary Web site (www.MyCoolMobile.com), and those Web sites it hosts and maintains for its licensees and business partners, to the Customers for download onto their mobile phones for personal use by that Customer, provided that Licensee uses secured technology in accordance with industry standards to safeguard the Compositions from unauthorized access or copying.

(v) To make server, incidental and buffer copies of the Ring Tones to facilitate the implementation of the rights granted in this License.

(vi) To allow end users to preview Licensee's service via use of segments of the Ring Tones not to exceed ten (0:10) seconds each, limited to streaming only on Web sites that provide Licensee's services. In no event shall the Compositions be used in any endorsements, commercials or co-/cross-promotions of any service, product or entity, including but not limited to Licensee's Ring Tone Service.

All of the foregoing activities shall be performed at Licensee's sole expense. The license granted under this agreement is referred to herein as the "License". As used herein, "Ring Tone Service" shall mean the provision of Ring Tones, via Licensee's proprietary Web site, to Customers for their personal use.

(b) The term of the License (the "Term") shall be for one (1) year, commencing on November 15, 2001 and expiring on November 14, 2002, unless terminated earlier in accordance with Article 5 below. It is understood, though, that Customers may continue to use in the manner specified herein, after the Term, the Ring Tones downloaded onto their cellular phones during the Term.

(c) Zomba expressly reserves all rights now known or hereafter to become known in the Compositions. All rights, title and interest in and to the Compositions (and as re-recorded by or on behalf of Licensee) in all media now known or hereafter developed, are owned and retained solely and exclusively by Zomba.

2. Operating Procedures

(a) Licensee shall present a list of requested compositions to Zomba which Licensee desires to license, which list shall be supplemented from time to time by Licensee. Zomba shall determine in its sole discretion to license such compositions to Licensee hereunder. Zomba shall notify Licensee in writing which compositions are approved and such approved compositions shall be deemed to be added to Exhibit A and shall become subject to all the terms and conditions of this License (individually and collectively, the "Compositions").

(b) Licensee will comply with all restrictions relating to territory, name and likeness, use restrictions and other restrictions to which Zomba is contractually bound. Zomba will inform Licensee of such restrictions when the Compositions are added to Exhibit A.

(c) Where practicable Licensee shall cause to be printed on all physical and digital materials used in connection with exploitation of the Compositions, the title of the Compositions, the names of the songwriter(s), notation that Licensee is the licensee of Zomba and an appropriate copyright notice. Any act or omission by Licensee not in compliance herewith shall be without the authority of Zomba. Notwithstanding the foregoing, any inadvertent failure to

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provide such credit shall not be a material breach of this License and Licensee agrees to prospectively cure any such credit omission.

(d) Upon request, Zomba shall endeavor to identify for Licensee the genre of each Composition subject hereto.

(e) In the event Zomba shall request Licensee to cease using any Composition, Licensee shall do so soon as practicable after receiving notice, but not later than three (3) business days after receiving such notice. Notwithstanding the foregoing, in the event that (i) Zomba no longer has rights to exploit certain Compositions, or (ii) upon written notice by Zomba to Licensee that, in Zomba's reasonable discretion, any use of the Compositions is likely to generate any legal claims, or (iii) there is a security breach in Licensee's encryption technology, Zomba may require Licensee to immediately cease distribution and accessibility of certain Compositions, and Licensee shall cooperate with such requests on an immediate basis.

(f) Upon request, except as prohibited by law or other third party confidentiality agreement, Licensee shall make available to Zomba whatever Customer data Licensee maintains relating exclusively to Customers who downloaded Ring Tones licensed hereunder. Such data shall be made available to Zomba in all formats maintained by Licensee, or other formats convertible therefrom (which conversion shall be at Zomba's expense) and to the extent permitted by Licensee's customers and/or partners. Such data shall be confidential and Zomba will not sell or provide to third parties such data without consent in each such instance.

3. Royalties

(a) In consideration of the rights granted herein, Licensee shall pay to Zomba a license fee of: (i) Ten Cents ($0.10) for each Ring Tone copied to the master server, plus (ii) the greater of Ten Cents ($0.10) for each completed download of a Ring Tone to a Customer (regardless of whether any charge is made to or collected from the Customer therefor) or Ten Percent (10%) of gross revenues generated by Licensee in connection with Licensee's Ring Tone Service. All sums shall be based on Zomba's pro-rata share of the copyright interest in and to the Compositions as set forth on Schedule A.

(b) With respect to any and all incidental and/or buffer copies made of the Ring Tones to facilitate the implementation of the rights granted in this License, Licensee shall pay to Zomba the sum of One Dollar ($1.00), receipt of which is hereby acknowledged.

(c) Licensee shall be responsible for securing, and paying for, whatever public performance licenses are required in connection with its Ring Tone Service throughout the Territory.

(d) Licensee and Zomba shall endeavor to achieve as transparent a royalty accounting system hereunder as technically is feasible. Without limitation of Zomba's rights under subparagraph 4(d) below, from time to time during the Term upon reasonable notice, but no more often than quarterly, Licensee shall permit Zomba access to the relevant portions of Licensee's computer systems so as to allow Zomba to directly verify the number and location of each download of a Ring Tone hereunder.

(e) Upon the execution of this License, Licensee shall pay to Zomba a non-returnable advance ("Advance") of One Thousand Five Hundred Dollars ($1,500.00) recoupable from the royalties payable under subparagraph 3(a) above.

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4. Royalty Accountings

(a) Within forty-five (45) days after the end of each quarterannual period, i.e. ending March 31, June 30, September 30, and December 31, Licensee will render to Zomba a true and detailed accounting of all Ring Tones deriving from the Compositions downloaded hereunder during the period concerned, directed to:

Zomba Music Publishing
Attn: Nancy Bloom - Associate Director, Business Affairs
138 W. 25th Street
New York, New York 10001

Each accounting period shall report each Composition by title and country, the number of downloads and the resultant royalty hereunder. Each accounting shall be accompanied by payment to Zomba of all royalties due. Upon Zomba's request, Licensee shall furnish such statement in electronic or digital form.

(b) No payments shall be diminished or reduced in any manner for any reason, including without limitation, any withholdings, currency restrictions, exchanges or taxes. Upon written request, Zomba shall provide Licensee with a current W-9 form.

(c) All payments to Zomba shall be remitted in United States Dollars. Each conversion from another currency for the purpose of computing such payments shall be calculated at the rate of exchange in effect on the date the statement concerned is rendered.

(d) Licensee shall maintain accurate and complete records and books of account covering the licensing of the Compositions under the License and containing all other information needed to compute and verify the amounts payable to Zomba hereunder. Zomba may audit those books and records within two (2) years after rendered and no more frequently than semi-annually. Zomba may make such an examination for a particular statement only once. Zomba may conduct such audit only during Licensee's usual business hours, and only at the place where it keeps the books and records to be examined, on at least thirty (30) days prior notice. Such audit shall be conducted at Zomba's sole expense; provided, however, that if, as a result of any audit, it is determined that Licensee has understated the royalties due to Zomba by ten percent (10%) or more, Licensee shall pay to Publisher the amount by which royalties have been understated and shall reimburse Zomba for the cost of the audit.

(e) All payments becoming due to Zomba under this agreement will be made in full without any charge for bad debt, free goods, discounts, container charge, service charge or any other offset or deduction whatsoever.

(f) If Licensee is actually prevented by law or government order from making any payment to Zomba in United States Dollars, Licensee will promptly notify Zomba and will not commingle the moneys concerned with Licensee's other assets or with the property of any other person, but will hold these moneys separately and in trust for Zomba or deposit them as Zomba instructs in writing. Licensee will continue to be obligated for each such amount until Zomba (or the depository so designated by Zomba) has actually received it.

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5. Termination

(a) Zomba may terminate the License by giving Licensee notice if Licensee violates any of its obligations, representations and/or or warranties under this agreement for any reason (including impossibility of performance) and such failure has not been remedied to Zomba's satisfaction within thirty (30) days after Zomba gives Licensee notice of it.

(b) The License will terminate automatically, without notice, if any of the following circumstances occurs:

(i) If Licensee is dissolved or its assets are liquidated, or if Licensee becomes insolvent and it is not dismissed within ten (10) days of such event.

(ii) If a proceeding in bankruptcy, for a reorganization, or for other relief from the claims of creditors, or any similar proceeding, takes place with respect to Licensee or its property and it is not dismissed within ten (10) days of such event.

(c) A termination of the License under this Article 5 will not limit or affect any of Zomba's other rights.

(d) Upon the expiration or termination of the Term, all of Licensee's rights hereunder shall terminate. Licensee shall withdraw the Ring Tones hereunder from the database of possible Customer retrieval and shall make no further use of the Compositions, nor of the Files, Recordings or Ring Tones whatsoever. Licensee shall destroy all of the Ring Tones and furnish to Zomba an affidavit of destruction within fifteen (15) days after the end of the Term.

6. Assignment

Neither Party may assign this License or transfer its rights, duties or obligations under this License to any other entity, without prior written consent of the other Party, except that Zomba may, upon written notice and without Licensee's prior consent, assign this License, or any of its rights hereunder, to an entity that controls, or is controlled by, or is under common control of Zomba, or in connection with any merger, acquisition, divestiture, consolidation or other corporate reorganization of Zomba. Licensee agrees that it will seek prior written consent from Zomba prior to any change of control, merger, acquisition, divestiture, consolidation or other corporate reorganization of Licensee. Any attempt to assign or otherwise delegate any rights, duties or obligations hereunder in contravention of this paragraph 6 will be void and Zomba may immediately terminate this License. This License will bind and inure to the benefit of the Parties and their respective permitted successors and assigns.

7. Notices

All notices under this agreement will be in writing and will be given by registered or certified mail, return receipt requested, at the respective addresses shown above or such other addresses as either party shall designate. Notices shall be deemed given when mailed, except that notice of change of address shall be effective only from the date of its receipt. Each notice shall be sent to:

To Licensee: At the address set forth on the first page hereof

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To Zomba: Zomba Music Publishing, 138 West 25th Street, New York, New York 10001, attention: Sr. Vice President, Business Affairs

or to such other address(es) as to which the noticing party shall have theretofore received written notice. All notices to the parties hereto shall be in writing and shall be sent by overnight delivery or facsimile with written confirmation if such notice requires a response or action within a set time period thereunder. The date of mailing shall be the date of the giving of notice.

8. Warranties, Representations, Indemnities

(a) Zomba represents, warrants and agrees as follows (with respect to its respective fractional interests in the Compositions described in Exhibit A):

(i) Zomba has full right, power and authority to enter into this License and to grant to the Licensee all rights herein set out upon the terms and conditions herein.

(ii) Zomba will pay any and all fees, royalties and other sums due to the songwriters of the Compositions as well as to publishers and copublishers whom Zomba administer with respect to the royalties received by it hereunder.

(b) Licensee warrants, represents and agrees as follows:

(i) Licensee has the full right, power and authority to enter into and perform this License upon the terms and conditions set forth herein.

(ii) The Recordings, Ring Tones and any other content, materials or technology provided, made available or used by Licensee shall not infringe upon any third-party rights.

(iii) Licensee shall take all steps reasonably necessary to secure and maintain protection of the Compositions, by way of encryption or otherwise, under copyright and equivalent or similar laws throughout the Territory.

(iv) Licensee shall comply with all applicable federal, state and local laws, rules and regulations in the performance of its obligations hereunder.

(v) Licensee and its employees, agents or representatives will not, without Zomba's prior written consent in each such instance, refer to or disclose the existence or terms of this License or use Zomba's name, any of Zomba's affiliate or related entities, including without limitation any Zomba related record label, or the name, logo or identifier of any artist, songwriter or Composition associated with Zomba (or any affiliate of Zomba) in any press release, advertisement, announcement or public disclosure. For the avoidance of doubt, this subparagraph 8(b)(v) shall not preclude Licensee from disclosing the terms of this License to other music publisher participants in Licensee's Ring Tone Service or third-party companies with whom Licensee has entered into an agreement to provide its Ring Tone Service.

(vi) Licensee shall enter into all required music performance licenses with ASCAP, BMI and other similar performing rights agencies having jurisdiction relating to performances of the Compositions and pay all fees thereto.

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(vii) Upon written instruction from Zomba, Licensee shall not license any Customer or other user that is engaged in piracy, illegal activities or other unauthorized use of the Ring Tones or the Compositions, or that has otherwise been designated by the RIAA, IFPI or other such body as an illegal producer or distributor.

(c) Each party hereunder will hold the other party, its successors, assigns, agents and licensees, free and harmless from and against any and all claims, demands, damages, expenses, losses or costs (including reasonable attorneys' fees and costs), or any sums paid in settlement, arising out of or incurred as a direct result of any actual breach of the representations, warranties, agreements and undertakings of or by the party concerned. In no event shall the total liability of Zomba in connection with the rights granted for the Compositions exceed the consideration received by Zomba in connection with the licensing of said Compositions. Licensee will give Zomba prompt notice of any claim and Zomba will have the right to assume the defense thereof at Zomba's expense.

9. Most Favored Nations

In the event Licensee enters into an agreement with a third party licensor for the use of compositions in Licensee's Ringtone Service similar to the use of the Compositions granted hereunder, and such agreement contains terms and/or conditions which are more favorable than the terms and/or conditions contained herein, then effective as of the date of such agreement, such more favorable terms and/or conditions shall be deemed incorporated herein retroactive to the date of such third party agreement. Notwithstanding the foregoing, any increase in the Royalty and/or Advance on account of the operation of this Section 9 shall be payable retroactively to the date of this License and such increase shall be fully recoupable from royalties payable to Zomba hereunder, provided however, recoupment shall only be required hereunder if Licensee and the third party licensor have agreed upon such a recoupment in their agreement.

10. Miscellaneous

(a) No designation, approval or consent provided for in this License will be deemed given unless it is given in writing and signed by and authorized officer or representative of the party concerned.

(b) Licensee will take such steps as Zomba shall reasonably request in accordance with industry practices and standards for the purpose of protecting or enforcing Zomba's rights in the Compositions. Licensee will notify Zomba promptly of any occurrence which might affect those rights.

(c) Zomba will have no obligation to renew or extend the License after the end of the Term, and may decline to do so in its unrestricted discretion.

(d) The rights granted herein only pertain to Zomba's pro-rata share of the copyright interest in and to the Compositions as set forth on Schedule A. Licensee must obtain approval from the other publisher(s) of the Compositions, if any.

(e) Licensee will not attack the title of Zomba in the Compositions or any copyright or other rights in them; nor will Licensee attack the validity of the License.

MB

(f) This License contains the entire understanding of the parties and cannot be changed or terminated except by an instrument signed by an officer of each party. A waiver of any provision of this License will not waive that provision for the future or waive any subsequent breach of it. All remedies, rights and obligations in this License shall be cumulative and none of them shall be in limitation of any other remedy, right or obligation of either party.

(g) This License has been entered into in the State of New York, and the validity, interpretation and legal effect of this License shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York state and federal courts will have exclusive jurisdiction of any controversies regarding this license agreement; and any action or other proceeding which involves such a controversy will be brought in the courts located within the State and County of New York and not elsewhere.

(h) The relationship of the parties is that of independent contractors, and nothing in this agreement will constitute either party an agent of the other.

(i) The parties acknowledge that the nature of this License is unprecedented, that there are a number of marketplace factors pertaining to the subject matter hereof that are uncertain, including but not limited to business considerations. The terms hereof, including but not limited to the payment for in connection with, or value of, any services or products, are not intended to, and shall not, prejudice in any manner or for any purpose any rights or obligations relating to any future periods, arrangements or agreements between the parties or involving the services or industries that are the subject matter hereof and therefore shall not be binding or prejudicial to any position for any period subsequent to the date of this License.

(j) This License will not become effective until executed and delivered by Zomba and Licensee.

Wap Oneline USA, LLC

By: _____

Zomba Enterprises Inc.

By _____

Zomba Songs Inc.

By: _____

Exhibit A

Composition	Writer(s)	Percentage Controlled
"(If You're Not In It For Love) I'm Outta Here"	R.J. Lange, S. Twain	50%
"(You Drive Me) Crazy"	M. Martin, P. Magnusson D. Krueger, J. Eloffson	81.25%
"A Woman's Threat"	R. Kelly	100%
"All I Have To Give"	Full Force	100%
"All I Want To Do Is Make Love To You"	R.J. Lange	100%
"Any Man Of Mine"	R.J. Lange, S. Twain	50%
"Anywhere For You"	W. Perry, G. Baker	100%
"As Long As You Love Me"	Max Martin	100%
"...Baby One More Time"	M. Martin	100%
"Back To Your Heart"	K. Richardson, J. Blume, G. Baker	100%
"Born To Make You Happy"	A. Carlsson, K. Lundin, R.J. R.J. Lange	100%
"Breathless"	R.J. Lange, S. Corr, A. Corr, C. Corr, J. Corr	50%
"Bump N' Grind"	R. Kelly	100%
"Bye Bye Bye"	A. Carlsson, J. Schulze, K. Lundin	100%
"Caribbean Queen"	K. Diamond, B. Ocean	100%
"Come On Over"	R.J. Lange, S. Twain	50%
"Cotton Eye Joe"	J. Ericsson, P. Reiniz, Orban	100%
"Darlin'"	T. Allen, M. Morton	60%
"Dedicated"	R. Kelly	100%

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"Do You Believe In Love"	R.J. Lange	100%
"Don't Want You Back"	M. Martin	100%
"Don't Wanna Lose You Now"	M. Martin	100%
"Don't Be Stupid (You Know I Love You)"	R.J. Lange, S. Twain	50%
"Don't Let Me Be The Last To Know"	R.J. Lange, K. Scott	70%
"Down Low (Nobody Has To Know)"	R. Kelly	100%
"E-Mail My Heart"	E. F. White	100%
"Everybody (Backstreet's Back)"	M. Martin, D. Volle	100%
"Everything I Do I Do It For You"	R.J. Lange, B. Adams, M. Kamen	18.75%
"Final Heartbreak"	E.F. White	100%
"Fly (Featuring Super Cat)"	W. Maragh, A. Shacklock, S. Frazier R. Sheppard, M. McGrath, M. Karges J. Nichol	16.67%
"For The Girl Who Has Everything"	J. Skinner, V. Renn	100%
"Freaks Come Out At Night"	L. Smith, J. Hutchins	100%
"Fresh Prince Of Bel-Air"	W. Smith, J. Townes	100%
"Friends"	L. Smith, J. Hutchins	100%
"From The Bottom Of My Broken Heart"	J. Skinner	100%
"From This Moment On"	R.J. Lange, S. Twain	40%
"Get Down (You're The One For Me)"	B. Aris, T. Cottura, J. McGuffey	9.37%
"Get Outta My Dreams, Get Into My Dreams"	B. Ocean, R.J. Lange	100%
"Giddy Up"	V. Renn, J. Timberlake, C. Kirkpatrick, J. Fatone, L. Bass	52%
"Gotham City"	R. Kelly	100%

MB

"Groove Is In The Heart"	J. Davis (p/k/a "Q-Tip"), K. Kier D. Chung, D. Brill, H. Hancock	7.5%
"Have You Ever Really Loved A Woman?"	R.J. Lange, B. Adams, M. Kamen	33.33%
"Hey Mr. DJ (Keep Playin' This Song"	L. Campbell, T. Allen, J. Skinner	100%
"Home Ain't Where The Heart Is (Anymore)"	R. J. Lange, S. Twain	50%
"Honey I'm Home"	R.J. Lange, S. Twain	50%
"Honey Love"	R. Kelly	100%
"I Believe I Can Fly"	R. Kelly	100%
"I Can't Sleep Baby (If I)"	R. Kelly	100%
"I Finally Found Someone"	R.J. Lange, B. Adams, M. Hamlisch, B. Streisand	25%
"I Need You Tonight"	A. Fromm	100%
"I Ran"	Score, Score, Maudsley, Reynolds	100%
"I Wanna Rock"	D. Snider	100%
"I Want It That Way"	M. Martin, A. Carlsson	100%
"I Will Be There"	A. Carlsson, M. Martin	100%
"I Will Still Love You"	E.F. White	100%
"I Wish"	R. Kelly	100%
"If I Could Turn Back The Hands Of Time"	R. Kelly	100%
"I'll Never Break Your Heart"	E. Wilde, A. Manno	100%
"I'm Your Angel"	R. Kelly	100%
"It's Gonna Be Me"	A. Carlsson, M. Martin, Rami	100%
"It's Gotta Be You"	R.J. Lange, M. Martin	100%
"It's My Life"	M. Martin, R. Sambora J. Bon Jovi	33.34%

WB

"Larger Than Life"	M. Martin, K. Lundin, B. Littrell	100%
"Let Me Let Go"	S. Diamond, D. Morgan	50%
"Lucky"	M. Martin, Rami, A. Kronlund	75%
"Man! I Feel Like A Woman"	R.J. Lange, S. Twain	50%
"No One Else Comes Close"	W. Perry, G. Baker, J. Thomas	100%
"The One"	M. Martin, B. Littrell	100%
"One Step Closer"	C. Bennington, R. Bourdon B. Delson, J. Hahn, M. Shinoda	100%
"Oops!...I Did It Again"	M. Martin, Rami	100%
"Points Of Authority"	C. Bennington, R. Bourdon, C. Delson, J. Hahn, M. Shinoda	100%
"Quit Playing Games With My Heart"	H. Crichlow, M. Martin	100%
"Rock This Country"	R.J. Lange, S. Twain	50%
"Said I Loved You...But I Lied"	R.J. Lange, M. Bolton	75%
"Shape Of My Heart"	M. Martin, Rami, L. Miskovsky	66.67%
"Show Me The Meaning Of Being Lonely"	M. Martin, H. Crichlow	50%
"Stronger"	Rami, M. Martin	100%
"Suddenly"	B. Ocean, K. Diamond	100%
"Thank You For Being A Friend"	A. Gold	100%
"That Don't Impress Me Much"	R.J. Lange, S. Twain	50%
"That's The Way It Is"	A. Carlsson, K. Lundin, M. Martin	100%
"Touch Me (I Want Your Body)"	J. Astrop, P. Harris, M. Shreeve	100%
"We Built This City"	M. Page, B. Taupin, D. Lambert, P. Wolf	40%
"We're Not Gonna Take It"	D. Snider	100%

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"We've Got It Going On"	M. Martin, D. Volle, H. Crichlow	100%
"When The Going Gets Tough, The Tough Get Going"	B. Ocean, R.J. Lange, B. Eastmond	100%
"Who's That Girl"	G. Teren, III, S. Bentley,	33.33%
"With You"	C. Bennington, R. Bourdon D. Delson, J. Hahn, M. Shinoda	75%
"The Woman In Me (Needs The Man In You)"	R.J. Lange, S. Twain	50%
"You Are Not Alone"	R. Kelly	100%
"You Got It"	V. Renn	100%
"Your Body's Callin'"	R. Kelly	100%
"You're Still The One"	R. J. Lange, S. Twain	40%
"You've Got A Way"	R.J. Lange, S. Twain	40%

HB

CO Trial
Ex. 1

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	Docket No. 2006-3 CRB DPRA
Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	

WITNESS STATEMENT OF RICK CARNES ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Rick Carnes, and I live in Nashville, Tennessee. I have been a songwriter for almost thirty years. I make this statement to: (1) describe the important contributions American songwriters make to the music and entertainment industries; (2) discuss the struggles we face in making our contributions; and (3) emphasize the need for an increase in the statutory mechanical rate.

2. I am currently the President of the Songwriters Guild of America ("SGA"), and have been since 2003. The SGA is a national association of songwriters. Its primary functions are to promote the interests of authors and composers in their dealings with those who market and use their creative works, advocate for songwriters in legislative matters, and educate the community about music and songwriting.

3. The SGA is keenly aware that American music has been the backbone of entertainment exports to the rest of the world, a major foundation of America's gross national product and, more importantly, a touchstone of our emotions, memories and lives. The SGA seeks to protect this valuable commodity by ensuring that

those who seek to make music (and songwriting) their career are able to do so at a wage that allows them to care for themselves and their families.

4. For songwriters who have not yet been published, the SGA offers education, critiques, pitch opportunities, competitions and other chances to help writers hone and share their craft. For professional songwriters, the SGA offers assistance with publishing, royalty audits and collection, catalog administration, and legislative advocacy.

5. In additiona, the SGA Foundation is a non-profit agency that engages in outreach to communities and populations in need of education about songwriting, music and the role these arts play in the enrichment of our lives. Outreach efforts include educating students, teachers and others in the art of songwriting and basic music skills. The SGA Foundation also works to develop creative skills and the business skills needed to survive in the music business.

6. I care deeply about the music industry and the role of songwriters within it. Serving as SGA President keeps me on the front line of the battle to maintain the viability of songwriting as a career and creative endeavor.

Background

7. I went to Memphis State University, and graduated in 1972 with a bachelor's degree in Political Science and in 1974 received my Master's degree in Elementary Education. I began my music career shortly thereafter as both a singer and songwriter, working together with my wife, Janis. I started performing in clubs as a way to earn money during the recession in the mid-seventies. When Janis and I decided to

make our careers in the music business, we saved money for several years and then moved to Nashville in 1978.

8. Our earlier years of trying to break into the music business in Nashville were difficult. After the move, we wrote and recorded songs together but barely made enough money on which to live. Janis supplemented our income by doing commercial artwork. It took us three years to write four songs. Eventually I had some success in getting our songs recorded, and around 1985 decided to become a pure songwriter.

9. I am fortunate to have had some songwriting success. In 1981, I wrote Reba McEntire's first number one hit "I Can't Even Get the Blues No More." That year, I also co-wrote three top ten hits for The Whites: "You Put the Blue in Me," "Hangin' Around," and "Pins and Needles." Since then I have co-written a number one song for Garth Brooks, "Longneck Bottle," and have had songs recorded for major country artists such as Dean Martin, Conway Twitty, Alabama, Steve Wariner and Pam Tillis, among others.

Challenges Faced by the American Songwriter

10. The American music industry is the most successful in the world. This vast industry begins with the song, which begins with the songwriter.

11. Despite the important contributions songwriters make to the music industry, the vast majority of professional songwriters live a perilous existence. In fact, American songwriters have endured decades of decline.

12. Successful songwriting takes hard work, dedication and luck. When I am writing, I devote eight hours a day to writing and perfecting my songs. I co-

write many of my songs with other writers, including my wife. Generally, it takes one to two days to create one country song and three to four weeks to create a jazz song. Sometimes, it takes considerably longer. For example, I have songs that I have been working on for eighteen years.

13. Whether a particular song will become a hit is unknowable at the time it is written. Of course, the more songs I complete, the better likelihood I have of scoring a success. Even after the song is written, much more time will be spent in the recording studio to refine and perfect the song. I work on writing songs five days a week, and, for the past thirteen years, I have generally written between thirty-five and fifty songs per year. Of that number, few are actually recorded; I estimate that I write fifty songs for every one that gets recorded. Even of those songs that are actually recorded, only a small number go on to be commercially successful.

14. A songwriter is considered very successful if his or her song sells one million copies. I have had two million-seller songs and one song, "Longneck Bottle," that sold nineteen million copies. A success like "Longneck Bottle" is a once in a lifetime event.

15. Even million-seller songs, however, do not reap great rewards for songwriters. Under the current compulsory licensing provisions, a songwriter receives 9.1 cents per song on any CD ("phonorecord") manufactured and distributed or legally downloaded in the United States. In theory, a song that sells one million copies should net $91,000 for the songwriter. Because the songwriter typically splits that money with his or her music publisher by contract, the songwriter typically will only receive approximately 50% or $45,500. Then, if the songwriter co-wrote the song with the artist

who recorded it, the amount is split in half again or in thirds if there is more than one co-writer. Therefore, frequently the songwriter receives at most $22,750 on a million-selling song. Compare this to the federal poverty guideline of $20,000 for a family of four. It bears repeating that very few songwriters achieve anything close to this success.

16. There is another factor that could even further reduce a songwriter's royalty compensation: controlled composition clauses. A controlled composition is a song that has been written or co-written by the recording artist. Typically, record labels require clauses in their artist contracts that the mechanical royalties on the artist's co-written songs will be 75% of the statutory amount. Thus, the $22,750 a songwriter receives may be further reduced to $17,062.50. Compare this amount to the millions that the record company could receive on a million selling album. The disparity is obviously unfair and the best indication that songwriters are not fully compensated for their creative contributions.

17. This is not just an empty example; it is what happens to songwriters every day. For me, "Longneck Bottle" has been my most successful song; it first appeared on Garth Brooks's album "Sevens" in 1997, and was recently re-released on a box set called "The Limited Series." For "The Limited Series," the record company demanded that the statutory mechanical rate be cut in *half*, so that my co-writer and I would receive a royalty of 4.5 cents per song, rather than the 9.1 cents rate. The label threatened to drop the song from the album and never release it again, a legitimate threat since the company owned the master recording, if we did not agree to this rate. We then had to split the proceeds with our publishers and then divide the writer's share between ourselves. The album debuted at number 1 on the Billboard 200 and the country charts

and sold two million copies. Yet, I received only $22,500 for my work, which means the effective rate for the song was 1.125 cents.

18. The challenges faced by songwriters today do not end there. Internet piracy has caused enormous losses for record labels and songwriters alike. Every song lost to piracy harms songwriters as much as, if not more than, the lost revenue harms the record companies.

The Mechanical Royalty Rate Should be Increased

19. The Copyright Owners propose that mechanical royalties be increased in the following ways: The royalty paid for physical phonorecords should be the greater of 12.5 cents per song or 2.40 cents per minute of playing time or fraction thereof. The royalty paid for permanent digital downloads should be the greater of 15 cents per track or 2.90 cents per minute of playing time thereof. Both of these rates would be adjusted for inflation according to changes in the CPI. For limited digital downloads, the rate should be expressed in a three-part rate: the greatest of 15 percent of revenue, one-third of the costs of musical content, or the greater of $0.0033 per use or $0.00064 per minute of playing time or fraction thereof, subject to the same inflation adjustments. The rates for interactive streaming should be determined by a similar three-part rate: the greatest of 12 ½ percent of revenue, 27 ½ percent of the costs of musical content, or the greater or $0.00275 per use or $0.00053 per minute of playing time or fraction thereof, subject to inflation adjustments. Finally, for ringtones, the Copyright Owners also propose a three-part rate: the greatest of 15 percent of revenue, one-third of the costs of musical content, or 15 cents per ringtone, subject to inflation adjustments. Additionally, the Copyright Owners propose a series of terms meant to ensure the timely

and accurate payment of compulsory license fees. These changes are warranted by the many challenges facing American songwriters.

20. First, the current statutory rate does not provide a fair return to the songwriter. As explained above, songwriting is incredibly labor intensive for the writer, and even million-seller songs provide only modest returns. When this amount is compared to the millions received by record labels, which often include controlled composition clauses in their singer-songwriter contracts that effectively decrease the mechanical rate, the statutory rate must be increased out of simple fairness to songwriters and to reflect fairly the relative creative contributions of the parties.

21. Songwriters depend on mechanical royalties for their livelihood. For many songwriters, mechanical royalties simply do not provide enough money to allow them to support themselves and their families. Failing to increase the rates will force even more songwriters out of the profession. This means fewer songs, and thereby undermines the ultimate objective of the statutory rate, which is to maximize the number of creative works. By contrast, an increase in the statutory rate will allow songwriters and music publishers to increase the pool of available songs and maximize the number of creative works. If the rates are decreased, most songwriters I know, myself included, would face economic uncertainty. Many of us would not be able to pay our bills or support our families. And, as we suffer personally, American musical culture — long a source of enormous national pride, international prestige, and positive trade balance — is endangered along with us.

22. An increase in the mechanical rate is also vital to the continued livelihood of music publishers who, in turn, are critical to songwriter success. Music

publishers play an important role in song development. Music publishers allow songwriters to focus on the creative process of songwriting by focusing on the administrative details of having a song recorded and protecting that song. Music publishers take an active role in the careers of their songwriters and develop and nurture songwriter talent from the early stages. They support songwriters by providing advances to pay for our basic expenses until our songs begin to generate revenue. It must be remembered, though, that these monies are advances, not additional streams of income, and are recouped from any royalties later earned.

23. The role of a music publisher can take many forms. Music publishers are primarily responsible for pitching a writer's songs to artists, producers or A&R people at record labels. Music publishers are especially critical at the early stages of a songwriter's career when the publisher may take on an unproven songwriter and develop him or her to the stage where a record company takes him or her on. In addition, music publishers register songs for copyright protection and collect royalty payments on behalf of songwriters. Music publishers also promote songs for use in television shows, movies and other media that enable songwriters to earn synchronization royalties.

24. Music publishers depend on income from mechanical royalties. A decrease in the mechanical rate would impair their ability to develop talent and cause them to sign fewer artists. Without the support of a music publisher, many songwriters would not prosper, and ultimately, the whole music industry would suffer.

25. Since 1994, I have worked exclusively with my music publisher, Peermusic. As far as I know, I am one of their longest running employed songwriters. My relationship with Peermusic has led to many recorded hits, including "Longneck

Bottle," which sold over 19 million copies, as described above. Without Peermusic's support, I would not have achieved the success that I did.

26. Finally, in the digital music era, online downloads enable consumers to choose and purchase only the most popular tracks. These tracks, which tended to drive album sales in the physical world, can now be purchased on an individual basis. As a result, average royalty rates that were acceptable to songwriters when consumers were purchasing an album with an average of ten tracks, will not provide the same incentive to create new music in an online environment that is track-based rather than album-based, also counseling for an increase in the mechanical royalty rate.

Conclusion

27. This is an exciting time for the music industry and a critical time for songwriters. Even with the tremendous changes in the industry, what still matters most is the music. Many songwriters do not write songs just to make money; we make money just so we can keep writing songs. An increased royalty rate will further that goal.

CO Trial
Ex. 2

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	
Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	Docket No. 2006-3 CRB DPRA

WITNESS STATEMENT OF STEVE BOGARD ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Steve Bogard, and I live in Nashville, Tennessee. I have been a songwriter for over 40 years, and I am now the President of the Nashville Songwriters Association International ("NSAI"). I make this statement to: (1) describe the role of the NSAI and the important creative contributions made by our members to the music and entertainment industries; and (2) express my emphatic support for the proposed increase in the statutory mechanical rate.

Background

2. I have been a songwriter most of my life. In the late 1960s and early 1970s, I led my own band and was a recording artist. In the early 1980s, I became increasingly aware of the music scene in Nashville. In 1981, a song I had written eleven years earlier, "Touch Me with Magic," was recorded by Grammy Award-winning Marty Robbins. "Magic" became a top ten hit and won a BMI Performance Award. This success prompted my family's move to Nashville. Although I had my wife and two young children to support, only $5,000 dollars in the bank, and no job lined up, I knew I

wanted to write songs and believed that Nashville was the place to pursue my dream of becoming a successful songwriter.

3. I feel very fortunate to be able to say that I have a successful songwriting career. I have had songs recorded by artists such as Waylon Jennings, Conway Twitty, Sinead O'Connor, Tim McGraw, Kenny Chesney, Reba McEntire, and Tanya Tucker, among many others. I have written eight number one country songs, including George Strait's "Carrying Your Love with Me" and "Carried Away," Rascal Flatts' "Prayin' for Daylight," and, more recently, Jack Ingram's "Wherever You Are" and Dierks Bentley's "Every Mile a Memory." My songs have been purchased on over seventy million CD's, cassettes and albums.

4. In Nashville, I have worked with some great music publishers. After a brief time with the Welk Music Group, I signed a songwriting deal with Chappell Music in 1984. I worked with the publishing staff at Chappell, which ultimately became Warner Chappell, for twenty years. In 2004, I signed a multi-year co-publishing agreement with Famous Music.

5. I became a member of the NSAI over fifteen years ago. In 2002, I increased my involvement with the organization when I was chosen to serve on the Board of Directors. I began to participate in NSAI's legislative and lobbying efforts and soon was elected Secretary. When the former President of NSAI stepped down earlier this year, I proudly accepted the role of President. As President, I am responsible for keeping up with new legislative issues, especially those arising from new technologies, as well as maintaining the progress of our ongoing legislative efforts on any issue affecting the songwriting community. I also provide input and help represent the songwriters' point of

view on an almost daily basis with NSAI's Executive Director, who spearheads our fundraising and lobbying efforts, directs our programming and services for both amateur and professional members, and supervises our full time staff.

6. I care deeply about the music industry and the place songwriters hold within it, and I participate in a number of other industry organizations to advance our interests, including the Country Music Association, the National Academy of Recording Arts and Sciences, and Leadership Music. I have also served on the Board of Directors of the Academy of Country Music and on ASCAP's Southern Writer's Advisory Board. These activities, along with my work as NSAI President, keep me involved in the ongoing fight to preserve the viability of songwriting as a career.

The Nashville Songwriters Association International

7. The NSAI was established in 1967. The organization was intended to provide a support system for the Nashville songwriting community which was, at that time, small, disorganized and under-recognized. The founding members focused on increasing songwriter recognition, revising certain copyright law provisions, and lobbying for higher royalty rates.

8. The NSAI is now the world's largest not-for-profit songwriter trade association, representing approximately 5,000 members. We are dedicated to serving songwriters in all genres of music by advocating for their legal and economic interests. We are also committed to protecting the rights and future of the songwriting profession. We are currently in the process of increasing our presence and involvement with both the California and Texas songwriting communities.

9. The NSAI offers members a wide range of services designed to help them hone their songwriting talents, better understand the music business, make connections within the music community, and, once they start to earn money from their songs, protect that income. We also advise and inform retired songwriters and the families of deceased songwriters as to their legal and royalty rights.

10. Aspiring songwriters can find workshops on these and other related topics in over one hundred cities worldwide, and they can also access video seminars and panel discussions online. They are encouraged to take advantage of our unique Song Evaluation Service, where they can send in new songs to be critiqued by professional, published songwriters. The NSAI also sponsors educational retreats, such as our "Songposium" week and Song Camps throughout the year. We organize showcases like the "Pitch-to-Publisher Nights," and have, on occasion, helped set up appointments for new artists and writers with representatives from record labels.

11. Members of the NSAI's professional division are responsible for much of the popular country music written and performed today by stars such as Reba McEntire, George Strait and Garth Brooks. Our membership also includes songwriters working in the pop, adult contemporary, and contemporary Christian genres. These more experienced songwriters benefit from NSAI efforts as well. In our ProSeries events, we provide information ranging from health insurance for songwriters to how to recapture copyrights that were transferred prior to 1978. Our professional writers are able to participate in our networking and pitching opportunities as well. We also encourage mentoring relationships between established members and new members. Such

relationships help ensure that new generations of talent will be able to perpetuate and revitalize the industry.

12. Outside the organization itself, the NSAI promotes awareness of the songwriter's cultural and creative contributions to both Nashville and to American popular music. Our yearly songwriters' festival, Tin Pan South, will celebrate its fifteenth anniversary next spring. This year's event will feature more than 250 of the nation's top professional songwriters performing in over seventy shows over a five night period. Last year's lineup included performances by NSAI members such as CMA Song of the Year Winner Craig Wiseman, Grammy-nominated singer-songwriter Beth Nielsen Chapman, two-time Emmy award-winning songwriter Victoria Shaw, and Emerson Hart, the lead singer and chief songwriter for the multi-platinum, Grammy-nominated alternative rock band Tonic. Events such as these are designed to celebrate songwriters and elevate their position in the broader music community.

13. We also champion the legal rights of professional songwriters. NSAI songwriters have lobbied Congress on a variety of issues, and thanks to these efforts, songwriters have finally earned a recognized place at the legislative table. Over the years, our songwriters have made over 2,000 individual visits to Congress, mostly at their own expense. We recently spearheaded the passage of the Songwriters Capital Gains Tax Equity Act that was signed into law on May 17, 2006. This bill corrects a decades-long inequity and allows songwriters to pay the same tax rate on catalog sales as their corporate partners. High on our current agenda is finding new ways to combat music piracy.

14. The NSAI also works with the recording industry on important issues facing songwriters. We have met to discuss transparency in accounting practices and ending the use of "pass-through" accounting, where royalties are paid to the recording companies before being passed on to the songwriters and music publishers, thereby complicating the accounting process and delaying royalty payments further. We have also pushed for better representation for songwriters in the royalty collections process, and are attempting to limit the scope of controlled composition clauses. These clauses, which reduce songwriters' rights to mechanical royalties, are insisted upon by most record companies in their agreements with singer-songwriters and producers. We remain committed to advocating for songwriters in these negotiations and in formal proceedings such as this one.

Challenges Faced by the American Songwriter

15. Our work is significant to songwriters because of the many critical challenges we face. The motto of the NSAI states that "It all begins with a song." Yet it is getting harder and harder for professional songwriters to build a career by creating those songs. Over the past decade, the number of professional songwriters has declined substantially, and Nashville has been particularly hard hit. Of the 5,000 members of the NSAI, only about 500 of them are earning a living as full-time songwriters. Most of those songwriters are not wealthy by any definition of the word. With respect to those who make their living in the music and entertainment industries, they make comparatively little. It is no longer surprising that only the most successful songwriters are able to live on their royalties alone.

16. I have felt these challenges personally. I am fortunate enough to have experienced real success at various times in my career, and I am proud to have had a number of hit songs. But I have also experienced years without a hit, and I know what it means to go through lean times. My first year in Nashville, I received a publishing draw of only $50 per month. Out of necessity, my wife worked outside the home for the first time. She took a job as a waitress in a Red Lobster restaurant, and the two of us juggled work and child care. Things have gotten better since then, but because of the debts incurred during the periods of reduced income, we have refinanced our house several times over twenty-five years.

17. With the introduction of peer-to-peer systems and the rapid increase in music piracy, my mechanical royalty stream has dropped significantly. In 1999, for example, I wrote a song, "There You Have It," that was recorded and released by BlackHawk, a popular country group. On the same day the song was released, when it could have been selling out in record stores, there were already 1,100 internet sites offering to "share it" for free on Napster and other such services.

18. I have also watched my friends and colleagues struggle. Based on my work within the songwriting community, it is my belief that there are significantly fewer songwriters than there were a decade ago. In the mid-1990s, when I was a staff writer at Warner Chappell, the roster there included approximately 200 songwriters. After the arrival of Napster, Grokster and other illegal peer-to-peer services, however, the size of this roster dropped dramatically. While I believe that a few songwriters have joined the roster recently, the overall group is certainly much smaller than it used to be. Other major music publishers have been forced to make similar cutbacks in their rosters.

As a result, many independent songwriters living on their royalties simply cannot afford to keep working at their careers.

19. Even songwriters who have experienced great successes are facing new challenges. Debi Cochran, for example, a songwriter who has earned an Emmy award and two BMI performance awards, not long ago told me that she had to take a job selling handbags at a department store to make ends meet. Every time a songwriter is forced to split his or her time between working at creating songs and working to pay the bills, the creative output suffers. Many songwriters now face a situation where they have no choice.

20. Due to corporate consolidation in the music industry and among radio stations, even those who are able to continue as full-time professional songwriters face a business landscape with far fewer opportunities. There are, for example, fewer record companies than before. Fewer radio stations have local control and playlists are much smaller. Furthermore, the use of controlled composition clauses by the labels means that when a songwriter's song is actually recorded, the royalties the songwriter will earn for the song are frequently lower than the full statutory rate. These changes do not make writing great songs any easier; they only reduce the amount of compensation songwriters receive once they do.

The Mechanical Royalty Rate Should be Increased

21. The Copyright Owners propose that mechanical royalties be increased in the following ways: The royalty paid for physical phonorecords should be the greater of 12.5 cents per song or 2.40 cents per minute of playing time or fraction thereof. The royalty paid for permanent digital downloads should be the greater of 15

cents per track or 2.90 cents per minute of playing time thereof. Both of these rates would be adjusted for inflation according to changes in the CPI. For limited digital downloads, the rate should be expressed in a three-part rate: the greatest of 15 percent of revenue, one-third of the costs of musical content, or the greater of $0.0033 per use or $0.00064 per minute of playing time or fraction thereof, subject to the same inflation adjustments. The rates for interactive streaming should be determined by a similar three-part rate: the greatest of 12 ½ percent of revenue, 27 ½ percent of the costs of musical content, or the greater or $0.00275 per use or $0.00053 per minute of playing time or fraction thereof, subject to inflation adjustments. Finally, for ringtones, the Copyright Owners also propose a three-part rate: the greatest of 15 percent of revenue, one-third of the costs of musical content, or 15 cents per ringtone, subject to inflation adjustments. Additionally, the Copyright Owners propose a series of terms meant to ensure the timely and accurate payment of compulsory license fees.

22. These rate increases are essential for songwriters, and they are warranted by the many challenges facing songwriters today. The current statutory rate does not provide a fair return for the songwriter's creative contribution. With rates as they are, songwriters earn only modest returns, even on their biggest successes, while the record labels are able to make millions on the same songs. Despite common misconceptions, even if I write a song that is released on a platinum-certified recording, which means that one million copies are sold, I do not earn millions of dollars. Rather, given that I co-write almost all of my songs, my songwriter share would total just under $25,000. That means that if each song on a ten-song, million-selling recording that sells for ten dollars is worth $1,000,000 in gross income, my share of the gross income for my

song is only roughly 2.5 percent. This is not a fair reward for the talent and effort it now takes to write a hit song, especially when it then there is a significant time lag in the payment of royalties. And we must keep in mind that neither songwriters nor music publishers get paid for the millions of illegal downloads and pirated copies of our music that we are still fighting to stop.

23. As I have already mentioned, the number of American songwriters is declining. Many songwriters I know have stopped writing professionally because they can no longer make a living. The talented songwriters responsible for such hit songs as Garth Brooks' "Friends in Low Places," and Ann Murray's "Shadows in the Moonlight," among others, have left the business entirely. The statutory rate is meant to maximize the number of creative works. But if lower rates mean fewer songwriters, and thus fewer songs, the compulsory rate scheme will have failed. Increasing the statutory rate will allow songwriters and music publishers to enlarge the talent pool and thus increase the number of songs that are recorded and released to the public.

24. Increasing the mechanical rate is also important to provide fair compensation for music publishers. Publishers typically take a very active role in developing and promoting their songwriters. My relationships with music publishers have given me the opportunities to develop as a songwriter and helped me learn to write the best possible songs I can. They have provided creative encouragement as well as industry contacts that I could never have made on my own, or, in my opinion, through A&R executives at record labels. They helped me learn to differentiate between a good song and a great one that is likely to be recorded, released and mean something to millions of people. Music publishers have also helped me discover what various

recording artists were looking for in a song and helped my songs get to the artists who were looking.

25. Most importantly, my publishing partners provided me with the flexible financial support needed to pursue my songwriting as a career. But providing such support is both risky and costly for the music publishers. If the mechanical rate is not increased, music publishers will be less likely to take chances on new songwriters and will be less willing to support new talent in the way they did for me. The loss of their support and assistance would cripple the development of new songwriters in the future.

26. The proposed increases are not only necessary, they are justified. With respect to digital music, consumers are not paying for fancy packaging, creative marketing, or transportation and warehousing of a physical product. They are buying the words and music we create. They spend their hard earned dollars because of the inherent value of our creative product. The proportion of the money generated by such sales that goes to the songwriters and producers, those responsible for creating the song, should be correspondingly higher.

27. Even with physical recordings, the contribution of the songwriters and music publishers has increased relative to the contribution of the record companies. In my opinion, as record companies have consolidated, cutting expenses with larger artist rosters but smaller creative staffs, more of the development work that might have at one time been performed by their A&R departments is now done by songwriters and music publishers. The labels often do not have the time and resources to nurture and develop new artists and writers. Songwriters, and songwriter-producers, with the help of their

music publishing partners, are increasingly performing many of these functions, and should be properly compensated for those efforts.

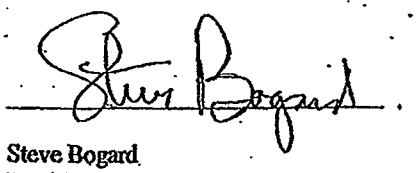
Conclusion

28. The NSAI is committed to preserving the art and craft of songwriting. But just making this commitment is not enough. To succeed in these efforts, the NSAI and all of our member songwriters need the additional financial support that would result from increased mechanical rates.

Declaration

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 25, 2006
Nashville, TN



Steve Bogard
President,
Nashville Songwriters Association International

CO Trial
Ex. 6

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	Docket No. 2006-3 CRB DPRA
Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	

WITNESS STATEMENT OF MAIA SHARP
ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Maia Sharp, and I live in Los Angeles, California. I have been a songwriter for over ten years. I make this statement to communicate the importance of increasing the mechanical royalty rate to American songwriters such as me.

Background

2. I grew up around the music business. My father, Randy Sharp, is also a songwriter and is at times my co-writer. I wrote and recorded my first song "Ghosts," when I was five years old. I had a strong musical background through my parents. I studied piano, guitar and saxophone as a child and continuing through college. I became focused on songwriting when I studied music theory and performance in college at California State University Northridge.

3. In addition to writing songs (for myself and others), I also sing my own material. Although I enjoy performing, songwriting is where my heart is. Generally, I split my time equally between writing songs for myself and writing songs for

the purpose of pitching them to other artists. Because I cannot survive on songwriting income alone, I have had to participate in many other aspects of the music business to stay financially afloat. In addition to songwriting, I sing back up for other artists and play the saxophone in recording sessions and live concerts to earn extra income. I also tour and perform my own music. Although these activities supplement my income, I am dependent on mechanical royalties and advances from my music publisher for the vast majority of my income.

My Life as a Songwriter

4. Songwriters who are just starting out have a very tough road ahead of them. My story is no different.

5. I began my professional songwriting career in 1996 at age 25. My first song, "Don't Come Around Here Tonight"— which I had written four years earlier in 1992 — was recorded that year on a Cher album, *It's a Man's World*. I did not receive my first royalty check until nine months later. I earned approximately $8000 for that song, which although not very much at all, led to my first album deal with I.R.S Records and a concurrent music publishing deal with I.R.S. Music in 1996.

6. Upon signing my music publishing deal, I.R.S. Music gave me $50,000 as an advance on my future royalties. Those funds were my exclusive means on which to live in 1997 and 1998. Between 1997 and 1999, I estimate that I wrote or co-wrote approximately thirty-five songs per year. I recorded two albums during that time, which included only songs I had written or co-written. The first, entitled *Hardly Glamour*, was released in 1997, but my second album was not released, although many of those songs have been appeared on subsequent albums.

7. Another reason I was so prolific during this time was that Miles Copeland, the head of I.R.S. Music (and Sting's manager) sent me to his songwriting retreat in France. There, I met and worked with countless songwriters including Carole King, the GoGos, Stewart Copeland, Jules Shear, Paul Carrack, Kim Richey and Lisa Loeb. At these retreats, the other writers and I wrote a song per day for a week. We wrote the songs during the day and recorded them at night. When any of these songs get recorded, Miles takes one-half of my publishers share.

8. Unfortunately, my contract with I.R.S. ended in 1999. At that time, I had no income and was forced to make ends meet with what was left of the second album's publishing advance, various sessions and a number of credit cards. I did have two songs recorded in 1999, but royalties take many months to be collected and distributed to the songwriter, and in the meantime, I had no real cash flow on which to live.

9. Fortunately, in 2000, I entered into a music publishing contract with Major Bob Music and because of the advances Major Bob gave me that were a part of the deal, I was able to get out of debt. Many songwriters are not so fortunate and are forced to leave the profession altogether.

10. While I was signed to Major Bob, I did a trio project with Art Garfunkel and Buddy Mondlock, which resulted in an album, *Everything Waits To Be Noticed*, and a national tour. I also recorded a self-titled album in 2002 for Concord Records, and toured to promote it as well. Thus, during 2000-2004, I was not as prolific as I had been in prior years, and I estimate that I wrote approximately fifteen songs per year.

11. In 2003, however, I had my biggest hit thus far with "A Home," co-written with my father Randy Sharp, which was recorded by the Dixie Chicks and the title track of their album. "Home" was a huge commercial success and sold six million copies.

12. In 2005, I signed a recording contract with Koch Records and released my third solo album, which is entitled *Fine Upstanding Citizen*. I have also recently released an EP album entitled *Eve and the Red Delicious*, which is a limited pressing. During 2005 and 2006 I toured to promote these two albums, and, thanks to Major Bob's past efforts, a song of mine was recorded on Trisha Yearwood's album "Jaspar County," which went gold.

13. In the last year, I have also been touring with Bonnie Raitt. I open concerts for her, and sing back up and play saxophone during her performances. Moreover, I wrote three songs — "I Don't Want Anything to Change," "Crooked Crown" and "The Bed I Made" — on her current album *Souls Alike*.

14. Songwriting is not just a job for me; it is a career and a passion. Many songwriters, like myself, are very grateful to be able to have a career in the music business. But songwriting is a creative art form that requires a lot of work. I do not write when I am touring, because the press interviews, radio performances, and evening concerts require my full energy and focus. When I am writing, however, I devote eight hours a day or more to writing, honing, and recording my songs. To increase my output, I co-write many of my songs with other writers, including my father. Several times a year, I travel from my home in Los Angeles to Nashville, New York or Austin to write with songwriters there.

15. I would not be the songwriter I am without the help of my music publishers. Music publishers play a critical role in songwriter development. Music publishers allow songwriters to focus on the creative process of songwriting while they take care of the administrative details of protecting and collecting for that song.

16. Both of my music publishers, I.R.S. Music in Los Angeles and Major Bob Music in Nashville, helped secure recordings for my songs. More importantly, they introduced me to other artists and writers. I developed key relationships with other writers at Miles Copeland's songwriting retreats when I was with I.R.S. Music. Bob Doyle, the head of Major Bob Music Publishing, also emphasized networking and, thanks to his introductions, I have many solid relationships with artists to whom I can pitch songs in Nashville as well. Finally, my music publishers gave me advances on royalty payments so that I could focus on writing songs and making music.

The Mechanical Royalty Rate Should be Increased

17. The vast majority of my songwriting income comes from mechanical royalties on album sales, not performances. The mechanical rate is therefore very important to me, as it is for many other songwriters and singer-songwriters. Moreover, I do not have standard benefits that come with typical jobs. I must pay for my own health insurance and save on my own for retirement.

18. A songwriter is considered very successful if his or her song sells one million copies. My song, "A Home" sold over six million copies and was by all counts a tremendous success. The mechanical royalty rate was 8 cents per song at the time "A Home" was released. Thus, one may think that I earned $480,000 for it. This is incorrect. My co-writer took his half, leaving $240,000. My publisher took its

contractual share, one-fourth (or half of the publishing share), leaving $180,000. In addition, some of the albums sold were free goods, on which the record company did not pay royalties. My publisher recouped most of what I was to receive to repay the royalties it had advanced me over the years, and, after all was said and done, I only received approximately $12,000 for a song that sold over six million copies.

19. Under my current recording contract with Koch Records, too, neither I nor my co-writers receive the full 9.1 cents on any songs on my album. This deal contains a controlled composition clause, which forces me to accept a 25% decrease in the statutory mechanical rate. Even worse than having to accept the 25% cut, was having to call my co-writers and ask them to accept the 25% cut as well. Thus, although the controlled composition clause is a hardship for me, it is a particular hardship for my co-writers, who did not themselves sign the contract or receive any advance under the contract.

20. For all of these reasons, in my view and based on my experience, the current statutory rate does not provide a fair return to the songwriter for his or her creative works. Songwriting is incredibly labor-intensive for the writer, and as demonstrated above, even songs that sell millions of copies — while they earn the record companies millions of dollars — provide only modest returns to the songwriter. Songwriters should not be forced to take on second jobs simply to keep their careers in songwriting. But that is precisely what almost all of us must do.

21. I expect that the record companies will assert that a small increase in the mechanical rate will not improve the financial condition of songwriters. This is not true. Any increase in the mechanical rate will help songwriters. An increase of a few

cents is not so small when millions of records are sold. Even an extra penny could mean a ten-percent increase in income on a million-seller record. And such an increase would help me to make artistically driven choices rather than financially driven choices. The importance of this cannot be overstated. It is extremely difficult, if not impossible, for songwriters to produce quality songs when they are focused on how to pay the bills. Being allowed to focus on songwriting alone provides great dividends in the quality of songs that are written.

22. A mechanical rate increase is important not only to songwriters, but also to music publishers, which earn a substantial portion of their income from mechanical royalties. If the mechanical rate is not increased, music publishers will be more reluctant to take on new songwriters. This will have a chilling effect on the discovery and support of songwriting talent, and ultimately the pool of songs created — so vital to American music culture — will be diminished.

CO Trial
Ex. 4

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	Docket No. 2006-3 CRB DPRA
Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	

WITNESS STATEMENT OF PHIL GALDSTON ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Phil Galdston, and I live in New York, New York. I submit this statement in support of the mechanical royalty rate proposal of National Music Publishers' Association, the Songwriters Guild of America and the Nashville Songwriters Association International. Specifically, I make this statement to discuss the role songwriters play and the challenges they face in the music industry and to emphasize the need to increase the mechanical royalty rate.

Background

2. I am a composer, lyricist, music publisher and record producer. I have been a professional songwriter for the past thirty years. I am what is known in the trade as a "pure" songwriter; that is, I am not a performer or a recording artist. I make my living and support my family by writing songs and presenting them to recording artists, producers, managers, labels, and anyone else who might help me to get them recorded and exposed to the public.

3. I am a songwriter and publisher member of the American Society of Composers, Authors and Publishers ("ASCAP"). I have served as a National Trustee and two-term President of the New York Chapter of the National Academy of Recording Arts and Sciences, the organization that grants the GRAMMY® Awards. I am a current member of the Board of the New York Chapter. I care very much about the music industry and the battle songwriters must fight to keep songwriting a viable career.

4. I have testified before Congress, before the House Judiciary Committee, Subcommittee on Courts, the Internet and Intellectual Property, in a hearing on illegal downloading and have participated in various other panels on radio, television and at international conferences. I am an adjunct member of the faculty of New York University's Tisch School of the Arts where I have taught a course on Songwriting for Producers. I teach at NYU's Steinhardt School and the University of the Arts, in Philadelphia, as well. In 1999, I was the Songwriter in Residence at the Berklee College of Music in Boston, Massachusetts.

My Experience as a Songwriter

5. I received my earliest musical training through the excellent school band program in my hometown. I began writing songs when I was only fourteen years old. At that point, I was just a kid with big dreams and I wrote because I loved music. I joined my first rock band while I was still in junior high school. We were lucky enough to sign a record deal with Epic Records in 1967. My first songs were recorded and released in 1968.

6. As a recording artist, I recorded two albums in the late 1970s with my then partner, Peter Thom, which were not commercially successful. I also worked as

a producer, producing music albums as well as comedy albums for Robert Klein and Robin Williams. Through these jobs, I met John Sebastian, the co-founder, former lead singer, and main songwriter of The Lovin' Spoonful. In 1982, I began writing songs with him and decided at that time to become a full-time songwriter.

7. Throughout this period, I continued my work as a songwriter. In 1974, I signed my first independent publishing deal with Chappell Music. Under the terms of this deal, I was a staff writer for three years and received a salary draw of $125.00 per week for the first year, which increased to $175.00 by the third year. Between the end of my contract with Chappell and the present, I have worked with a number of music publishers, both big and small, and have licensed my songs to a variety of record companies. I have also self-published my songs at times.

8. I am fortunate to have been a very successful songwriter. About twenty-five percent — an incredibly high percentage for songwriters — of the songs I have written have been recorded and released. During the course of my career, I have had several major hit songs, which have climbed most of the major charts. My best-known songs include "Save the Best for Last" and "The Sweetest Days," both recorded by Vanessa Williams. Celine Dion has also recorded five of my songs, including "The Last to Know" and "Fly." I have also had songs recorded by artists such as Beyoncé, Brandy, Kathy Mattea, Cher and Aaron Neville. My songs have appeared on over 65 million records worldwide, and I have received numerous awards, including an award from ASCAP for Song of the Year for "Save the Best for Last." My songs and productions have appeared on sixteen GRAMMY® nominated recordings. "Save the Best for Last" simultaneously reached number one on Billboard's three major charts and was

nominated for a GRAMMY® as Song of the Year, perhaps the highest accolade a songwriter can receive.

9. Aside from my hits, I have a catalog of over 700 songs that I have written over the last forty years. This catalog is my greatest asset. Intellectual property is often compared to real property in an effort to explain the rights that flow from it. But the analogy is imperfect. What songwriters create is unique. The songs that I have written would not exist if I had not composed them. As a songwriter, I am often asked, "What comes first, the words or the music?" For me, the answer is neither. What comes first is the inspiration, which comes in many varieties. This inspiration eventually becomes a song through many, many hours of writing and perfecting it, often with my co-writers.

10. I generally write about twenty to thirty songs per year. I am able to be this prolific because I am lucky enough — thanks to my prior successes — to be able to focus on songwriting alone. I co-write most of my songs with one or two other co-writers. Even though I write many songs and have achieved great success, the way I am principally compensated — namely, through mechanical royalties — means that it is highly unlikely that I will ever make as much money as I would have had I chosen another career. Moreover, because I am a pure songwriter, it is unlikely that my songs, even those that top the charts, will produce the same financial rewards as those written and performed by the industry's big name songwriter-performers.

11. But in choosing to be a songwriter, I chose to live with certain risks. Beginning with the most basic, in writing a song, there is a risk that it will not be recorded by an artist or licensed by a record label. Even if the song is recorded, it may

not be released. If it is released, it may not be successful. If my songs are not successful, I may not have any income to provide for my family. The choice to continue to be a full-time songwriter, given the nature of the music business, has not always been an easy one, despite knowing that my songs can and will continue to affect people positively.

12. To fully comprehend the risks faced by songwriters, it is important to understand how songwriters are compensated. We do not sell our songs. We license our songs to record companies and other groups, in return for royalties, if and when they are sold or played. When I license a song to a record company, I receive no fee, no advance, and no payment of any kind. I will only receive compensation when and if the recording of my song sells or is played on monitored media like radio and television. Even if my song sells, I am not paid immediately, and when I am, the rate at which I am compensated, currently 9.1 cents, is low. And, through their agreements with recording artists, the record companies frequently demand that many songwriters accept only 75% of the statutory rate. The compulsory rates act as a kind of maximum wage; while we may be paid less than the statutory rate, we are never paid more. And, while record companies can adjust what they earn for a song by changing album prices, I cannot. No matter how good or popular a song is, the songwriter can never earn more than the statutory rate.

13. The impact of this system on my career — notwithstanding my success — has been extreme. Over the years, my income has fluctuated between highs and lows, even though the number of songs I have been producing has remained fairly consistent. Each new opportunity is dependent, in part, on the opportunities that came before and on the success, or lack thereof, of the songs I have produced in the interim.

14. Moreover, the risks associated with making my living on royalty payments impacts the creative process itself. Knowing that my ability to support myself and my family depends on how my songs are received by the record companies and listening public, and how subsequent opportunities are then affected, magnifies the risks of my creative choices. It is easier to understand why many songwriters are hesitant to take chances with their work and how they could feel driven towards the market or out of the business entirely. In my opinion, if royalty rates were higher, songwriters would be able to take greater creative gambles, thereby contributing even more to our culture and providing our society with an even greater return on the investment our copyright system makes in creative activities.

15. As a songwriter, even though I am responsible for the creative products that keep the industry going, my financial remuneration is at the bottom of the business hierarchy. In the end, with royalty rates as they are now, it is virtually impossible to feel like I am being adequately compensated for my creative contribution.

Other Challenges Faced by Songwriters

16. Songwriters have had to fight on many other fronts to keep their careers viable. The music industry as a whole has fought a losing battle against Internet piracy and, in my view, record companies failed to embrace the digital market at a time when they could have limited, if not prevented, piracy. While record companies have also experienced losses due to Internet piracy, pure songwriters can least afford to lose this battle as they lack some alternatives available to other industry players to offset the absence of mechanical royalties on pirated music. For example, pure songwriters do not

receive income from t-shirt and merchandizing sales. Once I have lost a royalty, due to an unauthorized download of one of my songs, I have no way to recoup it.

17. In addition to Internet piracy, consolidation in the industry has also proven problematic for songwriters. There are now fewer record labels than ever before. As the labels have consolidated, they have trimmed their artist rosters and now sign many more songwriter-performers. This leaves fewer spots on albums for outside songwriters, like me, who are the vast majority of songwriters. All of this means fewer opportunities for us to have our songs recorded.

18. Moreover, songwriters have almost no control over the terms of the deals we sign. The record labels' expanded use of controlled composition clauses is a critical example of that. These clauses, which reduce the amount the record company will pay in mechanical royalties, began as a way for record companies to recoup their investment in new songwriter-performers and have now become standard in almost all performer contracts. Thus, if I co-write a song with a songwriter-performer subject to a controlled composition clause, it means that I have little alternative but to agree to be subject to that clause as well. As a result, I will receive only seventy-five percent of the statutory mechanical rate. The expansion of controlled composition clauses has effectively undercut the mechanical rate. Instead of receiving 9.1 cents per song, I frequently receive 6.8 cents per song. In other words, in most cases, I do not even receive the (already too-low, in my view) statutory rate. Moreover, since, like many of my colleagues, I frequently collaborate on my songs, when I co-write a song that amount is further split between me and my co-writers. Thus, I may actually receive only 3.4 cents per song or less.

The Challenging Life of a Songwriter Counsels For a Higher Mechanical Royalty Rate

19. Music is one of this country's greatest cultural assets. The music industry today generates billions of dollars. That 12 billion dollar industry only exists because my colleagues and I, through hard work and perseverance, write the songs that form its foundation.

20. I understand that two of the purposes of the mechanical rate are to provide a fair return on a songwriter's work and to increase the creative pool of available works. To fulfill these purposes, I believe that an increase in the mechanical rate is warranted. As I have previously described, the current mechanical rate does not provide a fair return on the creative or business investment made by the songwriter. In my opinion, even though we work in a penny business, songwriters should receive more than just pennies.

21. Moreover, if the mechanical rate is not increased, many songwriters will be forced to abandon their careers and many others — including the promising members of the next generation — will choose never to pursue their songwriting dreams in the first place. An obvious consequence will be that the creative pool of songs will be diminished. Increasing the mechanical rate will help ensure that songwriters are able to support themselves and their families and be able to continue to contribute to American culture and the world economy.

Declaration

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 24, 2006
New York, New York

Phil Galdston

CO Trial
Ex. 5

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	
Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	Docket No. 2006-3 CRB DPRA

WITNESS STATEMENT OF VICTORIA SHAW ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Victoria Shaw and I live in Nashville, Tennessee. I have been a songwriter for over twenty years. I make this statement to: (1) describe the important contributions of American songwriters; and (2) emphasize the need for an increase in the statutory mechanical rate.

My Life as a Songwriter

2. I first became interested in music when I was very young, growing up in Los Angeles. When I was 13 years old, I started my own band and began writing songs for us to perform. When I was 18, I moved to New York City and split my time playing the piano in various bars and working at a recording studio, High Rise Sounds. Surprisingly given the New York music scene at that time, I fell in love with country music during this period. In 1982, I began travelling to Nashville as often as I could in order to perform, network, pitch the songs I was writing, and basically try to "make it" as a songwriter and recording artist.

3. But making it in Nashville was not as easy as I thought it would be. It took me eight years to get a music publishing deal. During that time, I drove back

and forth between New York and Nashville. In New York, I still played piano in bars to support myself and allow me to spend as much time in Nashville as possible. Since I had no music publisher, I was unable to get songs recorded, but I did not give up. I kept writing and kept pitching my songs to music publishers. I really liked the community of songwriters in Nashville, which, in my opinion, is the last frontier for pure songwriters, and I was determined to find a permanent place within that community.

4. In October 1989, I finally obtained a music publishing contract with Gary Morris Music. Having a publisher made all the difference in my career. Gary Morris was able to pitch my songs to artists and record companies in a way that I could not on my own. It had taken eight long years, but thanks in large part to my publishing deal, I became something of an overnight success.

5. In fact, starting with the year I signed with Gary Morris, I had three number one hits within a twelve-month period. In 1992, Garth Brooks released "The River," which I had written two years earlier, and which ultimately won a 1992 ASCAP award. In 1993, Doug Stone recorded and released "Too Busy Being in Love," which won an ASCAP award that year. Also in 1993, John Michael Montgomery released "I Love the Way You Love Me," which received an ASCAP award in 1993 and a 1994 Academy of Country Music Award. Later, in 1995, Garth Brooks recorded and released "She's Every Woman," which also won an ASCAP Award.

6. Since those first successes, I have been able to work as a full-time professional songwriter. Although initially I had worked as a performer as well, and released my own albums in 1992 and 1994, I decided to devote myself to writing.

7. As a songwriter in Nashville, I am very fortunate to be in good company. I consider myself to be a very versatile songwriter. Although I prefer to start with a great opening line and work from there, I am comfortable writing either lyrics or music first. I enjoy writing songs in many genres and working with a wide range of co-writers.

8. Songwriting is a full-time job for me, and as the only person working outside my home, my songwriting needs to support my family. I am fortunate to have had a string of hits. My songs have appeared on over 65 million records. "The River" alone has appeared on over 45 million records. But I know all too well that the life of a songwriter is one of feast or famine. Even in my successful periods, my husband and I are careful about living humbly on our earnings. We always attempt to over-save. The highs and lows of professional songwriting are both very deceiving and very sudden, and I know that I need to be financially cautious if I am going to be able to continue to do what I love — write songs — as a career.

9. In addition to my personal creative interests, I am dedicated to advancing the interests of the songwriting community in general. To that end, I am a member of the Nashville Songwriters Association International and have been for about ten years. The Association is a national association of songwriters whose primary goal is to protect the rights of current and future songwriters and to educate them, and the music industry at large, about issues of particular concern for songwriters. For the non-professional songwriter, we offer pitch opportunities, workshops and songwriting critiques. We also travel to Capitol Hill to educate members of Congress about copyright protection and Internet piracy. For example, I testified on April 26, 2006 before the

Senate Committee on the Judiciary about the future of the music industry given the rise of digital music and the need to establish parity between different digital music services.

Challenges Faced by Songwriters

10. Without the song, there would be no music industry. The American music industry is a billion-dollar business. In my mind, that indicates that the songs — and the songwriters responsible for their creation — are doing a great job.

11. Nevertheless, American songwriters are struggling. Over the past ten years, a number of professional songwriters have been forced to give up their careers due to loss of income resulting from developments such as the consolidation of radio stations, corporate mergers in the music industry and Internet piracy. I know a number of songwriters who have had songs recorded by big-name artists but were simply unable to sustain a career as a professional songwriter. Unless the mechanical royalty rate is increased, this situation is likely to worsen and even more songwriters will be forced to leave the profession.

12. It is also increasingly difficult to have a hit song. Only a small percentage of professional songwriters will ever write a number one song. An even smaller percentage will be able to repeat that success. I know how lucky I am to have had a number of hits. I also know that the chance of repeating them in the future is slim.

13. A large portion of my income comes from mechanical royalties. Although songwriting in Nashville is treated as a 9 to 5 job, unlike other 9 to 5 jobs, my income is not steady. I only earn money when I have a hit song, and getting that hit is never guaranteed. My songs generate other forms of income, such as performance royalties and synchronization rights, but these amounts are also modest. The rewards

from my biggest successes have not made me rich, for even having a song on a million-selling album won't make me, as a songwriter, a millionaire.

14. The widespread use of controlled composition clauses also presents a major challenge for songwriters. These clauses further reduce the mechanical royalties songwriters and music publishers can receive from songs that are co-written by recording artists. Typically, record labels will place a limit of 75% of the statutory amount on the royalties we receive. Songwriters and music publishers have very little bargaining power in these situations. We can never negotiate the rates up, but everyone can negotiate us down, and controlled composition clauses are frequently the first attempt to do so. I hardly ever earn the full statutory rate.

15. Efforts to fight back against the use of such clauses will only hurt my own career, because my songs will get pulled from new albums. For example, "The River" was slated to be included in the new Garth Brooks box set released by WalMart. Although I am thrilled at the sales boost this brings my song, because I am subject to the controlled composition clauses in the deal, I will only earn half of the royalties I could be earning. In situations such as these, songwriters are forced to adopt a "something is better than nothing" mentality, but that hardly provides a real incentive for our continued creative efforts.

Role of Music Publishers

16. Starting with Gary Morris, music publishers have played a big role in the development of my music career. Over the years, I have worked with a number of music publishers, including Maverick Music, started by Madonna and now owned by Warner Bros., Deston Songs, founded by songwriter Desmond Child in 2000, and BMG

Music Publishing, my current music publisher. I have also self-published my songs at times.

17. The role of a music publisher can take many forms. Music publishers are often responsible for pitching a writer's songs to artists, producers or A&R departments at record labels. Music publishers can be critical at the early stages of a songwriter's career when the publisher may take on an unproven songwriter and develop him or her to a point where new songs are really ready to be recorded. I have recently started acting as a music publisher myself, through Shaw Enuff Songs, a company that I set up. I am working with one songwriter at the moment, and helping her develop as a songwriter and recording artist. I know that it is very important for new songwriters to learn from and be encouraged by more experienced songwriters, so I have also tried to introduce her to other writers within the community.

18. My music publishers have been partly responsible for the release of some of my biggest hits. Gary Morris, for one, tirelessly promoted "Too Busy Being in Love" and "I Love the Way You Love Me," and those efforts led directly to their recording and release. More recently, the promotional staff at BMG successfully pitched one of my new songs, which will soon be recorded as a duet by Reba McEntire and Kelly Clarkson.

19. More importantly, music publishers have allowed me to focus on the creative process of songwriting by focusing on the administrative details of getting a song recorded. They have also provided the financial support for my creative endeavors. During those periods when I was self-published, in contrast, while I may have been as

satisfied with the quality of my songs, I struggled more financially and my entire family was forced to scale back our already modest lifestyle.

The Mechanical Royalty Rate Should be Increased

20. I recognize that I am extremely fortunate to be able to write songs professionally. I have had a number of hit songs and have experienced a great deal of success. Nevertheless, because of the structure of the compulsory license system, and with rates at their current levels, I am not being fairly compensated for the efforts I make and risks I take to continue to be a professional songwriter.

21. Writing songs is an incredibly labor intensive endeavor. And as I described in detail above, the financial results are far from guaranteed. There is no certainty with respect to the amount I will earn from year to year, and no way to establish a financial routine. The personal and family stress caused by this situation can detrimentally affect my ability to produce the sort of songs I need to produce in order to continue working as a songwriter. An increase in the mechanical rates will alleviate much of this tension, provide a higher level of guaranteed revenue, and allow me to focus on writing more and worry about paying my bills less.

22. An increase in the mechanical rates will also help to decrease the clear disparity between what songwriters and music publishers earn on our songs and what record labels earn from the same songs. Not only are the labels free from statutory limits on their revenues, but, as I described above, they are able to manipulate the royalty rate through controlled compositions so that songwriters and music publishers receive even less than the current rates allow. Once again, I hardly ever receive the full statutory rate for my songs.

23. Increasing the statutory rate will also benefit music publishers. They would earn more from their efforts, thereby allowing them to continue, and even expand, the creative and financial support they provide for songwriters. Additionally, music publishers would be able to recoup the advances they give songwriters at a faster rate.

24. I understand that mechanical royalties are meant to maximize the number of creative works available and provide an incentive for continued creative contribution. Yet the current rates have created a situation where no pure songwriter can expect to make a living from a songwriting career. This situation drives potential writers away from the business, rather than encouraging them to join it, thereby frustrating the very purpose for which the rates were established. Increasing rates now would help to reverse these trends. Songwriters and music publishers would then be able to take advantage of the increasing prosperity of the music industry, an industry that, in the most basic way, is built on the songs we create.

Declaration

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 27, 2006
Colorado Springs, Colorado

Victoria Shaw

CO Trial
Ex. 7

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	Docket No. 2006-3 CRB DPRA
Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	

WITNESS STATEMENT OF STEPHEN PAULUS ON BEHALF OF NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC., THE SONGWRITERS GUILD OF AMERICA AND THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. My name is Stephen Paulus and I live in St. Paul, Minnesota. I have been a composer of operas and other "serious" music for 30 years. I submit this statement to describe the important contributions American composers make to the American cultural landscape and to show why the Tribunal should adopt an appropriate increase in the statutory rate for mechanical rights.

2. In brief, my ability to earn a living in my chosen profession is entirely dependent on what I can earn for the intellectual property I create. I am fortunate to be considered one of the most successful American composers of classical music of my generation. My music has been performed all over the world and has been recorded on more than fifty records and CDs during my career. Yet I receive only a small amount each year from these recordings and must make my living on commission fees for major pieces. Those who have recorded my music have been able to earn greater sums from those recordings than I. A modest increase in the statutory rate would provide a fairer return to the composers who make the whole recorded music

industry possible. It would impose little additional burden on those who use our words and music.

Background

3. I have long had an interest in music. Both of my parents had musical backgrounds. My mother, a homemaker and an interior designer, studied piano while she grew up and played at home when I was growing up. My father worked at 3M and was an organist by avocation. He played at church and was a talented improviser. I have fond memories of listening to him play the pipe organ, and I believe that it was while doing so that my own desire to create began. My father had an old Reed organ on which he used to practice at home, and I started playing on that. I did not have any real piano lessons until I was ten years old.

4. I was always interested in composers. I read biographies of them when I was young. When I was about twelve, I found some blank music paper in the piano bench, and I started filling it up with notes. I soon began writing short piano pieces. They were not too original, but my piano teacher encouraged me.

5. I continued studying piano through college and received a B.A. in piano performance and a liberal arts degree from the University of Minnesota. I realized while I was in college that I did not want to be a performer. I went to graduate school at the University of Minnesota and received a Master's degree and PhD in composition.

6. In 1973, Libby Larsen, a fellow graduate student (and now, successful composer), and I, inspired by our experience at the University of Minnesota, started the Minnesota Composers Forum. This organization, which began with a $400

student activities grant, eventually grew into the American Composers Forum, now the largest composer service organization in the world, which has a yearly budget of $2 million. It is committed to supporting composers and developing new markets for their music. Its programming reaches composers and communities in all 50 states. The Forum supports composers' artistic and professional growth through a variety of commissions, performances, readings and fellowships. In addition to work with the Forum, I have also served on the ASCAP Board of Directors as the Concert Music Representative since 1990.

Life as a Composer

7. When I co-founded the Minnesota Composers Forum, which is now known as the American Composers Forum, my first performances were by graduate music students who gathered together to play pieces we had composed for my classes. These included one of my first pieces, "Three Elizabethan Songs" for soprano and piano. My graduate advisor, Paul Fetler, a composer, told me that the pieces "were not bad." I was encouraged by what I knew were words of high praise from an accomplished composer. Another professor told me that he enjoyed my work, and I realized that I might actually succeed as a composer.

8. I have an affinity for writing for voice. I sang in a choir in high school and enjoyed accompanying many singers during my graduate school years. I am fascinated by the range of color and power in the human voice when paired with words and sound.

9. I did not originally intend to write opera music, nor did I grow up going to the opera, but my teachers and others recognized dramatic qualities in my

instrumental work, and I was encouraged to focus on opera. While I was finishing my PhD, the Opera Theatre of St. Louis asked me to write a one-act opera to commemorate its twentieth anniversary season. I was surprised by the invitation because I had never written an opera before. Nonetheless, I accepted the assignment and wrote my first opera, "The Village Singer." "The Village Singer" has been performed numerous times over the years by more than fifteen opera companies, including the New York Lyric Opera and the Minnesota Opera.

10. Since that first opera, I have been commissioned by the New York Philharmonic, the Cleveland Orchestra, the Atlanta Symphony Orchestra, Minnesota Orchestra, the Dallas Symphony Orchestra, the Houston Symphony Orchestra and the St. Paul Chamber Orchestra. I have written ten operas. Some of my well-known operas include "The Postman Always Rings Twice," and "Heloise and Abelard." "The Postman Always Rings Twice" was the first American Opera to be performed at the Edinburgh Festival, which is the premier international festival for classical music, opera and theater and one of the most important cultural celebrations in the world.

11. One of my most recent notable works is entitled "To Be Certain of the Dawn," which premiered in November 2005. "To Be Certain of the Dawn" was commissioned by the Basilica of St. Mary in Minneapolis, Minnesota and first performed by the Basilica of St. Mary Choir and Children's Chorus and the Minnesota Orchestra to commemorate the sixtieth anniversary of the liberation of the Nazi death camps at the end of World War II. I feel that this is one of my most significant works, because it demonstrates the important role music plays in giving voice to the human spirit.

12. In addition, my work has been performed by the Los Angeles, Philadelphia, and St. Louis Orchestras, the National Symphony Orchestra and the BBC Radio Orchestra. I have served as Composer in Residence for the orchestras of Atlanta, Minnesota, Tucson and Annapolis. I have also received fellowships from the Guggenheim Foundation and the National Endowment for the Arts.

13. My choral works have been performed and recorded by some of the most distinguished choruses in the United States and throughout the world, including the Master Chorale of Washington, DC, the New York Concert Singers, Dale Warland Singers, the Los Angeles Master Choral, Robert Shaw Festival Singers, New Music Group of Philadelphia, and the Mormon Tabernacle Choir.

The Mechanical Rate Should be Increased

14. I am very fortunate that I am able to make a living as a composer. Not many composers of serious music can rely on the proceeds of their compositions to make a living. Most need to so something else to support themselves and their families. For example, many of my colleagues work as professors and write music on the side. I knew that I wanted to devote all of my energies to being a creator. I made a pact with my wife that I would try to make a living as a composer for three years after graduate school. We agreed that if it did not work out, I would apply for a teaching position. Fortunately for me, it worked out. I am very grateful to be considered one of the more successful composers of my generation.

15. Putting aside the grants I have received on occasion, my entire income comes from the proceeds of my compositions. These proceeds are of a number of principal types: commission fees for compositions, rental fees for the musical

materials, including scores and parts, mechanical royalties from the sale of musical works, and performance royalties.

16. Most of my income comes through commissions. They can vary in amount from $6,000 for a shorter piece to $100,000 for a full opera. On average it takes me 13 to 14 months to write a full opera. I then have to spend more months working with the opera company to finalize and perfect the work. And I have to work hard to secure such commissions in the first place. While I have had many commissions in the past, there is never a guarantee that I will receive them in the future.

17. Even though I only receive a small portion of my income from mechanical royalties, every penny I receive counts. Performance royalties are rarely significant for a composer of serious music given the limited airplay it receives. Music in the classical genre does not sell like pop, country or rap songs, so mechanical royalties comprise a much smaller portion of serious composers' incomes. But, that does not mean that we should not be compensated fairly for our work. I am one of the most frequently recorded contemporary composers and my songs have been recorded on more than fifty CDs. My best-selling work is a piece from my opera "Three Hermits," entitled "Pilgrim's Hymn." This short piece has been recorded approximately thirty times and, through those deals, approximately 30,000 CDs were made, which is widely regarded as a very high number for serious music but would not even constitute a "gold" record. I estimate that I have earned $13,000 in mechanical royalties for that piece; this figure includes the publisher's share, as I am currently self-published.

18. An increase to the mechanical rate is important to music publishers as well. I am currently self-published, but when I was first starting out as a composer, my music publisher European American Music ("EAM") was instrumental to my success and development as a composer. For example, EAM helped me to procure a very prestigious commission from the Naumburg Foundation. I was commissioned to write a quintet for brass, which was performed at Lincoln Center. This commission was important both for the money it provided and for the level of prestige it added to my career. EAM was also crucial in my getting the rights to the story for "The Postman Always Rings Twice," which was adapted from the book of the same title. As I wrote this opera when I was a relatively new composer, I did not have the clout to obtain the rights myself. Instead, the president of EAM helped me by obtaining the rights for me.

19. I did not become a composer to earn money. In fact, I believe in the words stated by music theorist Johann Josef Fux, "He who would seek riches should seek elsewhere." However, I am a firm believer that the creators in our society should be compensated fairly for what they produce. Music is a touchstone for our culture and our lives. Yet, currently, many composers are forced to scrape by or rely on teaching or other jobs to support themselves. We need an increase in the mechanical royalty so that we can keep creating.

CO Trial
Ex. 22

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	Docket No. 2006-3 CRB DPRA

AMENDED EXPERT REPORT OF WILLIAM M. LANDES
ON BEHALF OF
NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC.,
THE SONGWRITERS GUILD OF AMERICA AND
THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

1. I, William M. Landes, am the Clifton R. Musser Professor of Law and Economics at the University of Chicago Law School. I received a Ph.D. in Economics from Columbia University in 1966. Since that time, I have taught economics on the faculties of Stanford University, Columbia University, the Graduate Center of the City University of New York, and the University of Chicago (where I have been a professor at the Law School for the past 33 years). I specialize in the economic analysis of law, industrial organization and intellectual property. At the University of Chicago Law School, I teach courses on economic analysis of law, intellectual property and art law. I have taught and published extensively on antitrust and intellectual property matters, and I co-authored a book with Richard A. Posner titled The Economic Structure of Intellectual Property Law, which has been translated into several languages and recently received an award from the City of Venice for its contribution to "intellectual property culture." From 1991 to 2000, I served as Editor of The Journal of Legal Studies and from 1975 to 1991, I served as an Editor of The Journal of Law and Economics, both of which

are leading academic journals in the field of law and economics. I currently serve on the Editorial Board of the Journal of Cultural Economics. I served as President of the American Association of Law and Economics in 1992-93.

2. In addition to my academic experience, I am Chairman Emeritus of Lexecon, an economics consulting firm that I co-founded in 1977 with Richard A. Posner and Andrew M. Rosenfield. At the time of the filing of my original written testimony in this proceeding, I was Chairman of Leaf Group LLC, where I worked from 2003 to 2007. A copy of my curriculum vitae that lists my publications and identifies cases in which I testified in the four years preceding the filing of my initial report is attached as Exhibit A to this report. A list of documents that I considered or relied upon in connection with my initial and amended reports is attached as Exhibit B, and such documents include CO 17 to 49, 101 to 125, 151 to 178, 218 to 221, 251 to 432 and 512 to 580, as well as COA 1 to 13, 50 to 206, and 400 to 458, which are incorporated herein. I am being compensated for my time at the rate of $900 per hour.

I. INTRODUCTION AND SUMMARY OF CONCLUSIONS

3. I have been asked by counsel for National Music Publishers' Association, Inc. ("NMPA"), the Songwriters Guild of America and the Nashville Songwriters Association International (collectively, the "Copyright Owners") to offer my opinion on whether the Copyright Owners' proposal for statutory rates for compulsory licenses to make and distribute phonorecords ("mechanical licenses") under Section 115 of the Copyright Act is reasonable and satisfies the criteria set forth in Section 801(b) of the Copyright Act. This amended report incorporates information I have reviewed that was gathered through the discovery process.

4. The Copyright Owners have proposed the following set of statutory rates for 2008:

   a. For physical phonorecords, a penny rate equal to the greater of 12.5 cents per song or 2.4 cents per minute of playing time or fraction thereof;

   b. For Permanent Downloads, a penny rate equal to the greater of 15 cents per track or 2.9 cents per minute of playing time or fraction thereof;

   c. For Limited Downloads, a rate equal to the greatest of (i) 15 percent of revenue attributable to music; (ii) one-third of the total content costs paid for mechanical rights to musical compositions and rights to sound recordings; or (iii) the greater of $.0033 per use or $0.00064 per minute of playing time or fraction thereof;

   d. For Interactive Streaming, a rate equal to the greatest of (i) 12.5 percent of revenue attributable to music; (ii) 27.5 percent of the total content costs paid for mechanical rights to musical compositions and rights to sound recordings; or (iii) the greater of $.00275 per use or $0.00053 per minute of playing time or fraction thereof;

   e. For Ringtones, a rate equal to the greatest of: (i) 15 percent of revenue; (ii) one-third of the total content costs paid for mechanical rights to musical compositions and rights to sound recordings; or (iii) 15 cents per ringtone.

   All penny and fractional penny rates would be indexed prospectively for periodic changes in the CPI.

5. Section 115(c) of the Copyright Act provides that "the exclusive rights . . . to make and distribute phonorecords of [nondramatic music works] are subject to compulsory licensing." The compulsory license becomes available once a

recording of the copyrighted work has been distributed to the public with the copyright holder's authorization ("first use"). The Act provides that "the royalty under a compulsory license shall be payable for every phonorecord made and distributed in accordance with the license."

6. Historically, "phonorecords" were physical products, starting with player piano rolls in the early 1900s, and then followed by gramophone records (analog sound recording devices such as 33, 45 and 78 rpm records and LPs), 8-track cartridges, cassette tapes and then CDs. Since the 1990s, digital products not embodied in physical media have gained sales. The law recognizes that these also fall under Section 115: the grant of a compulsory license entitles the licensee to "distribute or authorize the distribution of a phonorecord . . . by means of a digital transmission which constitutes a digital phonorecord delivery, regardless of whether the digital transmission is also a public performance of the sound recording . . . . (Section 115(c)(3)(A))."
7. The last litigated proceeding to set a compulsory license rate took place in 1980. In that proceeding, the compulsory rate for a mechanical license was set at 4 cents, with scheduled increases effective in 1983, 1984 and 1986 to 4.25 cents, 4.5 cents and 5 cents, respectively. As a result of voluntary agreements the rate has moved subsequently in incremental steps to the current rate of 9.1 cents.[1]
8. Each of these rates was denominated as a number of cents (known as a "penny rate"). Consumers purchased embodied music in discrete units or "bundles" – an

[1] My staff at Leaf prepared a figure which shows that the statutory rate of two cents that was set in 1909 would have become 41 cents today if it had been adjusted for changes in the CPI from 1913 onward (the first year that the CPI was reported).

LP, cassette tape or CD, for example – and the associated royalty obligation for a compulsory mechanical license was a penny rate multiplied (generally) by the number of individual compositions, or songs, contained in that physical product. In effect, this meant that the more songs included in a bundle, the greater the mechanical licensing fees and the greater the cost and price of the recording.

9. This norm established uniform pricing equivalent to an "average" price for "hits" and "non-hits," since most LPs and CDs contain a mix of the two. The transition to purchasing individual songs (mainly "hits") in the digital world (i.e. "unbundling") represents an increase in the average value of music sold but a likely reduction in compensation to songwriters from music sold unless the mandatory rate rises to offset the likely decline in the total number of songs sold.

10. With the advent of digital transmissions, music distribution models have become vastly more varied and today are rapidly evolving. First, there exist today a number of subscription services for which the ultimate consumer pays a fixed monthly fee, but does not pay a per-unit fee for each downloaded or streamed song. Today, that fee generally does not depend much on whether the subscriber downloads 10, 100, or 1,000 songs, or indeed on whether the subscriber downloads any songs at all (although the fee may vary depending on whether songs are transferable to a portable player).

11. Second, certain online music services limit the time that and/or the location where music can be stored. A service may permit unlimited downloads for a single monthly fee, but those downloads are rendered inaccessible if the next month's fee is not paid. Some services provide interactive streaming where, in effect, the download is delivered for listening at the user's request. Some services limit the

number of computers to which a song may be downloaded and some do not permit the downloaded songs to be burned to a CD. I understand that, irrespective of the business model used to distribute musical compositions, a mechanical license is required.

12. Apple's iTunes currently is the most popular full digital download service. Information produced by Apple during discovery shows that currently it sells over [redacted] songs in the United States each quarter.[2] The vast majority of online purchases of music are of single tracks (unbundling), and only a fraction of sales are of full albums. For new releases, in particular, most users buy individual tracks or songs (typically "hits") and not CDs or albums.[3] This shift to purchasing "hits" fundamentally transforms the compensation likely to be paid to creators who now only receive mechanical royalties for "hits" but are not compensated for the greater average value of a song made possible by unbundling and the possible loss of royalties on non-hits previously bundled with CDs.

13. An important question I address in my report is whether the rates and terms of the statutory mechanical license should be the same for all types of music distribution business models. From an economic standpoint, I conclude that the rates and terms of the compulsory license should not cause consumers and other users of copyrighted music to make inefficient choices across distribution types (i.e.,

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[2] See iTunes Music Store P&L, DIMA_2006-3_CRB_DPRA003808-3832, attached as Exhibit COA 1.

[3] My analysis of the RealNetworks Top Tracks data produced in discovery in this matter shows that a single song typically accounts for more than approximately [redacted] percent of the downloads from any album. See DIMA_2006-3_CRB_DPRA046456-47348; DIMA_2006-3_CRB_DPRA047349-48721; DIMA_2006-3_CRB_DPRA048722-50092; DIMA_2006-3_CRB_DPRA050093-51461; DIMA_2006-3_CRB_DPRA051642-53517; DIMA_2006-3_CRB_DPRA053518-54894; DIMA_2006-3_CRB_DPRA054895-56275.

choices not affected by true resource costs). The new business models for delivery of recorded music are substitutable for one another, and so it is economically appropriate to provide a common framework for licensing mechanical rights based on the value of the underlying music. However, it may be economically efficient in certain cases for the statutory price and terms to differ for different types of music embodiment and delivery to take account of historical licensing practices and thereby to avoid costs associated with disrupting established practices. For instance, while a penny royalty rate has been used for over a century to license physical music products, agreements between the record companies and subscription services that were produced during discovery show that [redacted]

14. The rest of my report is organized as follows. First, I review and explain the economic principles that guide my application of the four objectives in Section 801(b) of the Copyright Act that the CRJs are required to apply in determining the statutory mechanical license rate. Second, I describe the terms of the current compulsory license and how the economic principles that I identified are reflected in the license rates and terms. Third, I describe the Copyright Owners' proposal for the statutory rate for physical products and permanent downloads and explain how this is consistent with the economic principles underlying the four objectives that the CRJs must consider. Fourth, I provide a similar analysis for (a) limited downloads and (b) interactive streaming services, again explaining that the

Copyright Owners' proposal for statutory rates for these services is reasonable from the standpoint of economics. Finally, I explain why the Copyright Owners' proposal for statutory rates for ringtones is reasonable.

15. All of the parties have produced a substantial volume of materials during discovery. None of the information I have reviewed in connection with this amended report alters the conclusions in the report I originally submitted about the reasonableness of the Copyright Owners' proposed rates. Indeed, as I discuss throughout this amended report, the information that I have reviewed supports the conclusions reached in my initial report.

II. THE ECONOMIC PRINCIPLES EMBODIED IN THE FOUR OBJECTIVES

16. The economic principles that underlie copyright law are well established.[4] By granting copyright protection to creators of "expressive works," such as musical compositions, society provides economic incentives for their creation. Copyright law gives the copyright holder the exclusive right to prevent others from copying, distributing, adapting and publicly performing the copyrighted work without authorization. Without such protection (and subject to qualifications such as fair use), persons could use these works without providing any compensation to the creator, which in turn would reduce the incentive to create the work in the first place.

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[4] I discuss the economics of copyright law at length in my book co-authored with Richard Posner entitled The Economic Structure of Intellectual Property Law (2003).

17. Copyright protection also generates access costs, however, because the price charged for copies generally exceeds the marginal cost of making and distributing copies in order to provide revenue to compensate creators for the time and effort in creating the work. Access costs fall on both consumers and creators of subsequent works, who reduce their use of copyrighted works in response to higher prices made possible by copyright protection. From an economic standpoint, the principal doctrines of copyright law best can be understood as efforts to promote economic efficiency and social welfare by balancing the benefits from providing incentives for persons to create and distribute copyrighted works against the costs of limiting access to these works.

18. I use the term "creators" in this report to refer to both the actual songwriters of copyrighted music and the publishers who may hold the copyrights to the music. When I discuss the costs of creating music, I include the time, effort and other costs of songwriters and publishers. Publisher and songwriter statements submitted in this proceeding explain that publishers often find, nurture and finance songwriters until they are "discovered" or (if they are singer-songwriters) obtain a recording contract.

19. The "compulsory" mechanical license eliminates the creator's right to prevent others from copying and distributing his work without his consent and thus limits the protection afforded by copyright law. Although the market generally does a better job of establishing efficient prices and providing incentives for efficient production than does a regulatory body, there are some circumstances where a compulsory license that grants rate-setting authority to regulators might better promote economic efficiency. One such circumstance is where the transactions

costs of market arrangements are so high that they deter otherwise value-increasing licensing transactions. In this circumstance, a compulsory license may enable such transactions to occur. Another possible circumstance is where one party has acquired substantial monopoly power and is able to extract inefficiently high prices that produce large access costs. Here a compulsory license could limit the exercise of monopoly power, reduce access costs and still provide sufficient incentives to produce the product.

20. I understand that the compulsory mechanical license for musical works was initially instituted to provide a mechanism for licensing mechanical rights and possibly avoid the uneconomical effects of monopoly. Today, it is unlikely that concerns about transactions costs or about monopoly power provide economic justification for the compulsory mechanical license (I discuss below why transactions costs likely are low and creators lack market power). However, my task is not to consider the desirability of a compulsory license, but rather to evaluate whether the Copyright Owners' proposal for rates for that license is reasonable given the statute as it exists today.

21. Copyright law guides the CRJs in determining the appropriate statutory rate for the compulsory mechanical license. Section 801(b) of the Copyright Act provides:

> The rates applicable under sections 114(f)(1)(B), 115, and 116 shall be calculated to achieve the following objectives:
>
> (A) To maximize the availability of creative works to the public;
>
> (B) To afford the copyright owner a fair return for his creative work and the copyright user a fair income under existing economic conditions;
>
> (C) To reflect the relative roles of the copyright owner and the copyright user in the product made available to the public with respect to relative creative contribution, technological contribution, capital investment,

cost, risk, and contribution to the opening of new markets for creative expression and media for their communication;

(D) To minimize any disruptive impact on the structure of the industries involved and on generally prevailing industry practices.

As I show below, the CRJs' consideration of these four objectives in setting rates for a compulsory license holds out the prospect of both enhancing the incentives to create musical compositions and limiting access costs, thus promoting economic efficiency.

22. The first and second objectives that are identified in Section 801(b) of the Copyright Act – "[t]o maximize the availability of creative works to the public" and "[t]o afford the copyright owner a fair return for his creative work and the copyright user a fair income under existing conditions" – are closely related in their economic interpretation. Both imply that the statutory rate should be set at a level that provides both adequate incentives for creative efforts by songwriters and access to copyrighted works (i.e., that limits access costs). The prescription to provide incentives for creation through a fair return for creative work calls our attention to the potential problems that would arise from setting a compulsory rate that is so low that it does not provide adequate financial incentives for persons to create music. To be sure, a low rate would encourage access to existing works but, in the long run, fewer new works would be produced and social welfare would decline. Stated differently, a "low" rate discourages the creation of music by reducing payments to creators (both current and prospective songwriters) who at the margin would not find it as remunerative to create additional songs that users value and would be willing to pay for if they did not opt for the lower statutory rate.

23. If the statutory rate were set too low to promote the goal of "maximiz[ing] the availability of creative works to the public," the harm would not be self-correcting in the marketplace. The statutory rate becomes a ceiling on rate negotiations, even if voluntary negotiations in the absence of the compulsory license would lead to higher royalties. In other words, economic theory predicts and historical experience shows that licenses are negotiated at rates below but never above the statutory rate. No potential user will offer to pay a publisher more for the right to use a composition than he has to pay if he takes a compulsory license. The net result is that creators will be deprived of the market value of some of their compositions and the creation of new works will be discouraged.

24. The opposite, however, is not true: the statutory rate does not set a floor on negotiations between rights holders and licensees. If the statutory rate is higher than a particular user is willing to pay, then the user and publisher have an incentive to agree to a lower rate. Thus, an "excessively high" statutory rate would probably have only a negligible impact on both incentives to create music and access costs. That is, a statutory rate fixes a maximum (but not minimum) rate, since potential users have the option to negotiate lower rates, and thereby to avoid reduced access to music. The materials produced in discovery in this proceeding, which I discuss below, provide evidence that parties are not prevented from negotiating below the statutory rate when the result would be mutually beneficial.

25. Moreover, there does not appear to be any significant dispute between the Copyright Owners and the Recording Industry Association of America ("RIAA") concerning the fact that music publishers often license musical works below the

statutory rate. David Teece, the chief economic expert for the RIAA, stated in his deposition testimony that licenses below the statutory rate were "very common."[5] Ron Wilcox, Executive Vice President and Chief Business and Legal Affairs Officer at Sony BMG, testified in his deposition that he was aware that publishers have often agreed to license products below the statutory rate.[6] David Munns, the Chairman and CEO of EMI Music North America when written direct statements were initially filed, likewise gave deposition testimony acknowledging that EMI sometimes negotiated for mechanical licenses below the statutory rate.[7]

26. A principle of economics (the Coase theorem first described by Professor Ronald Coase, my former colleague at the University of Chicago Law School for over 25 years) is that a mutually beneficial outcome between copyright owners and users will be reached in the absence of high transactions costs. This means that, irrespective of the statutory rate, creators and users will agree on a lower rate if it is in their interest to do so (e.g., if, but for the lower rate, there would be no license and no use of the song). The Coase theorem states that if there is an outcome where the parties can be made better off, and no one made worse off, then it will be reached provided transactions costs do not prevent such an outcome. This implies that, if the statutory rate is higher than the value of the

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[5] Tr. of Deposition of David J. Teece dated Oct. 11, 2007 ("Teece Tr.") at 297:13, attached as Exhibit COA 2.

[6] Tr. of Deposition of Ron Wilcox dated Oct. 5, 2007 ("Wilcox Tr.") at 147:3-147:25, attached as Exhibit COA 3.

[7] Tr. of Deposition of David Munns dated Oct. 16, 2007 ("Munns Tr.") at 136:13-138:7, attached as Exhibit COA 4.

musical work to a potential user, the owner and user will negotiate a mutually beneficial lower rate.

27. There are several possible sources of high transactions costs in markets that may defeat otherwise value-increasing voluntary agreements, but none of these appears to interfere with market transactions for mechanical rights:

a. The parties may be geographically distant, making it difficult to negotiate a transaction. In licensing mechanical rights, physical proximity is irrelevant since transactions in this industry typically are arranged electronically, by telephone or by fax.

b. It may be difficult to identify the party with whom to bargain. This problem can be solved by collective organizations that serve as clearinghouses. This is true here, where the Harry Fox Agency ("HFA") serves as the clearinghouse for the majority of mechanical licenses.

c. Coordination problems from involvement of a large number of parties can lead to hold-out and free-rider problems that may increase transactions costs. This problem is alleviated here because agents such as HFA often coordinate licensing between publishers on one side, who typically have responsibility for licensing their mechanical rights, and the record companies, on the other side, who negotiate to acquire mechanical rights.

28. My understanding of the market leads me to conclude that transactions costs are not likely to prevent publishers and licensees from negotiating below the statutory rate when the parties would find it mutually beneficial to do so. In addition to the HFA licensing data that I describe later in this report, my review of information

produced in discovery provides evidence that negotiations occur below the statutory rate.

29. In sum, the principal danger today in setting a statutory rate for a compulsory mechanical license is setting the rate "too low" rather than "too high." The former discourages the creation of new music and ultimately reduces the number of works available and hence access, whereas the latter provides incentives for the parties to negotiate rates below the statutory rate that are sufficient to encourage the creation of new music without discouraging access. Economic interpretation of the first objective, therefore, warns against the danger of setting "too low" a statutory rate that would undermine the objective of maximizing "the availability of creative works to the public."

30. To be sure, mechanical royalties are not the only determinant of the "availability of creative works to the public," because creators also receive compensation from other sources (such as performance royalties). However, I understand that mechanical royalties account for a substantial portion of many creators' compensation. Figure 1 shows that mechanical royalties account for a large fraction (in the range of 30 to 65 percent in 2005) of total publisher royalties for six publishers for which I have information. Figure 2 shows, for the two publishers for which I have data, the percentage of each publisher's writers' revenue from mechanical royalties. For these writers collectively, mechanical royalties are an important, but declining percentage of total royalties earned. Thus, a reduction in revenue from mechanical licenses could materially reduce the income of songwriters and hence the incentive for creation.

31. I note that creators and licensees (e.g., record companies and digital service providers such as Apple) and consumers of music have a common interest in maximizing the availability of creative works. All parties benefit from high-quality and abundant creative works, even though they may disagree on how the revenues from these musical creations should be divided. Record companies and firms offering subscription services, permanent downloads, etc., benefit from greater availability and higher quality of creative works. Even if the statutory rate exceeds the willingness to pay for some record companies or online music providers, these companies (and ultimately consumers) will not be injured, because they can seek and obtain licenses below the statutory rate.

32. In contrast, if the compulsory rate were set too low (for example, at a rate below the level that would provide sufficient incentives to cover the costs of creating and developing new music), record companies and online music service providers would obtain licenses on terms that, by assumption, discourage the creation and availability of new works. Ultimately, consumers would be injured by this low statutory rate, because it weakens the incentives for creating and developing new music.

33. A basic principle of economics is that efficiency is promoted if choices among competing goods are based on their marginal costs of production. This statement is true generally for physical goods, because these "rival goods" are used up when they are consumed and so efficient choices are made when prices reflect the cost of the resources used to produce and market them (or, more technically, when price equals marginal cost). The situation is more complex for non-rival goods, such as intellectual property. These goods are costly to create but, once created,

the cost of making additional copies or expanding use often is negligible. In order to provide incentives to create music, one still must cover the cost of producing (or creating) the good and the marginal cost of making additional copies. However, if price were equal to marginal cost (i.e., the cost of copying), there would be no revenue left over to cover the cost of creating the intellectual property, which, in turn, would reduce or even eliminate the incentive to create the intellectual property in the first place. Consequently, for intellectual property, efficiency may require setting prices above marginal costs such that the benefits from enhancing incentives to create new works more than offset the harm from reduced access.

34. When technology is advancing rapidly, different business models of music distribution should be permitted to develop and compete to provide music to consumers, because in the long run this will maximize availability of creative works to the public. Put differently, the supplier of an input, whether a physical input or intellectual property such as a song or sound recording, prefers that distributors and others use the most efficient distribution system, because that tends to expand demand for the input and to generate higher revenue. To an economist, the goal in setting a system of statutory rates is that they not discourage the development of new and efficient methods of distributing or delivering music, which benefit both songwriters and consumers.

35. My review of information that has been introduced by the RIAA reinforces my view that the development of new models for music distribution and delivery has not been hindered by the current rate structure. Mr. Wilcox of Sony BMG, for instance, spent part of his written statement explaining the new products and

services that have flourished in recent years.[8] In his deposition, Mr. Wilcox testified to the importance to his company of exploiting opportunities in the digital sector, which was the motivation behind entering into New Digital Media Agreements with music publishers in late 2004.[9]

36. I interpret the second objective – to provide a "fair" return or income to creators and copyright users "under existing conditions" – to have a similar interpretation to that of the first factor, namely that the statutory rate should be sufficient to encourage the creation of music and, at the same time, the rate should not be so high that it discourages the distribution of music and the development of new and innovative methods of delivering music. That is, the rate must provide incentives to create music and, at the same time, not discourage users or licensees from providing consumers with music they value.

37. New technologies that substitute for older and more traditional methods of delivering music to consumers tend to increase the value of and hence the demand for the underlying musical works, both new and old. In a market setting, this increase in demand ordinarily would lead to an increase in compensation received by creators of these musical works. Thus, a new technology – such as digital delivery of music – that may reduce the demand for CDs but increase the overall demand for music generally should result in an increase in overall mechanical royalties to Copyright Owners.

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[8] See Written Testimony of Ron Wilcox, pp. 9-17.

[9] See Wilcox Tr. at 178:21-179:14, attached as Exhibit COA 3.

38. I understand that a download or interactive stream of a musical work requires the user to obtain a mechanical license that recognizes the rights of the copyright holder. The lawful owner of a physical copy can use that copy, subject to limitations (such as manufacturing and distributing copies) that would compromise the rights of the copyright owner. Since these same or equivalent rights also are offered by digital distribution methods, including interactive streaming, they should be subject to a "comparable" mechanical license in order to provide incentives for both producers and consumers to develop new technologies in an efficient manner.

39. The economic interpretation of a "fair" return, which is required by this second objective, is a rate that would be voluntarily negotiated in a market between willing buyers and sellers, and that would be sufficient to cover the full costs of producing and distributing the good. Typically, such a rate would promote access and efficient production of intellectual property. When, as here, a statutory rate serves as a "ceiling" on the outcome of such negotiation, it may be lower than the rate that would be freely negotiated if there were no statutory rate. A statutory rate that is "low" in this latter sense runs the risk, therefore, of being "unfair" in the sense that it would discourage the creation of new music and ultimately reduce the number of works available to consumers.

40. Although the original rationale for the compulsory license may have been concern about possible monopoly power,[10] this is not a concern today. No creator has a position remotely approaching a monopoly in the stock of existing and future music. Moreover, much of the demand for music is for newly created music, the supply of which is unconcentrated. A "high" statutory rate will not reduce access because lower valuing users (i.e., users who value music below the statutory rate) can freely negotiate below that rate. Empirical evidence from HFA, as well as the deposition testimony of RIAA witnesses, discussed earlier, show that royalty rates below the compulsory rate are negotiated in the marketplace.

41. Two other "objectives" identified in Section 801(b) are to be considered in setting the compulsory mechanical rate. The first is that the rate should "reflect relative roles of copyright owner and user in the product made available to the public with respect to (1) creative contributions, (2) technological contribution, (3) capital investment, (4) cost, (5) risk and (6) contribution to opening new markets." This is consistent with the goal of promoting economic efficiency – that is, to provide financial incentives to both creators and users of creative works to undertake efforts that ultimately make more valuable works available to consumers.

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[10] According to the Register of Copyrights, "Congress [in 1909] ... was concerned that the right to make mechanical reproductions of musical works might become a monopoly controlled by a single company. Therefore, it decided that rather than provide for an exclusive right to make mechanical reproductions, it would create a compulsory license in Section 1(e) of the 1909 Act which would allow any person to make 'similar use' of the musical work upon payment of a royalty of two cents for 'each such part manufactured.'" See Statement of Marybeth Peters, The Register of Copyrights, before the Subcommittee on Courts, The Internet and Intellectual Property of the House Committee on the Judiciary, United States Senate, 108th Congress, 2d Session, March 11, 2004, attached as Exhibit CO 514 to my initial report.

42. Songwriters, publishers, record companies and distributors jointly contribute to making music. I understand from my review of publisher and songwriter statements that both make an important and meaningful contribution. The contributions of publishers and songwriters should be reflected in the statutory rate.

43. The last statutory objective to be considered by CRJs is "minimiz[ing] any disruptive impact on the structure of the industries involved and generally prevailing industry practices." Again, this can be understood as promoting economic efficiency, because abrupt changes in costs or established patterns of obtaining and compensating creators for use of their works can be costly and inefficient. Thus, all else equal, licensing schemes that work well and for which institutions and procedures are in place should be preferred over new approaches. As I discuss below, this suggests that historical reliance for physical products and permanent downloads on a penny royalty rate for each "copy" should receive deference over a percentage of revenue rate, unless there are significant new economic considerations favoring a percentage rate. Modest increases in a penny rate for the compulsory license will not disrupt or require modification of pricing or discourage record companies or online music service providers from developing new and innovative products.

44. This conclusion is reinforced by my earlier point that, since the compulsory license sets a maximum rate, the parties are free to negotiate below that rate or on different terms if the alternative produces a more efficient outcome.

III. BENCHMARKS FOR EVALUATING THE REASONABLENESS OF THE COPYRIGHT OWNERS' PROPOSAL

45. Currently, the statutory mechanical license royalty rate for both physical phonorecords and permanent downloads is 9.1 cents.

46. I understand that no rate has been set for digital transmissions other than permanent downloads, although the RIAA, in 2001, entered into an agreement (followed by a number of digital music companies) acknowledging that such transmissions require a mechanical license. Since 2001, online music services offering limited downloads and interactive streams have avoided infringement by obtaining a mechanical license through HFA or directly from publishers, although I understand that the royalty rate in HFA licenses is "Statutory To Be Determined." I also understand that the outcome of this proceeding will affect retroactively the rate paid under those licenses.

47. Economists view voluntary transactions as the best way of evaluating the value and appropriate price for products and services, including intellectual property. It is through such transactions that market participants (including creators and users of their creations) reveal their willingness to buy and sell – the critically important information that regulators can use to set rates that take account of and balance the interests of both creators and users of music. It also follows that transactions that take place in the shadow of compulsion and a price ceiling may not provide as useful information as do unconstrained or unfettered transactions, but still provide some evidence of the value attached to intellectual property by buyers and sellers.

48. In evaluating the reasonableness of a proposed statutory mechanical royalty ceiling, I believe that the best economic evidence is obtained from voluntary agreements – especially those that take place in situations where there is no mandatory statutory license. I have obtained information about three situations that provide evidence on the publisher's share of revenue from music embodied in a sound recording (or provide a proxy for this) when the publisher's royalty is not limited by statute, or not limited relative to the amount received by the sound recording. When the publisher and the record company license the user separately and the user needs both rights in order to legally offer its product or service, and when no compulsory license is available, I find that the publisher's share of the total license fees paid for the song and the sound recording ranges from about one-fifth to one-half.

49. My first evidence is market transactions for synchronization licenses. As shown in Figure 3, revenue from synchronization licenses accounts for up to 30-40 percent of publishers' total royalty income (based on data from six publishers). In order to "synchronize" a prerecorded song with visual images, such as those in movies, televisions shows and commercials, a synchronization license must be obtained from the music publisher (for the song) and a "master use" license must be obtained from the record company (for the sound recording). Neither of these rights is subject to a compulsory license, and both the music publisher and the owner of the sound recording can refuse a license, and thereby deny the producer of the movie, television show or commercial the ability to use the music. I understand that, typically, the license fees paid for these two rights are the same, so that each of the publisher and record company gets 50 percent of the total

content pool of the song and sound recording (and the publisher also gets performance royalties in television and commercials).[11] I also understand that this equality in synchronization license fees has been supported by use of most-favored-nation ("MFN") provisions in licenses between users and both publishers and record companies, so that the licensee is obligated to increase retroactively the fee paid to one party if the user later agrees to a higher license fee with the other rights owner.[12]

50. My second evidence comes from The Audio Home Recording Act of 1992, which provides for royalties on digital recording devices and media. This legislation was passed in response to concerns that the new Digital Audio Tapes would allow consumers to make perfect digital copies of music, and harm the market for audio recordings. Under the Act, royalties are split one-third for the Musical Works Fund and two thirds for the Sound Recording Fund, giving publishers and songwriters one third of the total. Although this is not technically a license, it reveals Congress's view of the appropriate allocation of the content pool between these two sets of rights holders.

51. My third evidence comes from voluntary agreements for ringtones and, in particular, mastertones, that have been negotiated in the past few years. Providers of mastertones must obtain the rights to both the sound recording and song. Although the RIAA has maintained that mastertones are subject to the

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[11] See Witness Statement of Karyn Ullman, In the Matter Of: Digital Performance Right in Sound Recordings and Ephemeral Recordings, Docket No. 2005-1 CRB DATA, attached as Exhibit CO 514 to my initial report.

[12] Id. In addition, I reviewed synchronization rights contracts between producers and publishers that contain MFN clauses.

compulsory mechanical license, the NMPA and others have disagreed, and voluntary negotiations have occurred in the shadow of possible determination that the compulsory license will be found to apply. My review of these agreements suggests that song creators' share of the total royalties for the song and sound recording tends to be 20 percent.[13] Although these agreements have been entered into voluntarily, they were negotiated under the shadow of possible mandation. (My detailed analysis of these agreements is described below in Part VI.)

52. Even though the absolute value of prerecorded music may differ across uses, the division of total content value between the sound recording (or master) and the publisher (which together supply the "content pool") provides information about the reasonable mechanical royalty when rights to the sound recording are negotiated freely but the right to the mechanical is subject to compulsory licensing and rate setting. In addition, a proxy that links the statutory mechanical rate to market transactions for rights to sound recordings will reflect the market valuation of music when there is rapid and dramatic evolution of music distribution models. I conclude that the publisher's share of the content pool in uses where both rights are freely licensed is an appropriate proxy for a reasonable rate for a compulsory mechanical license.

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[13] Although I was able to review a limited number of New Digital Media Agreements ("NDMAs") prior to the submission of my initial report, I have since reviewed additional NDMAs that were produced by the RIAA. As a result, I have revised the estimate for the song creators' share of the ringtone content pool from the range used in my initial report (20 to 25 percent), because it is now clear that there is a typical pricing practice under these agreements that provides the publishers with the greater of $0.10, 10 percent of the retail price, or 20 percent of the wholesale price on ringtones. The NDMAs produced by the RIAA are contained at Exhibits COA 93-95, 123-124, 199 and 202-206.

53. I now examine the Copyright Owners' proposals using as guidance the voluntarily agreed upon ratio of royalties for the musical work to the combined royalties for the mechanical license and the sound recording. If the proposed rate is in the range between 20 percent (based on the minimum specified in the NDMAs for ringtones) and 50 percent (based on synchronization licenses) of the content pool, I conclude that it is reasonable.

IV. THE RATES PROPOSED BY THE COPYRIGHT OWNERS FOR PHYSICAL PHONORECORDS AND FULL DIGITAL DOWNLOADS ARE REASONABLE

54. The mechanical royalty rate together with performance royalties and other copyright-related revenues compensate creators of musical works for the value created by their underlying compositions. There has been no apparent reduction in the value of songs to consumers in recent years. Indeed, the total "value" appears to have grown substantially; copies of musical works are ubiquitous: on computers, portable players, for sale as CDs in bookstores, computer electronics stores and a vast array of on-line stores, etc. Because much of the music that is sold is newly created,[14] a continuing supply of popular music requires that creators receive appropriate compensation for their works. A substantial fraction of the use of music is of "hits" that have been recently created. The existing stock of music often is not a good substitute for new creations, so the effect of the statutory rate on the incentives to create new music should heavily influence determination of that rate. In addition, a policy that undercompensates creators

[14] Data from EMI show that up to 35 percent (depending on the year) of EMI's mechanical revenue is from songs that are less than three years old.

for existing works could reduce the incentive to create new music, because creators of music today recognize that the reward for successful innovation is a future stream of royalties. If future revenue streams are not sufficient, the effect may be to diminish innovation today.

55. The Copyright Owners propose a statutory mechanical rate for physical phonorecords – which today are primarily CDs – the greater of 12.5 cents or 2.40 cents per minute or fraction thereof for 2008, with the rate indexed for changes in CPI over the succeeding four years. They propose a statutory mechanical rate for permanent downloads of the greater of 15 cents or 2.90 cents per minute or fraction thereof for 2008, with this rate also indexed for changes in the CPI. Based on my analysis, I believe that both these rates are reasonable and indeed that they are low relative to the benchmark of one-fifth to one-half of the music content pool that I explained above. I understand that the Copyright Owners propose these, and not higher, rates for forms of distribution for which statutory rates exist today in deference to established industry norms in a period of technological transition.[15]

A. A Statutory Rate of 12.5 Cents is Reasonable for Physical Phonorecords

56. I base my conclusion that the Copyright Owners' proposed statutory rate for physical phonorecords is reasonable on the following analysis.

    a. First, I examine data on license agreements between HFA and the record companies.

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[15] Higher rates also may be reasonable. However, because the other parties in this proceeding will not propose a higher rate, I view my assignment as considering only whether the rate proposed by the NMPA is too high.

b. Second, I consider how piracy affects returns to artists and thus incentives for creation.

c. Third, I evaluate whether the Copyright Owners' proposal results in a mechanical royalty rate in the range of 20 to 50 percent of the content pool, for reasons that I described above;

d. Finally, I consider whether a statutory license fee calculated as a percentage of revenue or of the price of a physical or digital copy is preferable to a penny rate royalty.

1. HFA Data Show that the Current Mechanical Rate for CDs is Too Low

57. I explained above that a statutory rate set too low will deprive artists of some royalty income that they could negotiate in a free market in which users paid based on how much they value the songs. If there were no statutory rate, we would expect a distribution of rates, with some licenses negotiated at rates below the previously existing statutory rate, some near or at that rate, and others above that rate. We can use the distribution of rates today to provide evidence of whether the existing statutory rate is appropriate. If a very large fraction of licenses contained negotiated rates below the statutory rate, it would suggest that the statutory rate is far above the value of the typical mechanical right and that voluntary negotiations established lower market rates. If, instead, only a small percentage of licenses contain rates below the statutory rate, this suggests that few users value mechanical rights at less than the statutory rate and most users value mechanical rights above or at the statutory rate. In the latter case, the statutory rate is lower than the average rate that would be negotiated in a free market and, therefore, is too low to provide a fair return to artists. This low rate would reduce

the income of creators below what it would be in a free market and reduce the incentives to create new musical works. I am not arguing that the statutory rate should be the highest mechanical rate that would be negotiated by any single buyer and seller in a free market. I argue only that it should not be so low that it leaves almost no incentive for any parties to negotiate a lower rate, but instead it should be closer to the "average" that would be paid by a willing buyer and seller if there were no compulsory license.

58. My review of data from HFA on its licensing activity indicates that the voluntarily negotiated rate for physical recordings typically would be higher than the statutory rate if rates were not limited by statute. Certainly, the HFA data provide no evidence that the statutory rate is too high or that the value of musical compositions has declined. I examined licenses issued by HFA from 1996 through 2005 to see whether the rates (relative to the statutory rate) at which HFA issues licenses have changed over this period. If musical compositions were becoming less valuable, and the market value of mechanical rights was below the statutory rate, I would expect that the fraction of HFA licenses for CDs at the statutory rate would be lower and would have fallen over time. I separately examined the licenses issued for controlled and non-controlled compositions, because controlled compositions earn less than the statutory rate because of agreements

between singer-songwriters and their record companies that reduce mechanical royalties.[16]

59. The empirical evidence shows that over the past 10 years the percentage of HFA licensing activity at, rather than below, the statutory rate has increased. Although HFA does not handle all industry licensing, it does handle licensing for many publishers. Therefore, its activity likely is indicative of trends in the industry generally. As shown in Figure 4, the percentage of HFA licenses at the statutory rate for non-controlled compositions was between 82 and 85 percent in 1996-1998, while it reached over 95 percent in 2003 and stayed close to that level through 2005. This increase is statistically significant.[17] In addition, the percentage of HFA licensing at rates of 75-99 percent of the statutory rate declined over this period (a decline that also was statistically significant), from 12-15 percent in early years to less than seven in the later years.

60. I conclude from the statistically significant increase in the percentage of licenses issued at the statutory rate that there has been a decline in recent years in the percentage of uses of musical works where the copyright owners and the user agree that the value of the mechanical right is lower than the statutory rate. Because it is reasonable that there is a distribution of free market values that would exist if there were no statutory rate available, I conclude that this means

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16 Under these clauses, a singer-songwriter's mechanical royalties are reduced; typically the royalty rate is a fraction of the statutory rate and there is also a cap on the number of songs for which the record company will pay mechanical royalties. Examples of these clauses can be found in the agreements attached as Exhibits COA 5-8.

17 This conclusion is based on testing whether the difference in proportions between the years was statistically significant.

that an increased percentage of licenses would have been negotiated at rates above the statutory rate if there were no compulsory license. The statutory rate increasingly has deprived creators of mechanical license revenue that they would receive if there were no compulsory license, and so reduces incentives for creation.

61. Further evidence that the statutory license rate has increasingly become too low relative to the value of mechanical rights is shown in Figure 5, which examines the number of units sold under licenses issued by HFA by license rate. This figure weights the licenses that I examined in Figure 4 by the volume of sales, so that licenses for tracks that are very successful get more weight than those that generate few sales. This figure also shows that the fraction of sales from songs licensed at the statutory rate has increased substantially, from less than 65 percent from 1996 through 2000 to over 80 percent in the past two years. Simultaneously, the fraction of sales distributed under licenses at 75-99 percent of the statutory rate has declined substantially from 34 percent in 1996 to 15 percent in 2005. Again, this evidence shows that the statutory rate increasingly has reduced the amount received by creators for their musical works below the level that would be negotiated in the absence of a compulsory license.

62. Thus, HFA data suggest that the current statutory rate is too low, because it deprives creators of value that users would be willing to pay. In turn, this would reduce the financial incentives for artists to create music. The HFA data show that the statutory rate has become a greater constraint on the value that creators receive for mechanical copyrights. Because the statutory rate is a ceiling on the rate paid for a mechanical license, it "truncates" the rates that would be negotiated

if there were no compulsory license or if the statutory rate were higher. The fact that the amount of HFA license activity at the statutory rate has increased during the past 10 years suggests that the amount of licensing activity that would have occurred in a free market at rates above the statutory rate also has increased. Moreover, a higher statutory rate would not have reduced access to musical works, because users who valued music at less than the higher statutory rate would continue to use music by negotiating for access below the statutory rate.

2. **Creators of Musical Work are Injured by Piracy**

63. The record companies acknowledge that widespread illegal activity has reduced sales of CDs, with RIAA estimating a loss of up to 20 percent of CD sales.[18] Since Copyright Owners do not get paid for illegal reproductions, the effective statutory rate per copy would be about 20 percent less than the statutory rate. Thus, if some fraction of legitimately sold CDs is copied illegally (either burned to blank CDs or distributed and downloaded digitally) and displaces legal sales, it lowers the mechanical royalties received by Copyright Owners. In turn, this reduces the income of songwriters and reduces the incentive to create music.

64. Estimates of the reduction in legal sales from piracy vary substantially.[19] The RIAA claims that piracy has caused a substantial decline in CD sales since 1999. I understand that current statutory rates were negotiated and accepted by the

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18 Testimony of Mitch Bainwol, Chairman and CEO, Recording Industry Association of America before U.S. Senate Committee on Appropriations Subcommittee on Commerce, Justice, State and the Judiciary. 04/29/04, attached as Exhibit CO 515 to my initial report.

19 See, for example, "Symposium: Piracy and File Sharing," 40 J. Law and Economics (April 2006).

NMPA without anticipating the sharp decline in sales from the piracy that the record companies in fact incurred.

3. **A Rate of 12.5 Cents is Reasonable**

65. A statutory rate of 12.5 cents for songs delivered on physical products such as CDs falls in the range of 20 to 50 percent of the combined earnings of the content pool, if not below. The production of a CD involves manufacturing and distribution costs that reasonably should be excluded from the value of the content pool. Figure 5a shows the proposed statutory royalty of 12.5 cents, as a percent of record labels' 2005 wholesale revenues for physical product net of manufacturing and distribution costs ("content pool").[20] The red bar in Figure 5a assumes that the statutory rate applies to all CDs and does not adjust for the possibility of copyright users negotiating mechanical rates below the statutory level. The red bar shows that, even assuming no future increases in CD prices, the 12.5 cents proposed rate for CDs accounts for no more than 24 percent of the content pool embodied in those CDs. The blue bar reflects the result of adjusting for the difference between the statutory rate and the "effective rate," by multiplying the actual mechanical royalties that the labels paid by the ratio of the proposed statutory rate of 12.5 cents to the 2005 statutory rate of 8.5 cents. Thus, the blue bar reflects the effect of lower negotiated rates and compares the effective rate to the average value of the content pool per CD. The blue bar yields an effective

[20] This figure was created using backup data produced during discovery by experts for the RIAA. See backup data produced by David J. Teece, RIAA 15203-15209, attached as Exhibit COA 9, RIAA 15271-15331, attached as Exhibit COA 10; backup data produced by Linda McLaughlin, RIAA 8423-8430, attached as Exhibit COA 11.

rate that is 18 percent of the average value of the content pool per CD. Thus, both bars in Figure 5A show that a statutory rate of 12.5 cents per song falls well within the range of reasonableness.

4. **A Penny Rate, Rather than Percentage of Revenue, is Reasonable**

66. Finally, I conclude that the Copyright Owners' proposal for a penny rate for physical products, rather than a rate calculated as a percentage of CD price, is reasonable. In the initial version of this report, I anticipated that two arguments would be raised in support of changing the historical penny-rate basis of the mechanical royalty (which has existed since the compulsory license was established in 1909) to a royalty based on the record company's selling price: (a) that this would enable the record companies to produce discount CDs that are not economical if they must pay the same mechanical royalty that they pay for full-priced CDs; and (b) that pressure from illegal downloads has forced record companies to reduce CD prices generally, which should be reflected in lower rates paid for mechanical rights. Neither argument is persuasive.

67. First, record companies are not prevented today from issuing budget CDs because mechanical royalty rates are too high. The HFA data show that there is a distribution of license rates, with a number of licenses issued at rates below the statutory rate. In 2005, 6.8 percent of licenses issued by HFA for noncontrolled physical products were at 6.8 cents or less, or at rates that were no more than 80 percent of the statutory rate. This shows that record companies can and do negotiate for a mechanical rate for a particular release that is below the statutory rate, as was further confirmed by the deposition testimony of Mr. Teece and Mr.

Wilcox.[21] There is no economic justification for changing how the statutory mechanical license rate has been calculated for almost 100 years to address a licensing problem that does not exist.

68. Second, historically mechanical license rates have not varied directly with the price of recorded music. For example, the statutory rate for cassette tapes was the same as the statutory rate for CDs, even though in the 1980s and 1990s CDs sold for almost twice the price of cassette tapes.[22] Even if piracy has reduced sales of CDs, it does not justify replacing a penny with a percentage rate. The value of music per lawful copy has not declined and, moreover, creators of music also are injured by reduced sales caused by piracy. For the same reason that the Copyright Owners' propose rates that are lower than ones justified by the range of twenty to fifty percent of the content pool (to avoid disruption to established norms), a penny rate avoids disruption.

69. The HFA data regarding the efficiency of a penny rate is also backed up by the deposition testimony of RIAA witnesses. Mr. Munns could not identify any physical products that EMI had been unable to introduce in the United States due to the use of a penny rate.[23] Mr. Wilcox of Sony BMG also stated that the penny rate in the United State has not adversely impacted his company's ability to

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[21] See Teece Tr. at 297:9-297:13, attached as Exhibit COA 2; Wilcox Tr. at 147:3-147:25, attached Exhibit COA 3.

[22] RIAA data show that in 1990 the average CD price was $12.05, while the average price for a cassette tape was $7.85. See Exhibit COA 10 at RIAA 15322.

[23] See Munns Tr. at 113:14-122:10, 143:6-143:21, attached as Exhibit COA 4. Although Mr. Munns attempted to point to ringtunes and DualDiscs as products whose introduction had been inhibited by the penny rate, he conceded that ringtunes had, in fact, been introduced under a penny rate and that DualDiscs were unsuccessful because of lack of consumer interest. Id. at 113:21-119:8.

produce new products.[24] In his deposition, Mr. Teece was likewise unable to provide any examples of products that were priced more flexibly in countries with percentage royalty rates than in the United States.[25]

5. Summary

70. For these reasons, I conclude that the Copyright Owners' proposal for a statutory rate of 12.5 cents for physical products is reasonable. It reflects a substantial discount from the upper bound of the range based on the share negotiated in applications where licensing mechanical rights is not constrained by a compulsory license and statutory rate.

B. A Statutory Rate of 15 Cents for Full Digital Downloads is Reasonable

1. A Rate of 15 Cents is Within the Range of 20-50 Percent of the Content Pool for Permanent Downloads

71. The Copyright Owners have proposed a statutory mechanical rate of 15 cents for permanent downloads. This rate is 20 percent higher than the proposed rate for physical products. Agreements between Apple and the major record companies produced during discovery show [redacted][26] I understand that the record companies incur virtually no incremental costs for each permanent download sold, so that almost all the license fee, net of mechanical royalties paid, is a return to the sound recording. Indeed, Ms. Murphy's analysis of the record companies' financial data produced during

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[24] See Wilcox Tr. at 210:14-215:15, 218:9-218:17, attached as Exhibit COA 3.

[25] See Teece Tr. at 155:16-155:24, attached as Exhibit COA 2.

[26] See Exhibits COA 400 to 458.

discovery confirms that the companies have significantly higher profit margins on digital products than physical products. A mechanical royalty of 15 cents for permanent downloads is approximately 20 percent of the total content pool, and so is reasonable based on my benchmark range of the content pool.

72. Although Apple has claimed in discovery that a rise in the mechanical royalty rate on permanent downloads would hinder the development of its business, the information I have reviewed suggests this is not true.[27] Based on an iTunes quarterly profit and loss statement for the period fourth quarter 2005 through second quarter 2007,[28] my staff developed Figure 5b, a pro forma P&L, to analyze the impact of a rate increase on the assumption that Apple would pay the difference between the current and proposed rate in its entirety. [redacted]

73. I also have considered whether there may be other, independent reasons why the value of the musical composition embodied in a digital track downloaded from a service such as iTunes is greater than the value of the work in the same track included on a physical CD. I conclude that a higher rate for permanent downloads than for physical CDs is reasonable for several reasons. First, a musical composition embodied in a digital transmission is more convenient to

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27 [redacted] Tr. of Deposition of Eddy Cue dated Sept. 28, 2007 at 177:20-180:14, 203:2-203:25, attached as Exhibit COA 12.

28 iTunes Music Store P&L, DIMA_2006-3_CRB_DPRA003808-3832, attached as Exhibit COA 1.

obtain and to use than is a physical copy, and its availability in this form has facilitated the development of many new and valuable products and services. Second, HFA data show that virtually all its licenses for permanent downloads for noncontrolled compositions are at the statutory rate, with virtually no negotiation on these rates. This suggests that, even more than for physical records, the permanent download statutory rate is a binding ceiling that leaves no incentive for users to negotiate above the rate and that deprives creators of compensation that users willingly would pay for licenses if there were no compulsory license or the statutory rate were higher. This is supported by my third analysis, which examines a large number of market transactions in which willing licensors and willing licensees have agreed to mechanical license fees for digital recordings at much higher rates than those currently in effect for CDs and permanent downloads.

2. **The Musical Work in a Permanent Download has Greater Value than on a Physical CD**

74. Digital transmission increases the value of individual compositions, by making it feasible, indeed efficient, for consumers to purchase individual compositions, rather than purchasing the "bundle" of compositions – some that the consumer wants and some that he or she does not or has less interest in – that have been packaged into a single CD album. The consumer no longer must pay mechanical royalties for songs that, if they were offered individually, he or she would not purchase. Instead, services such as iTunes sell tracks *a la carte*, and consumers purchase only those they want. Data produced by the RIAA during discovery confirm that digital music is primarily a singles-based business. According to

these RIAA statistics, in 2006 downloads of single tracks accounted for approximately [redacted] percent of wholesale revenue derived from permanent downloads of music.[29] Similarly, applying Apple's standard $0.99 rate to single downloads, and its standard $9.99 rate to album downloads reveals that on average [redacted] percent of the company's weekly music revenues are attributable to singles.[30] The result of this singles-based market is that the average value of the underlying musical works in the downloaded (purchased) songs exceeds the average value of the songs in a CD. The "good" songs (the only ones that will be downloaded) are worth more to the user than the average song on the CD.

75. The current statutory rate was set when sales of recorded music occurred on physical media, primarily CDs, that bundled multiple songs together. Today, the digital world is based on single tracks. Thus, the "blended" rate paid to Copyright Owners in the physical world is too low for the digital world of singles where the average value of a song that is sold to consumers is greater than the average value of songs on an album.

76. Two types of empirical evidence suggest that the rate for digital downloads should be higher than that for physical CDs. First, data from HFA show that the rate for virtually all permanent downloads of noncontrolled compositions is the full statutory rate. (See Figures 6 and 7.) In contrast, there is a range of rates for non-controlled physical CDs, with a large number licenses at rates below the

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29 See backup data produced by David J. Teece, RIAA 15271-15331 at RIAA 15300, attached as Exhibit COA 10.

30 See Apple weekly download sales data, DIMA_2006-3_CRB_DPRA003421-3423, attached as Exhibit COA 13.

statutory rate. This suggests that the statutory rate for permanent downloads acts as a binding ceiling that constrains the rates below the level that would be negotiated in a free market for digital transmissions. In turn, this reduces the income and incentives of creators without expanding access to copyrighted music.

77. The second empirical evidence that the statutory mechanical rate for digital downloads should be higher than it is today is contained in ringtone agreements between music publishers and third parties.[31] These agreements give licensees the right to sell to their customers (some portion of) copyrighted musical compositions to be used as ringtones on cellphones. These agreements provide information on the value of full digital downloads, both because the transactions occur through the market and because I understand that it involves technology similar to that for permanent downloads.

78. In preparing the initial version of this report, I asked my staff to review the almost two hundred mastertone license agreements that were provided to Leaf by six publishers, and that took effect in 2004 or later. All these agreements specify a license fee based on the greater of a penny rate and a percentage of retail price and/or revenue. In addition to the royalty rate, some licenses require a one-time fixation fee (typically $25) per song. Many licenses also require an advance payment that, in this sample, ranges from $1,000 to $40,000 depending on the licensee. Finally, licenses also may specify a maximum length (usually 30 or 45 seconds) for the ringtone. Figures 8-10 show the distribution of the penny rate,

[31] This evidence is relevant whether or not Section 115 applies for ringtones.

percentage of retail price and percentage of revenue in agreements executed between 2004 and 2006.

79. As shown in these figures, the mastertone agreements of all the publishers specify royalty rates that are higher than the current statutory rate (9.1 cents) for permanent downloads. The per-penny minimum rates range from ten to 25 cents, with an average for all publishers around 12.5 cents. The percentage of retail price minimums range from 10 to 15 percent, with an average close to 10.5 percent.

80. I also use data from two publishers on the actual prices they are paid under their mastertone agreements during a quarter in 2006. I calculate the average payment received to be about 16-18 cents per ringtone for one publisher and 25 cents for the second publisher. Since the download of a full song is at least as valuable as a snippet of the song, this provides evidence that the value of the mechanical rights in permanent downloads is at least equal to 16 to 25 cents. This exceeds the current statutory rate for permanent downloads and exceeds the Copyright Owners' proposed rate of 15 cents.

81. In short, the proposal for a statutory mechanical rate for permanent downloads that is higher than that for physical CDs is reasonable. Data also suggest that the Copyright Owners' proposed rate of 15 cents is lower than rates that have been negotiated in a free market, and thus that the proposal is reasonable.

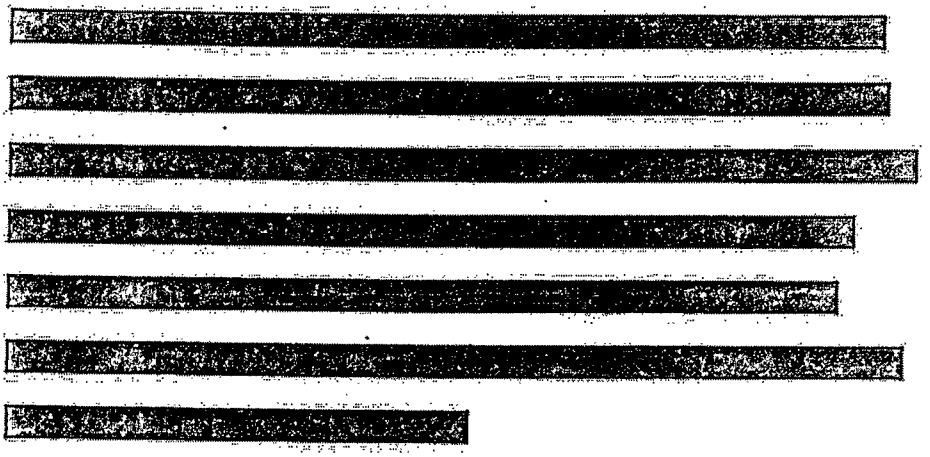
V. THE RATE PROPOSED BY THE COPYRIGHT OWNERS FOR LIMITED DOWNLOAD AND INTERACTIVE STREAMING SUBSCRIPTION SERVICES IS REASONABLE

82. The typical limited download service charges a monthly fee, and then makes its entire catalog available for limited download by subscribers as long as the subscription is in effect. The Copyright Owners have proposed a tiered structure for the compulsory mechanical royalty for these services. The rate would be the greatest of: (i) 15 percent of revenue attributable to music; (ii) one-third of the total content costs paid for mechanical rights to musical compositions and rights to sound recordings; or (iii) the greater of $.0033 per use or $0.00064 per minute of playing time or fraction thereof. This proposal is reasonable in light of its impact in enhancing incentives to create new music without imposing significant access costs on the development of improved methods of delivering music to consumers.

83. All three of the proposed tiers for this service are reasonable, both individually and as alternatives, in the sense that they are no higher than the benchmark of 20-50 percent of the amount that the record companies receive for licensing these services. My review of the rates in agreements produced in discovery between subscription service providers offering limited downloads and major record companies supports this conclusion.[32]

84. These agreements also confirm that the Copyright Owners' proposal tracks existing rate structures that are in use in the industry. [redacted]

[32] Agreements between record companies and subscription service providers (offering limited downloads and/or interactive streaming) are attached as Exhibits COA 50-92, 96-122, and 125-168.



85. Each tier of the Copyright Owners' proposal falls within the one-fifth to one-half range of the content pool (of royalties for mechanical rights and sound recordings). The first tier – 15 percent of revenue – today would constitute less than a quarter of the content pool of 65 percent of revenue.[33] The Copyright Owners' proposed second tier deals with the uncertainty over how distribution models will evolve in the future. For example, some record companies reportedly have licensed Microsoft's Zune service for a rate that includes one dollar per Zune music player; therefore, the revenue the record companies receive depends directly on the sale of the players and only indirectly on the use of the music. Implicitly, this pricing policy recognizes the importance of music (both sound recordings and musical works) in creating the value that is, in turn, captured by providers of music players. Copyright Owners should obtain their ratable share of this revenue stream. Finally, agreements between record companies and subscription services produced during discovery show that the record companies

[33] Even in those cases where so-called "pass-through" licensing provisions might be used –under which the record companies (as opposed to the subscription service providers) are required to pay mechanical royalties to publishers – this first tier would still constitute only a third of the content pool.

today typically license limited download services for [redacted], so the Copyright Owners proposal for their third tier of a third of a penny gives songwriters license fees equal to about one quarter of the total content pool (which insures a minimum payment).

86. The Copyright Owners' proposal for the statutory rate for interactive streaming services has a similar structure to their proposal for limited download services: a three-tiered proposal equal to the greatest of (i) 12.5 percent of revenue attributable to music; (ii) 27.5 percent of the total content costs paid for mechanical rights to musical compositions and rights to sound recordings; or (iii) the greater of $.00275 per use or $0.00053 per minute of use or fraction thereof. I understand that these types of services have the same license arrangements with record companies for the sound recording as do limited download services.

87. Because the Copyright Owners' proposal is for lower rates for each tier than they propose for limited download services, and because the agreements produced in discovery that I have reviewed suggest that the record companies typically get the same compensation for interactive streaming services as for limited download services,[34] their proposal for interactive streaming is reasonable.

88. The Copyright Owners' proposal also will neither disrupt industry structure and prevailing industry practices nor impose an undue burden in terms of the records that the record companies would need to maintain. My review of the record

[34] For example, [redacted]

companies' contracts with digital delivery services that were produced during discovery in this matter reveals that the terms proposed by the Copyright Owners mirror closely in form the terms of the corresponding record company contracts. These contracts require the record companies to collect and maintain data with respect to the number of downloads and/or streams of their recordings that each service sells in addition to the revenue they receive under each contract. Because the business models for other types of products are still evolving and the record companies are being paid under the same kind of tiered structure proposed by the Copyright Owners, for which they must develop systems to capture that information, use of a tiered system is efficient.

VI. THE RATE PROPOSED BY THE COPYRIGHT OWNERS FOR RINGTONES IS REASONABLE

89. The Copyright Owners' proposed statutory rate for ringtones is also a tiered rate structure equal to the greatest of: (i) 15 percent of revenue; (ii) one-third of the total content costs paid for mechanical rights to musical compositions and rights to sound recordings; or (iii) 15 cents per ringtone.

90. I have reviewed a large number of mastertone licenses that were negotiated voluntarily between HFA and publishers and ringtone companies. The royalty provisions in those licenses are summarized in Figures 8-10. This free-market activity provides a reasonable basis for setting the statutory rate for mastertones, a use that has not until this proceeding been subject to a compulsory license. Because, as I explained earlier, the injury to creators in terms of incentives can be great from setting the rate too low, while the harm from reduced access that may arise from setting the rate above the market level is low, I view the maximum

rates in these licenses as the most appropriate basis for evaluating the Copyright Owners' proposal.

91. To be conservative, however, I exclude the highest rates found in any of the agreements. Based on agreements signed during 2004 through 2006, a statutory rate denominated as the maximum of a penny rate and a percentage of retail price or net revenue is consistent with the typical form of voluntary agreement for mastertone licenses.

92. I have also reviewed the limited number of ringtone agreements produced by the record companies during the discovery period.[35] These are agreements between record companies and third-party ringtone providers, almost exclusively for the licensing of mastertones or ringbacks, that occurred prior to the decision by the Register of Copyrights that ringtones are subject to mechanical licensing under Section 115.

93. My review of these freely negotiated agreements, together with my review of the New Digital Media Agreements, reveals that under these agreements publishers receive at a minimum 20 percent of the content pool. The agreements between the record companies and third-party ringtone providers typically provide the record companies with the greater of 50 percent of the retail price or $1.00 for every ringtone sold; one company commonly licenses its recordings for a flat rate, ranging in its agreements from $1.00 to $1.35. These agreements almost always contain so-called "pass-through" licensing provisions, under which the record

[35] See Exhibits COA 169-198. I also reviewed the ringtone agreements attached to various witness statements that were part of the Copyright Owners' initial written direct statement. These agreements were contained in Exhibits CO 17-49, 101-125, 151-178, 218, 251-432, and 520-580.

companies (as opposed to the ringtone providers) are required to pay mechanical royalties to publishers.

94. The NDMAs in turn provide a basis for determining the amount of money remitted to the publishers by the record companies for the licensing of musical compositions. As discussed earlier, under these NDMAs, publishers receive the greater of $.10, 10 percent of retail revenue or 20 percent of wholesale revenue for every ringtone sold. Because wholesale revenue to the record companies under their agreements with third-party ringtone providers is usually 50 percent of retail, the percent-of-wholesale tier and the percent-of-retail tiers contained in the NDMAs effectively provide publishers with the same share of the content pool. Thus, in the standard case, when (a) a record company licenses its recordings to a third-party ringtone provider for the greater of 50 percent of retail revenue or $1.00 and (b) the parties agree to a pass-through mechanical license, the publisher will receive at least 20 percent of the content pool.

95. When ringtones are licensed by record companies at a flat rate that is less than 50 percent of the retail price, the percent-of-retail minimum tier would provide publishers with greater than 20 percent of the content pool. I understand that ringtones are commonly sold to consumers at a retail price of $1.99 or more. Agreements between at least one record company and third-party ringtone providers confirm that retail prices for these products go as high as $2.50,[36] which I understand is not unusual for the major mobile phone companies. Thus, the

[36] See EMI Mobile Ringback Tune Agreement with Ericsson, Inc., dated Sept. 7, 2005, RIAA 45887-45906 at RIAA 45901, 45903, attached as Exhibit COA 171; EMI Mobile Ringtune Subscription Agreement with Buongiorno USA, Inc., dated Aug. 13, 2007, RIAA 46133-46145 at RIAA 46145, attached as Exhibit COA 175.

agreements I have reviewed between record companies and third-party ringtone providers, together with the NDMAs, show that under these freely negotiated agreements music publishers receive at least 20 percent of the content pool for ringtones and, in some cases, perhaps more.

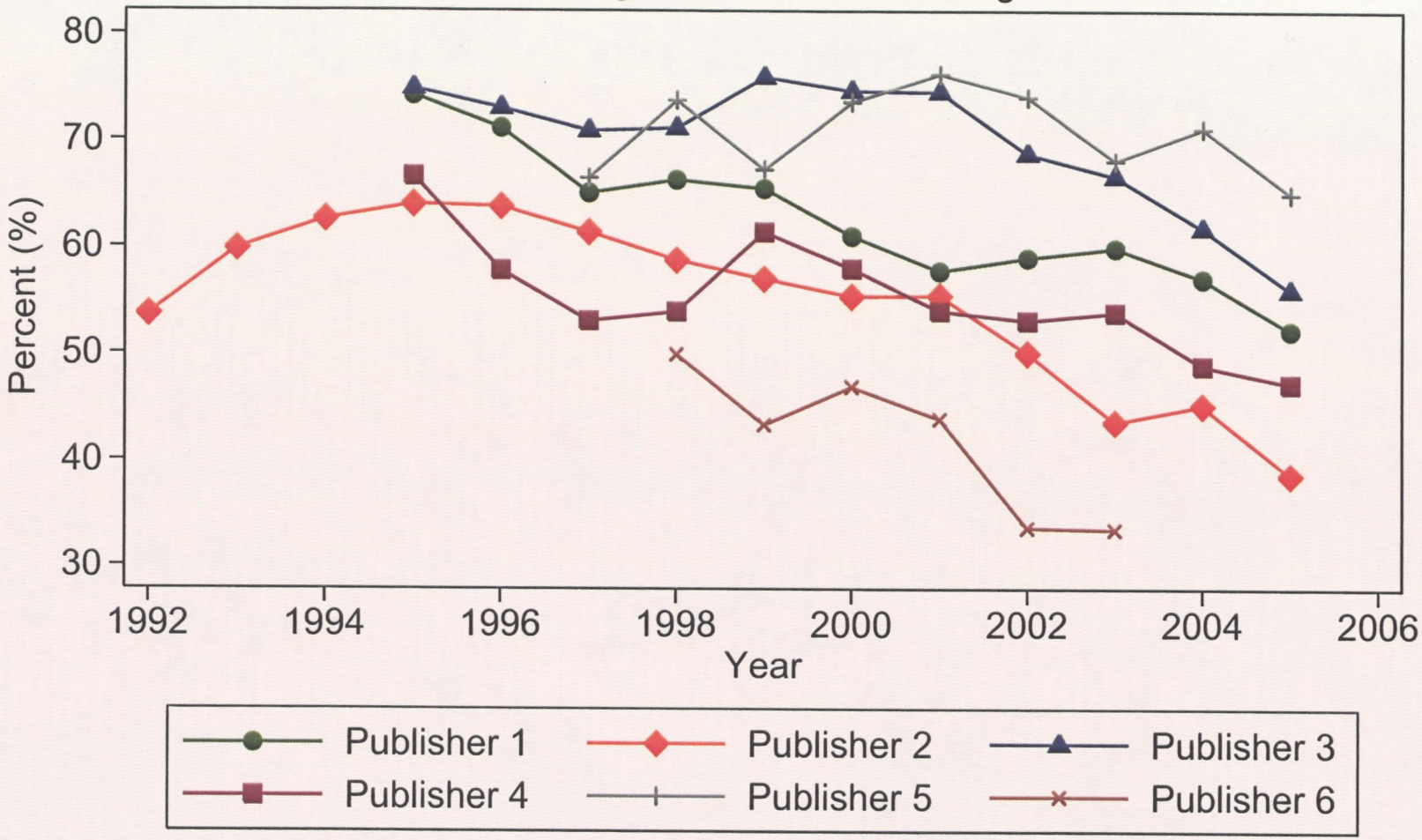
96. Based on all of these agreements, I conclude that the three tiers of the Copyright Owners' proposal fall either below or within the benchmark range of 20 to 50 percent of the content pool. The activity in the ringtone market – as evidenced by the third-party ringtone agreements I reviewed prior to my initial report, as well as the agreements produced by the RIAA during discovery that I reviewed in connection with this amended report – provides a sound basis for setting royalty rates in this proceeding. Moreover, as I have discussed, the principal danger in determining a statutory rate is setting the rate too low, because it then functions as a cap on publishers' revenue in cases where freely negotiated agreements between the relevant parties would have yielded compensation above that provided by the statutory rate. At the other end, the consequences of setting a rate that is too "high" are minimal, since, in the absence of meaningful transactions costs, the parties can bargain below the statutory rate in those cases where it would result in a mutually beneficial outcome. In order to maximize the availability of musical works to the public, it is critical that publishers and songwriters receive appropriate compensation for their work, which the market has shown to be highly valued.

97. For the foregoing reasons, I conclude that the Copyright Owners' rate proposal for ringtones is reasonable.

VII. CONCLUSION

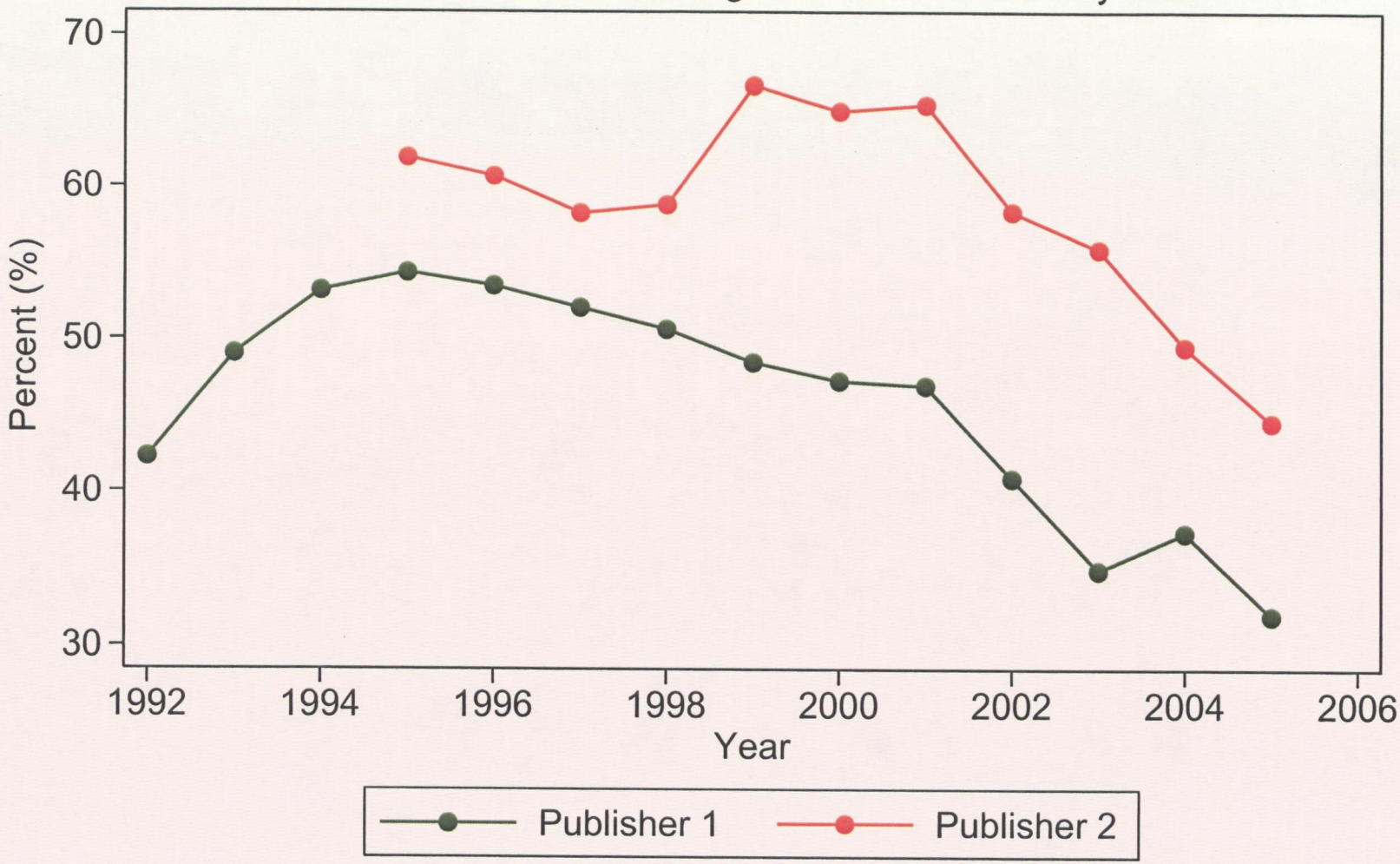
98. I have reviewed, from an economic standpoint, the Copyright Owners' proposed set of statutory mechanical rates for 2008 through 2012. I conclude that their proposal is reasonable and is consistent with the economic principles of the statutory goals of the Copyright Act. The materials that were produced during the discovery process have not altered this conclusion. The Copyright Owners' proposed rates have the potential to both enhance incentives to create musical compositions and to limit access costs, and thus to promote economic efficiency.

Figure 1
Percentage of Publisher Revenue Generated
Through Mechanical Licensing



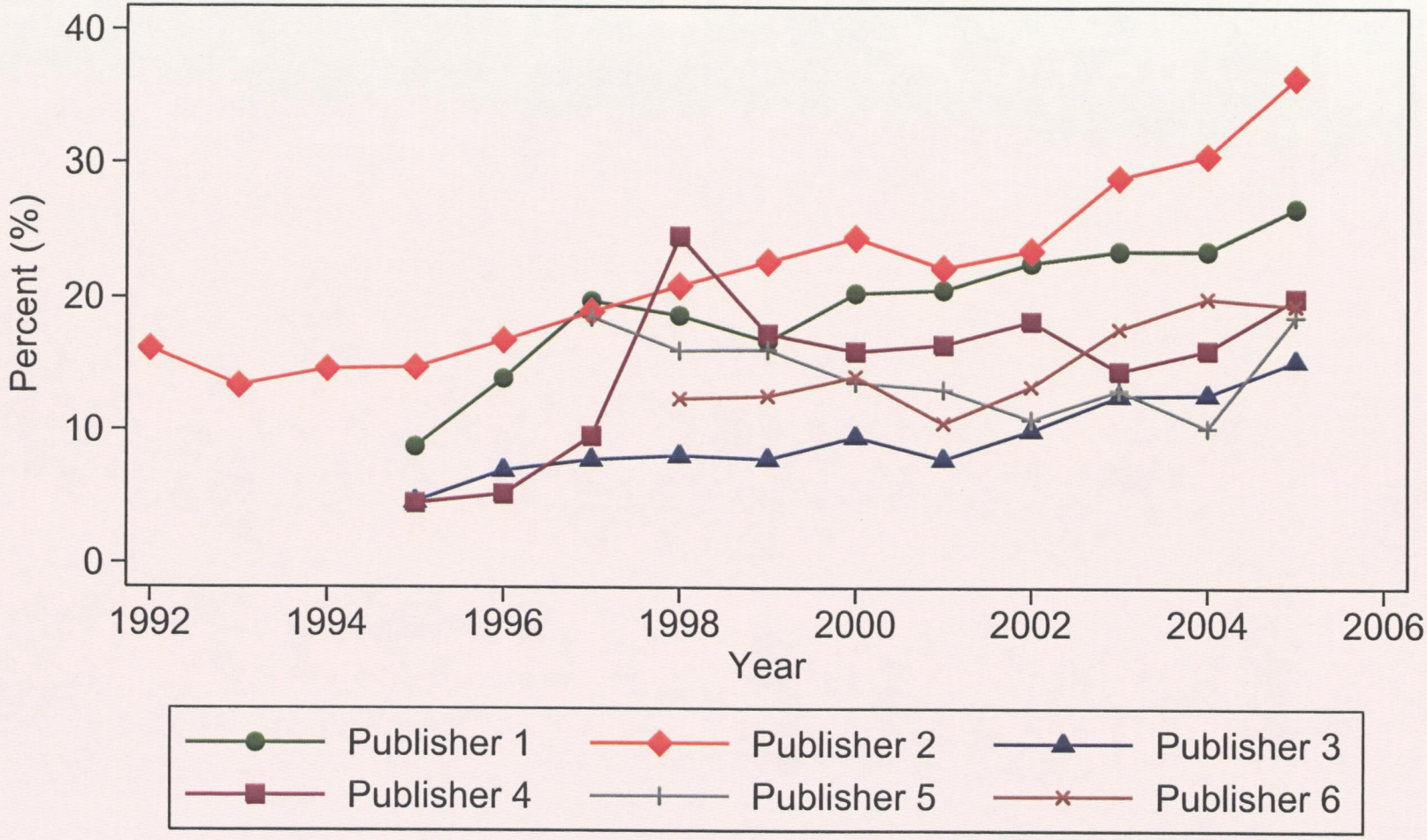
Source: Publisher data

Figure 2
Percent of Writers' Earnings from Mechanical Royalties



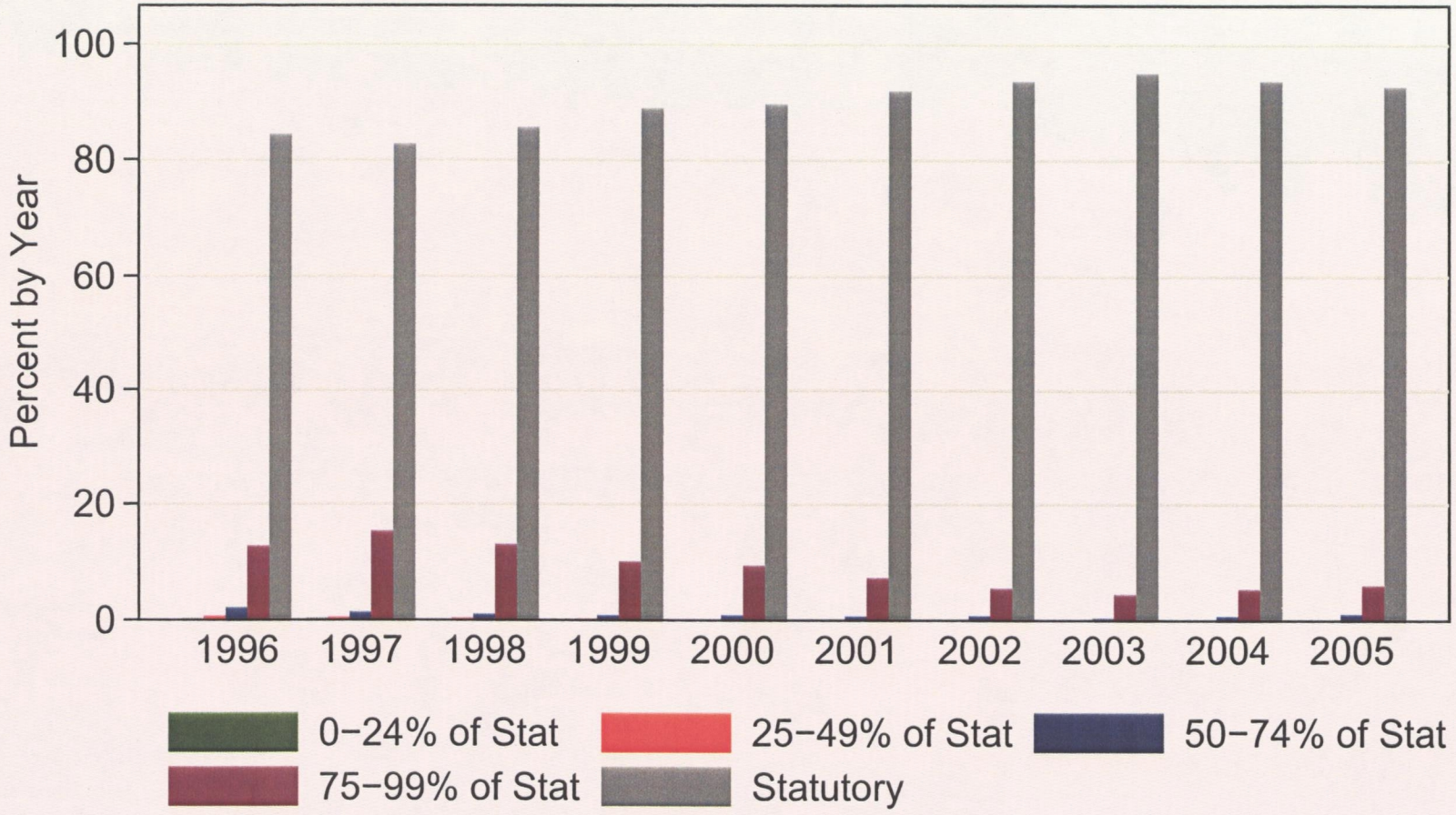
Source: Publisher Data

Figure 3
Percentage of Publisher Revenue Generated
Through Synch Licensing



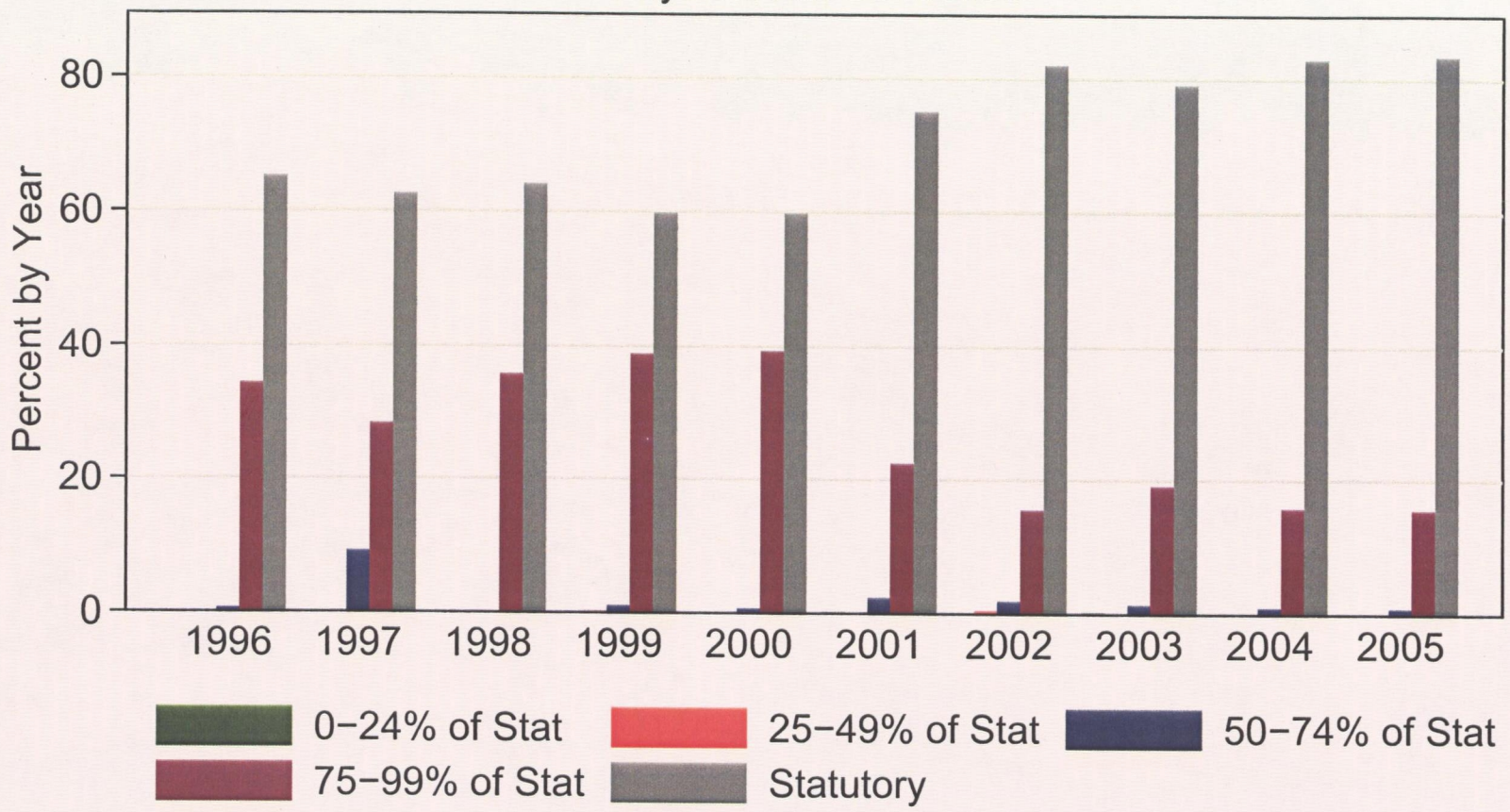
Source: Publisher data

Figure 4
Licenses Issued Each Year by HFA by Rate Category
Physical and NotControlled



Source: HFA Data.
Excludes licenses without rate info or with rate TBD.

Figure 5
Fraction of Units Sold
by Percent of Statutory Rate by Distribution Year
Physical Not Controlled



Source: HFA Data
Note: Based only on data for licenses issued later than 1995 that can be matched to distributions.

Figure 5a

NMPA Proposed Statutory Mechanical Royalty for CDs
As a Percent of the Content Pool

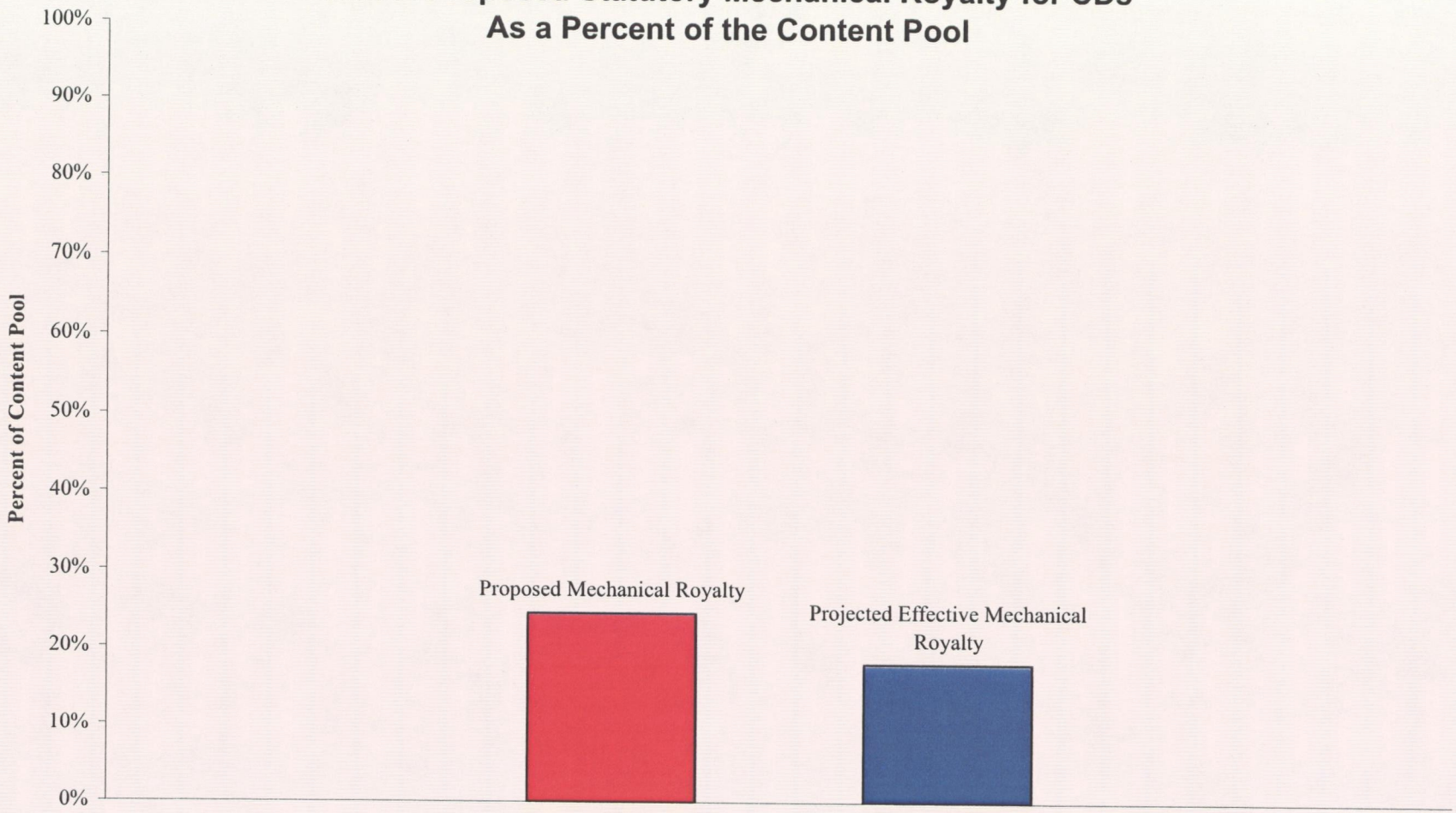
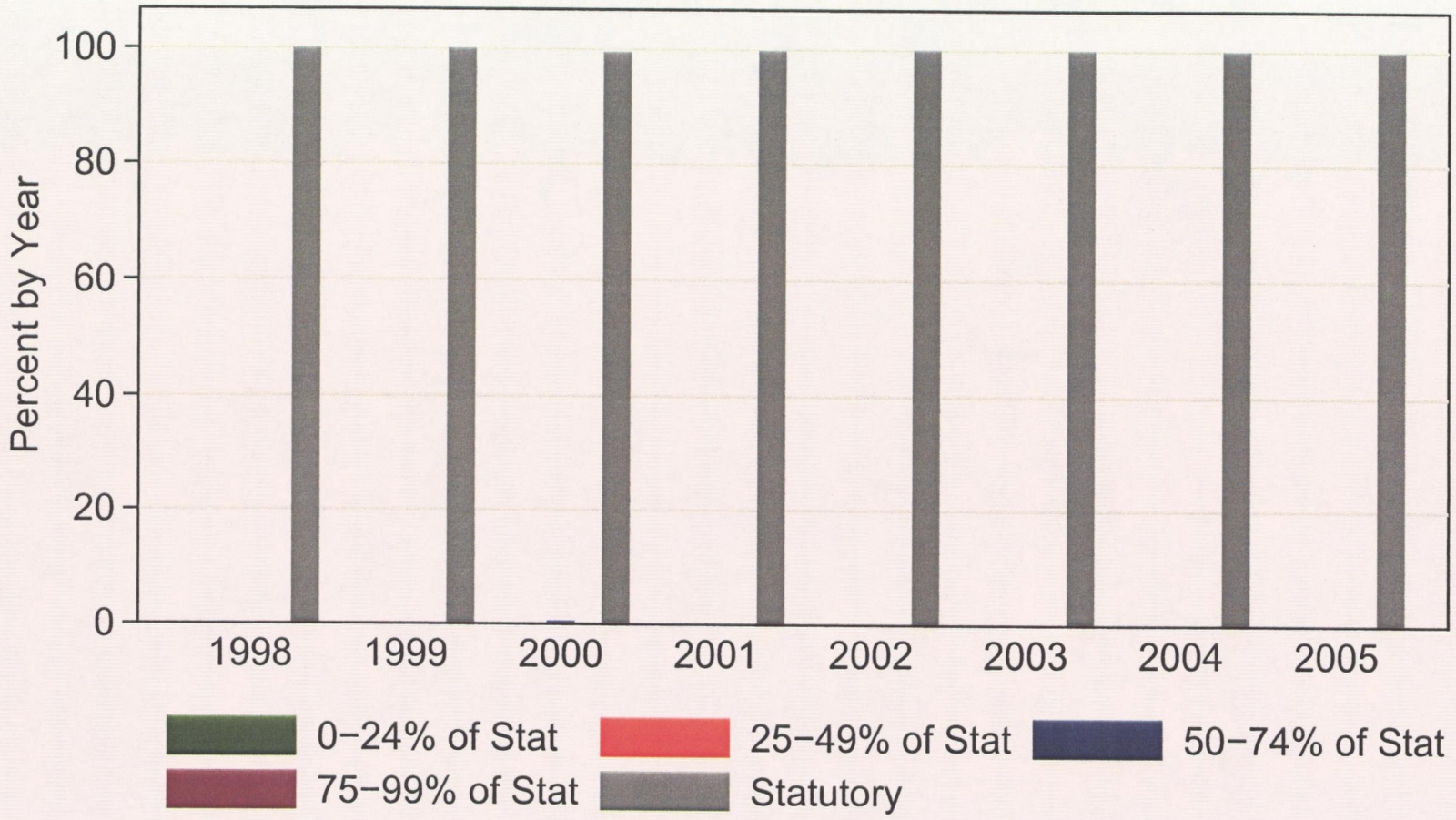


Figure 5b

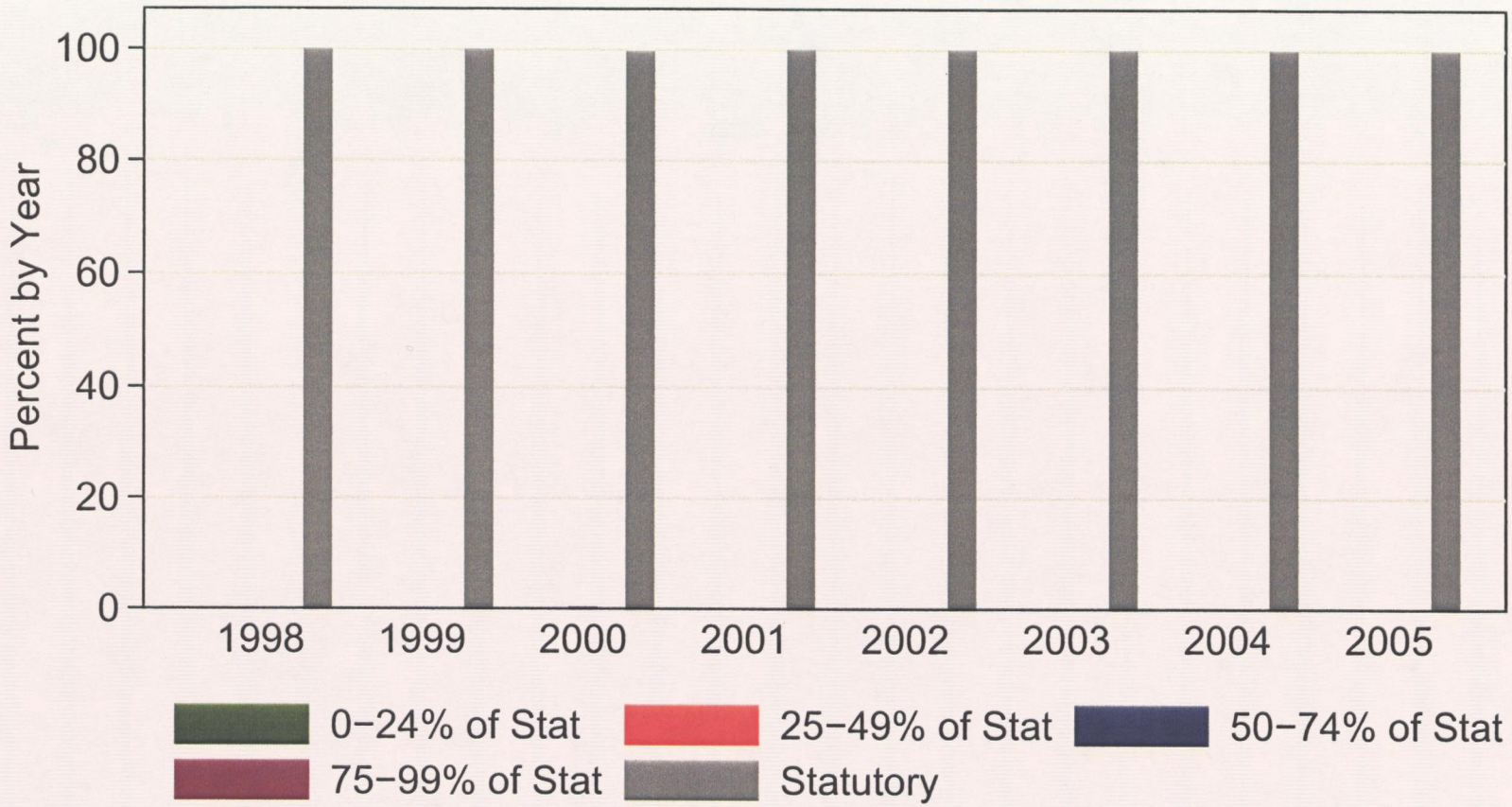
REDACTED

Figure 6
Licenses Issued Each Year by HFA by Rate Category
Permanent Downloads and NotControlled



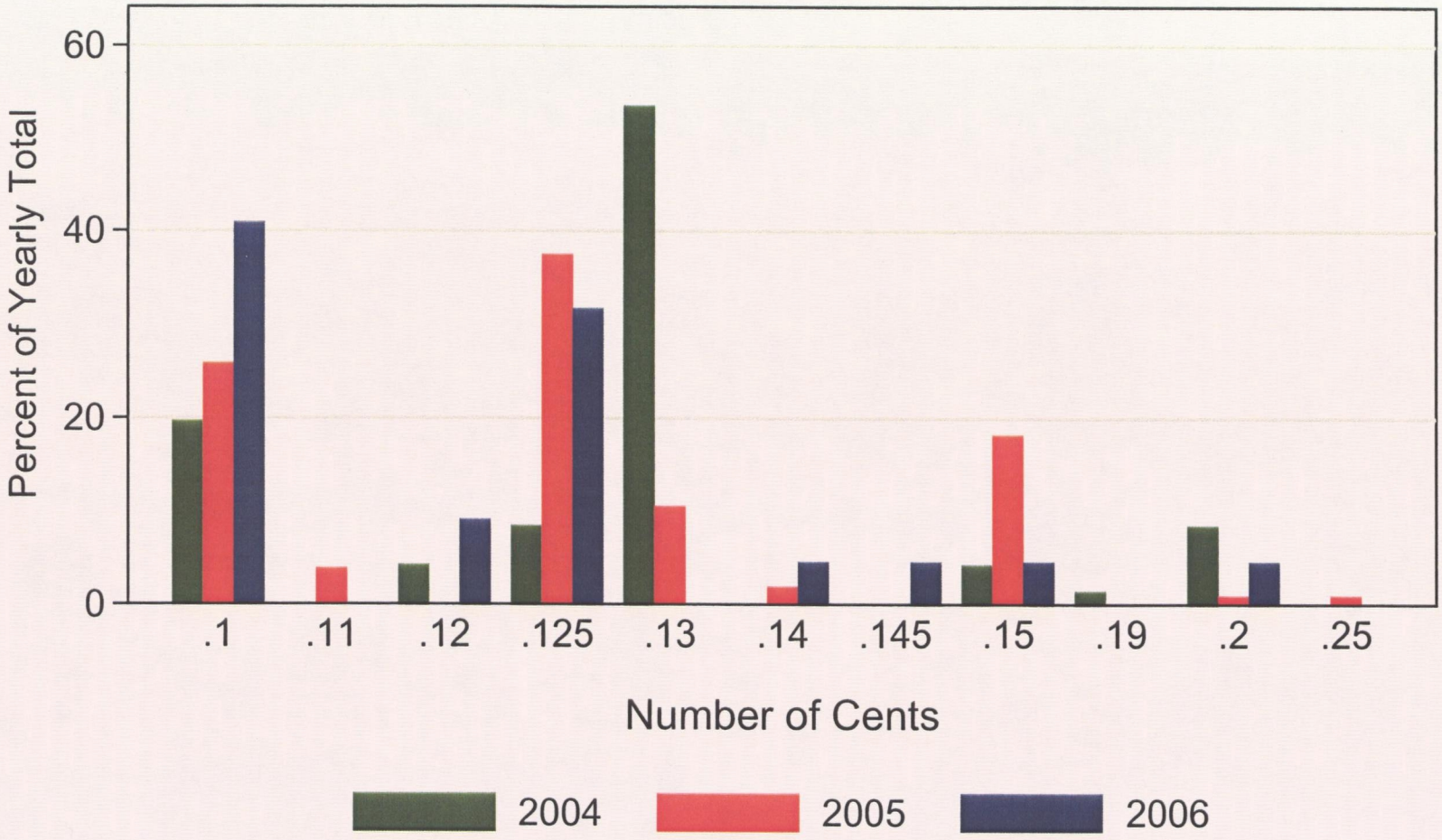
Source: HFA Data.
Excludes licenses without rate info or with rate TBD.

Figure 7
Fraction of Units Sold
by Percent of Statutory Rate by Distribution Year
Permanent Downloads Not Controlled



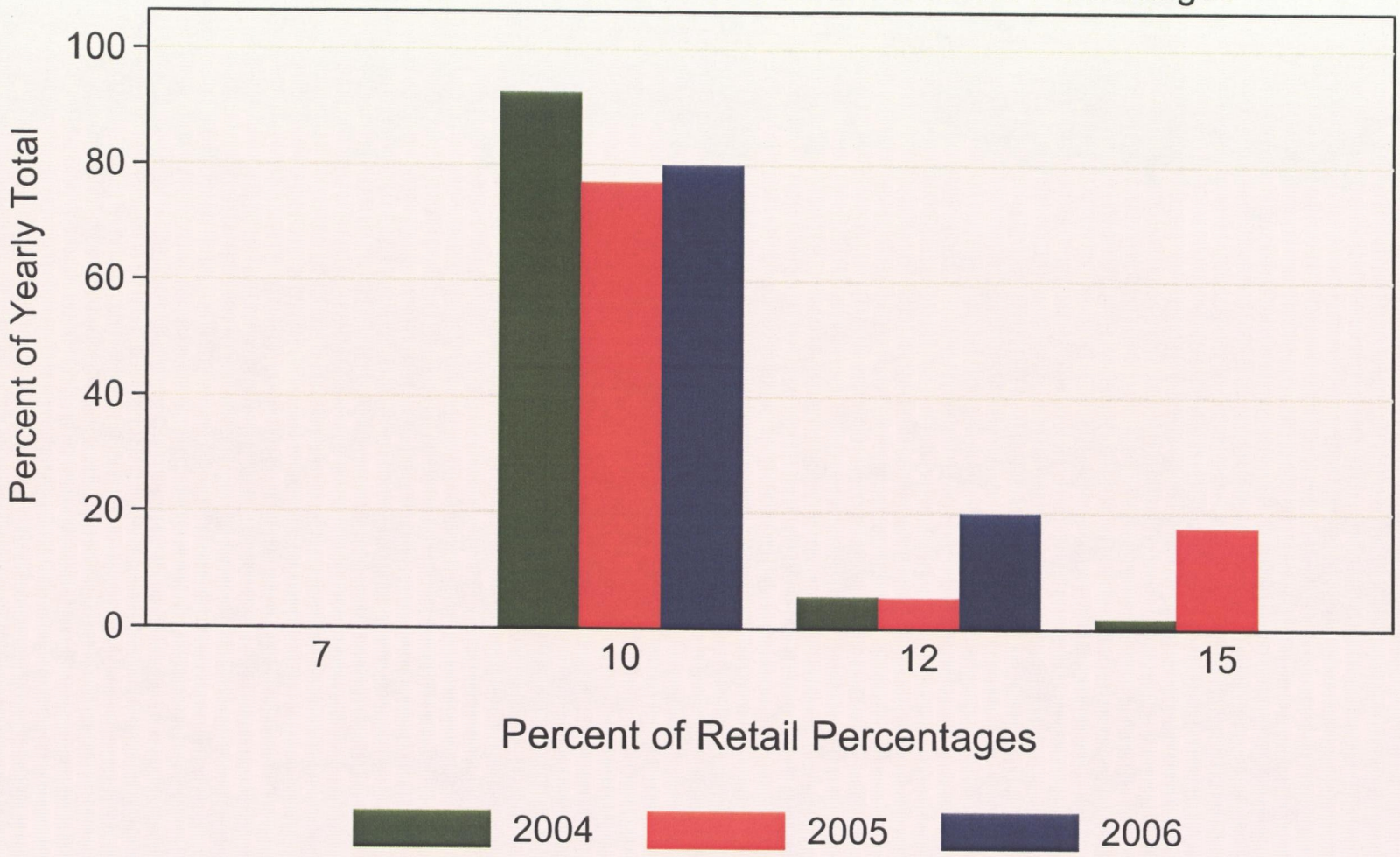
Source: HFA Data
Note: Based only on data for licenses issued later than 1995 that can be matched to distributions.

Figure 8
Distribution of MasterTone Minimums
(Number of Cents)



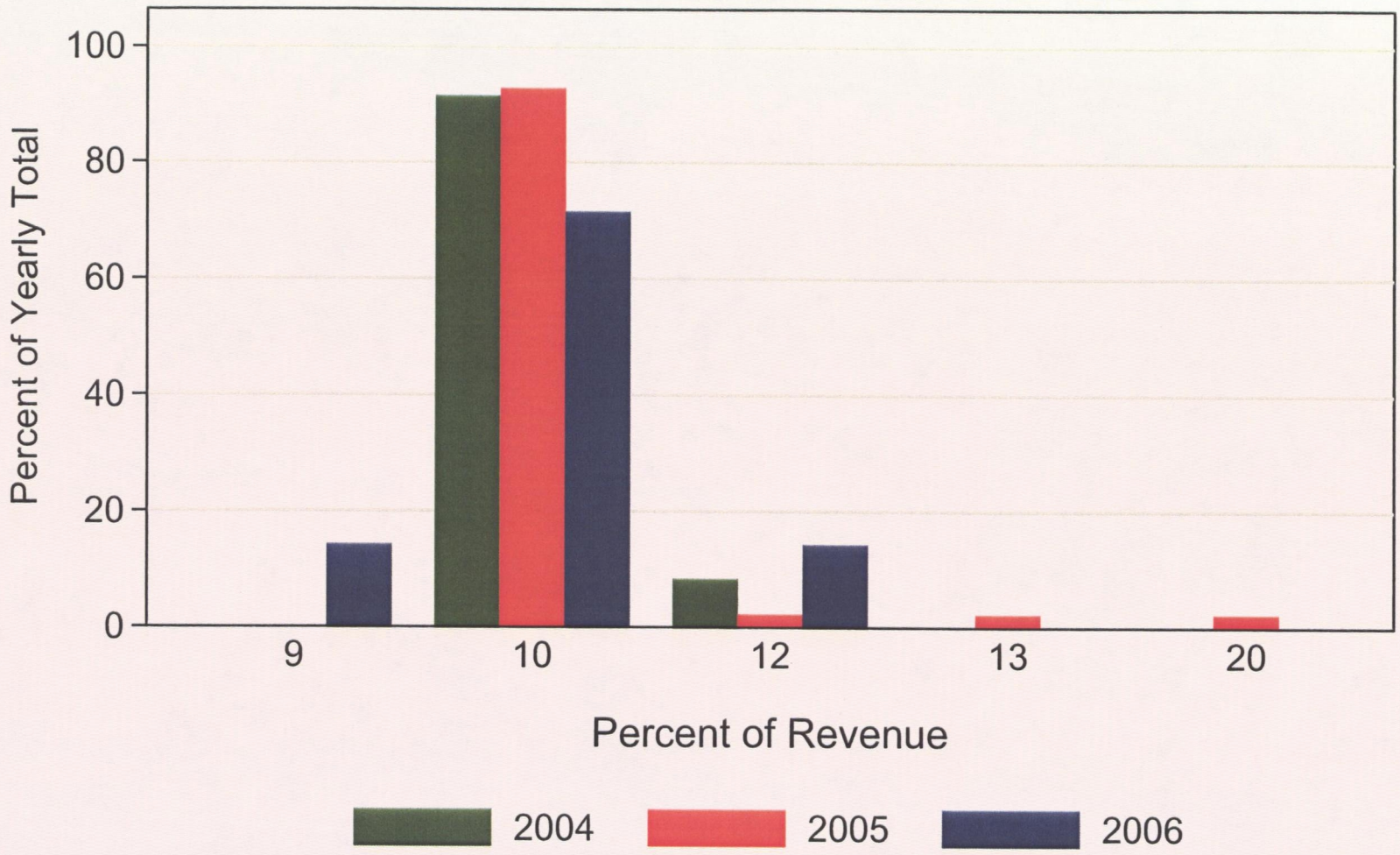
Source: License Agreements provided by Publishers.

Figure 9
Distribution of MasterTone Percent of Retail Percentages



Source: License Agreements provided by Publishers.

Figure 10
Distribution of MasterTone Percent of Revenue



Source: License Agreements provided by Publishers.

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EDUCATION

Ph.D., COLUMBIA UNIVERSITY: Economics, 1966

B.A., COLUMBIA UNIVERSITY: 1960

ACADEMIC EMPLOYMENT

THE UNIVERSITY OF CHICAGO, The Law School: Clifton R. Musser Professor of Law & Economics (7/92-present); Clifton R. Musser Professor of Economics (7/80-7/92); Professor of Economics (1/74-6/80).

FORDHAM UNIVERSITY, School of Law: 19967 Bacon-Kilkenny Chair of Law for a Distinguished Visiting Professor, 8/96–12/96.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.: Research Staff (1973-1979); Research Associate (1969-1973); Research Fellow (1968-1969); Research Assistant (1962 - 1963).

CITY UNIVERSITY OF NEW YORK, Graduate Center (1972 - 1974): Associate Professor of Economics.

COLUMBIA UNIVERSITY (1969 - 1972): Associate Professor of Economics.

THE UNIVERSITY OF CHICAGO (1966 - 1969): Assistant Professor of Economics.

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AREAS OF SPECIALIZATION

Economic Analysis of Law
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Antitrust

ACADEMIC HONORS AND FELLOWSHIPS

President's Fellowship, Columbia University, 1962-1963.
Ford Foundation Doctoral Dissertation Fellowship, 1963-1964.
I.B.M. Watson Fellowship, 1964-1965.
Ansley Award Nomination, Economics Department, Columbia University, 1956.

PROFESSIONAL AFFILIATIONS

Member, American Economic Association
Editorial Board, *Journal of Cultural Economics*, 2003-
Editor, *The Journal of Law and Economics*, 1975-1991,
The Journal of Legal Studies, 1991-2000
Member, Panel on Legislative Impact on the Courts, National Academy of Sciences, 1977-1979
Member, Mont Pelerin Society
Research Advisory Committee, U.S. Sentencing Commission, 1986-88
Adviser, Restatement of the Law, Third, Unfair Competition
Council of Economic Advisers, American Enterprise Institute
Board of Editors, Intellectual Property Fraud Reporter
Member, Scientific Committee of A Bibliography of Law and Economics with abstracts of the European, non-English literature, Ruiksuniversiteit-Gent, Belgium, 1990
Member, Committee of Patronage of the Erasmus Project in Law and Economics, Ruiksuniversiteit-Gent, Belgium, 1990
Member, Academic Advisory Council, The Locke Institute, 1990-
Member, American Law and Economics Association,
Executive Vice President, 1991 - 1992
President, 1992 - 1993
Advisory Board, Law and Economics Abstracts, 1996 -

PUBLICATIONS

BOOKS AND MONOGRAPHS

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The Economic Structure of Tort Law, co-authored with Richard A. Posner, Harvard Univ. Press (1987).

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RESEARCH PAPERS

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"The Independent Judiciary in an Interest Group Perspective," (Universities-National Bureau Conference on Economic Analysis of Political Behavior) *Journal of Law and Economics* (December 1976), co-authored with Richard A. Posner.

"Legal Precedent: A Theoretical and Empirical Analysis," *Journal of Law and Economics* (September 1976), co-authored with Richard A. Posner.

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"Altruism in Law and Economics," Papers and Proceedings of the *American Economic Review* (May 1978), co-authored with Richard A. Posner.

"Adjudication as a Private Good," *Journal of Legal Studies* (March 1979), co-authored with Richard A. Posner.

"Should Indirect Purchasers Have Standing to Sue Under the Antitrust Laws?" An Economics Analysis of the Rule of Illinois Brick," *University of Chicago Law Review* (Spring 1979), co-authored with Richard A. Posner.

"Benefits and Costs of Airline Mergers: A Case Study," *The Bell Journal of Economics* (Spring, 1980), co-authored with Dennis W. Carlton and Richard A. Posner.

"Legal Change, Judicial Behavior and the Diversity Jurisdiction," *Journal of Legal Studies* (March 1980), co-authored with Richard A. Posner.

"Joint and Multiple Tortfeasors: An Economic Analysis," *Journal of Legal Studies* (June 1980), co-authored with Richard A. Posner.

"The Economics of Passing On: A Reply to Harris and Sullivan," *University of Pennsylvania Law Review* (May 1980), co-authored with Richard A. Posner.

"Contribution Among Antitrust Defendants: A Legal and Economic Analysis," *Journal of Law and Economics* (October 1980), co-authored with Frank H. Easterbrook and Richard A. Posner.

"An Introduction to the Economics of Antitrust," an appendix in Richard A. Posner and Frank H. Easterbrook, Antitrust: Cases, Economic Notes and Other Materials (West, 2d ed. 1980).

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"The Positive Economic Theory of Tort Law," *Georgia Law Review* (Summer 1981) co-authored with Richard A. Posner.

"An Economic Theory of Intentional Torts," *International Review of Law and Economics* (December 1981) co-authored with Richard A. Posner.

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"Optimal Sanctions for Antitrust Violations," *University of Chicago Law Review* (Spring 1983). Reprinted in 26 The Journal of Reprints for Antitrust Law and Economics, 79 (1996).

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"The Economics of Legal Disputes Over The Ownership of Works of Art and Other Collectibles, " in Essays in the Economics of the Arts (ed. by V. A. Ginsburgh & P.-M. Menger) (Elsevier Science, 1996) co-authored with Richard A. Posner.

"The Art of Law and Economics: An Autobiographical Essay," 41 *The American Economist*, No. 1 (Spring 1997), reprinted in "Passion and Craft, Economists at Work," Michael Szenberg, ed. (Ann Arbor: Michigan University Press, 1999)

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"The Empirical Side of Law and Economics," *University of Chicago Law Review* (Winter 2003).

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"Acts of Terror with Guns: Multiple Shooting Victim Shootings," in *The Bias Against Guns*, John Lott, ed. (Regnery 2003) co-authored with John Lott.

"Indirect Liability for Copyright Infringement: An Economic Perspective," *Harvard Journal of Law & Technology* (Spring 2003) co-authored with Douglas Lichtman.

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The Political Economy of Intellectual Property Law, American Enterprise Institute-Brookings Joint Center for Regulatory Studies (2004) with Richard A. Posner.

"The Economic Analysis of Art Law" in Handbook of the Economics of Art and Culture, Vol. 1, ed. by Victor A. Ginsburgh and David Throsby (Elsevier B.V. 2006) coauthored with Daniel B. Levine.

"The Economics of Presidential Pardons and Commutations (November 2006, unpublished) co-authored with Richard A. Posner.

TESTIMONIAL EXPERIENCE IN PAST FOUR YEARS

Trial testimony of William M. Landes in *Blue Cross and Blue Shield Association v. American Express Company*, U.S. District Court Northern District of Illinois Eastern Division, No. 99 C 6679 (August 26, 2005).

Expert Report of William M. Landes in *Blue Cross and Blue Shield Association v. American Express Company*, U.S. District Court for the Northern District of Illinois, Eastern Division, No. 99 C 6679 (March 21, 2005).

Deposition of William M. Landes in *Cellco Partnership d/b/a Verizon Wireless v. Nextel Communications Inc.*, U.S. District Court District of Delaware, Civ. 03-725-KAJ (August 18, 2004) (Confidential)

Expert Report of William M. Landes in *Cellco Partnership d/b/a Verizon Wireless v. Nextel Communications Inc.*, June 15, 2004

Expert Report of William M. Landes in *Six West Retail Acquisition, Inc., v. Sony Theatre Management Corporation, et al.*, United States District Court Southern District of New York, 97 Civ. 5499 (LAP) (JCF) (February 6, 2003) (Confidential)

Documents Considered or Relied Upon in Connection with Initial and Amended Reports

Exhibit No.	Description
CO 17	The Harry Fox Agency, Inc., License Agreement, dated June 30, 2006
CO 18	The Harry Fox Agency, Inc., License Agreement, dated March 9, 2006
CO 19	The Harry Fox Agency, Inc., License Agreement, dated February 6, 2006
CO 20	The Harry Fox Agency, Inc., License Agreement, dated January 18, 2006
CO 21	The Harry Fox Agency, Inc., Agreement, dated January 1, 2006
CO 22	The Harry Fox Agency, Inc., License Agreement, dated January 1, 2006
CO 23	The Harry Fox Agency, Inc., License Agreement, dated November 8, 2005
CO 24	The Harry Fox Agency, Inc., License Agreement, dated September 13, 2005
CO 25	The Harry Fox Agency, Inc., License Agreement, dated August 5, 2005
CO 26	The Harry Fox Agency, Inc., License Agreement, dated July 6, 2005
CO 27	The Harry Fox Agency, Inc., License Agreement, dated March 30, 2005
CO 28	The Harry Fox Agency, Inc., License Agreement, dated February 3, 2005
CO 29	The Harry Fox Agency, Inc., License Agreement, dated October 28, 2004
CO 30	The Harry Fox Agency, Inc., License Agreement, dated August 6, 2004
CO 31	The Harry Fox Agency, Inc., License Agreement, dated August 6, 2004
CO 32	The Harry Fox Agency, Inc., License Agreement, dated July 26, 2004
CO 33	The Harry Fox Agency, Inc., Agreement, dated July 2, 2004
CO 34	The Harry Fox Agency, Inc., License Agreement, dated July 1, 2004
CO 35	The Harry Fox Agency, Inc., License Agreement, dated May 20, 2004
CO 36	The Harry Fox Agency, Inc., License Agreement, dated April 21, 2004
CO 37	The Harry Fox Agency, Inc., License Agreement, dated March 3, 2004

CO 38	The Harry Fox Agency, Inc., License Agreement, dated January 22, 2004
CO 39	The Harry Fox Agency, Inc., License Agreement, dated December 22, 2003
CO 40	The Harry Fox Agency, Inc., License Agreement, dated December 1, 2003
CO 41	The Harry Fox Agency, Inc., License Agreement, dated September 26, 2003
CO 42	The Harry Fox Agency, Inc., License Agreement, dated September 10, 2003
CO 43	The Harry Fox Agency, Inc., License Agreement, dated September 5, 2003
CO 44	The Harry Fox Agency, Inc., License Agreement, dated September 5, 2003
CO 45	The Harry Fox Agency, Inc., License Agreement, dated May 19, 2003
CO 46	The Harry Fox Agency, Inc., License Agreement, dated February 21, 2003
CO 47	The Harry Fox Agency, Inc., Agreement, dated March 25, 2002
CO 48	The Harry Fox Agency, Inc., License Agreement, dated November 9, 2001
CO 49	The Harry Fox Agency, Inc., License Agreement, dated September 21, 2001
CO 101	Famous Music, LLC, License Agreement, dated March 31, 2006
CO 102	Famous Music, LLC, License Agreement, dated February 1, 2006
CO 103	The Famous Music Publishing Companies License Agreement, dated October 1, 2005
CO 104	The Famous Music Corp. License Agreement, dated May 1, 2005
CO 105	The Famous Music Publishing Companies License Agreement, dated February 8, 2005
CO 106	The Famous Music Publishing Companies License Agreement, dated January 1, 2005
CO 107	The Famous Music Publishing Companies License Agreement, dated January 1, 2005
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CO 117	Famous Music Corp. License Agreement, dated January 1, 2005
CO 118	The Famous Music Publishing Companies License Agreement, dated January 1, 2005
CO 119	The Famous Music Publishing Companies License Agreement, dated November 19, 2004
CO 120	The Famous Music Publishing Companies License Agreement, dated October 1, 2004
CO 121	Famous Music Corp. License Agreement, dated March 30, 2004
CO 122	Famous Music Corp. License Agreement, dated September 9, 2003
CO 123	Famous Music Corp. License Agreement, dated May 30, 2003
CO 124	Famous Music Corp. License Agreement, dated April 5, 2003
CO 125	Famous Music Corp. License Agreement, dated November 20, 2002
CO 151	Peermusic III Ringtone License Agreement, dated June 1, 2006

CO 152	Peermusic III Ringtone License Agreement, dated March 3, 2006
CO 153	Peermusic III Ringtone License Agreement, dated October 1, 2005
CO 154	Peermusic Ringtone License Agreement, dated October 1, 2005
CO 155	Peermusic III Ringtone License Agreement, dated September 30, 2005
CO 156	Peermusic III Ringtone License Agreement, dated June 30, 2005
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CO 158	Peermusic III Ringtone License Agreement, dated April 1, 2005
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CO 160	Peermusic III Ringtone License Agreement, dated February 17, 2005
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CO 162	Peermusic III Ringtone License Agreement, dated October 20, 2004
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CO 174	Peermusic III Ringtone License Agreement, dated November 5, 2003
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CO 176	Peermusic III Ringtone License Agreement, dated September 10, 2003
CO 177	Peermusic III Ringtone License Agreement, dated August 1, 2003
CO 178	Peermusic Canada, Ringtone License Agreement, dated June 17, 2002
CO 218	Faxon Exhibit 18
CO 219	Faxon Exhibit 19
CO 220	Faxon Exhibit 20
CO 221	Faxon Exhibit 21
CO 251	BMG Music Publishing NA, Inc., Agreement, dated October 17, 2006
CO 252	BMG Music Publishing NA, Inc. / Zomba Enterprises, Inc., Ringtone License Agreement, dated March 21, 2006
CO 254	BMG Music Publishing NA, Inc., Synchronization License, dated March 1, 2006
CO 255	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated February 1, 2006
CO 256	Zomba Enterprises, Inc., Ringtone License Agreement, dated February 1, 2006
CO 257	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated January 1, 2006
CO 258	Zomba Enterprises, Inc., Ringtone License Agreement, dated January 1, 2006
CO 259	Zomba Enterprises, Inc., Ringtone License Agreement, dated December 6, 2005
CO 260	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 1, 2005
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CO 311	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated January 1, 2005
CO 312	Zomba Enterprises, Inc., Ringtone License Agreement, dated January 1, 2005

CO 313	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 16, 2004
CO 314	Zomba Enterprises, Inc., License Agreement, dated December 16, 2004
CO 315	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 6, 2004
CO 316	BMG Music Publishing NA, Inc., License Agreement, dated December 1, 2004
CO 317	Zomba Enterprises, Inc., Ringtone License Agreement, dated December 1, 2004
CO 318	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 1, 2004
CO 319	Zomba Enterprises, Inc., Ringtone License Agreement, dated December 1, 2004
CO 320	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 1, 2004
CO 321	Zomba Enterprises, Inc., Ringtone License Agreement, dated December 1, 2004
CO 322	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 1, 2004
CO 323	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 1, 2004
CO 324	Zomba Enterprises, Inc., Ringtone License Agreement, dated December 1, 2004
CO 325	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated December 1, 2004
CO 326	Zomba Enterprises, Inc., Ringtone License Agreement, dated December 1, 2004
CO 327	Zomba Enterprises, Inc., Ringtone License Agreement, dated November 1, 2004
CO 328	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated November 1, 2004

CO 329	Zomba Enterprises, Inc., Ringtone License Agreement, dated November 1, 2004
CO 330	BMG Music Publishing NA, Inc. / Zomba Enterprises, Inc., Ringtone License Agreement, dated November 1, 2004
CO 332	BMG Music Publishing NA, Inc. / Zomba Enterprises, Inc., License Agreement, dated November 1, 2004
CO 333	BMG Music Publishing NA, Inc., License Agreement, dated October 1, 2004
CO 334	Zomba Enterprises, Inc., Ringtone License Agreement, dated October 1, 2004
CO 335	Zomba Enterprises, Inc., Ringtone License Agreement, dated October 1, 2004
CO 336	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated October 1, 2004
CO 337	Zomba Enterprises, Inc., Ringtone License Agreement, dated October 1, 2004
CO 338	Zomba Enterprises, Inc., Ringtone License Agreement, dated October 1, 2004
CO 340	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated October 1, 2004
CO 341	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated October 1, 2004
CO 342	BMG Music Publishing NA, Inc., Ringtone License Agreement, October 1, 2004
CO 343	BMG Music Publishing NA, Inc., License Agreement, dated September 1, 2004
CO 344	BMG Music Publishing NA, Inc., License Agreement, dated September 1, 2004
CO 345	BMG Music Publishing NA, Inc., Ltd., License Agreement, dated September 1, 2004
CO 346	Zomba Productions, Inc., License Agreement, dated September 1, 2004

CO 347	BMG Music Publishing NA, Inc., Ringtone License Agreement, September 1, 2004
CO 348	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated September 1, 2004
CO 349	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated September 1, 2004
CO 350	Zomba Enterprises, Inc., Ringtone License Agreement, dated September 1, 2004
CO 351	Zomba Enterprises, Inc., Ringtone License Agreement, dated September 1, 2004
CO 352	Zomba Enterprises, Inc., Ringtone License Agreement, dated September 1, 2004
CO 353	Zomba Enterprises, Inc., Ringtone License Agreement, dated September 1, 2004
CO 354	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated September 1, 2004
CO 355	Zomba Enterprises, Inc., Ringtone License Agreement, dated September 1, 2004
CO 357	Careers-BMG Music Publishing, Inc., License Agreement, dated August 19, 2004
CO 358	Zomba Songs, Inc., Zomba Enterprises, Inc., Zomba Melodies, Inc., Ringtone License Agreement, dated July 1, 2004
CO 359	BMG Songs, Inc., Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated July 1, 2004
CO 360	Zomba Enterprises, Inc., Ringtone License Agreement, dated July 1, 2004
CO 361	BMG Songs, Inc., License Agreement, dated June 4, 2004
CO 362	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated June 1, 2004
CO 363	Zomba Enterprises, Inc., Ringtone License Agreement, dated June 1, 2004
CO 364	Zomba Enterprises, Inc., Ringtone License Agreement, dated June 1, 2004

CO 365	Zomba Songs, Inc./ Zomba Enterprises Inc. / Zomba Melodies Inc., Ringtone License Agreement, dated June 1, 2004
CO 366	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 1, 2004
CO 367	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated May 1, 2004
CO 368	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Multisongs, Inc., Ringtone License Agreement, dated May 1, 2004
CO 369	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., License Agreement, dated May 1, 2004
CO 370	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc. License Agreement, dated May 1, 2004
CO 371	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated April 1, 2004
CO 372	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated April 1, 2004
CO 373	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., License Agreement, dated March 1, 2004
CO 374	BMG Music Publishing NA, Inc. Ringtone License Agreement, dated February 15, 2004
CO 375	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated January 1, 2004
CO 376	BMG Music Publishing NA, Inc., Ringtone License Agreement, dated January 1, 2004
CO 377	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated January 1, 2004
CO 378	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated January 1, 2004
CO 379	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 1, 2004

CO 380	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 1, 2004
CO 381	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated January 1, 2004
CO 382	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated January 1, 2004
CO 383	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated December 1, 2003
CO 384	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated December 1, 2003
CO 385	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated November 1, 2003
CO 386	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated November 1, 2003
CO 387	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated November 1, 2003
CO 388	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated November 1, 2003
CO 389	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated September 1, 2003
CO 390	Zomba Songs, Inc. / Zomba Entertainment, Inc., Ringtone License Agreement, dated September 1, 2003
CO 391	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated September 1, 2003
CO 392	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated August 1, 2003
CO 393	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated August 1, 2003
CO 393A	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated July 1, 2003

CO 394	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., License Agreement, dated July 1, 2003
CO 395	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc. / Multisongs, Inc., License Agreement, dated July 1, 2003
CO 396	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated July 1, 2003
CO 397	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 12, 2003
CO 398	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 12, 2003
CO 399	Zomba Enterprises, Inc., License Agreement, dated June 1, 2003
CO 400	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated June 1, 2003
CO 401	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 1, 2003
CO 402	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 1, 2003
CO 403	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., Ringtone License Agreement, dated May 1, 2003
CO 404	BMG Music Publishing NA Inc., Ringtone License Agreement, dated March 1, 2003
CO 405	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., dated February 3, 2003
CO 406	BMG Songs, Inc., Ringtone License Agreement, dated February 1, 2003
CO 407	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 1, 2003
CO 408	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 1, 2003
CO 409	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 1, 2003

CO 410	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 1, 2003
CO 411	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated October 1, 2002
CO 412	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated October 1, 2002
CO 413	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated October 1, 2002
CO 414	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated August 1, 2002
CO 415	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., LLC, Ringtone License Agreement, dated August 1, 2002
CO 416	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 1, 2002
CO 417	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 1, 2002
CO 418	BMG Music Publishing NA, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated June 1, 2002
CO 419	Zomba Songs, Inc. / Zomba Enterprises, Inc., Zomba Melodies, Inc., Ringtone License Agreement, dated May 1, 2002
CO 420	Zomba Songs, Inc. / Zomba Melodies Inc. / Zomba Enterprises, Inc., Ringtone License Agreement, dated May 1, 2002
CO 421	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated May 1, 2002
CO 421A	Zomba Songs, Inc. / Zomba Enterprises, Inc., Ringtone License Agreement, dated May 1, 2002
CO 422	Zomba Songs, Inc. / Zomba Enterprises, Inc., Ringtone License Agreement, dated May 1, 2002
CO 423	BMG Music Publishing Canada, Inc., Ringtone License Agreement, dated April 1, 2002

CO 424	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated April 1, 2002
CO 425	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated March 1, 2002
CO 426	Zomba Songs, Inc. / Zomba Enterprises, Inc., Ringtone License Agreement, dated November 15, 2001
CO 427	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated November 1, 2001
CO 428	Zomba Songs, Inc. / Zomba Enterprises, Inc. / Zomba Melodies, Inc., License Agreement, dated October 1, 2001
CO 429	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated August 1, 2001
CO 430	Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated January 2, 2001
CO 431	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated July 15, 1998
CO 432	BMG Songs, Inc. / Careers-BMG Music Publishing, Inc., Ringtone License Agreement, dated July 15, 1998
CO 512	RIAA: "2005 Year-End statistics"
CO 513	RIAA: "1999 Year-End statistics"
CO 514	Statement of Marybeth Peters Before the Subcommittee on Courts, the Internet and Intellectual Property of the House Committee on the Judiciary, dated March 11, 2004
CO 515	Testimony of Mitch Bainwol, Chairman and CEO of RIAA Before the U.S. Senate Committee on Appropriations Subcommittee on Commerce, Justice, State and the Judiciary, dated April 29, 2004
CO 516	Witness Statement of Karyn Ulman, In the Matter Of Digital Performance Right in Sound Recordings and Ephemeral Recordings, Docket No. 2005-1 CRB DATA.
CO 517	MusicBizAcademy.com: "Taking a Glance at New Media Deals in the Music Industry," dated August 2005
CO 518	Tech News World: "Record Industry Pushes Apple to Raise iTunes Prices," dated April 3, 2006
CO 519	Projected Mechanical Rate Adjusted with CPI from 1913
CO 520	Sony/ATV Music Publishing, LLC, License Agreement, dated August 11, 2006

CO 521	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated May 1, 2006
CO 522	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated April 1, 2006
CO 523	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, February 12, 2006
CO 524	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated January 20, 2006
CO 525	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated January 18, 2006
CO 526	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated January 13, 2006
CO 527	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated December 15, 2005
CO 528	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated December 12, 2005
CO 529	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated November 13, 2005
CO 530	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated November 13, 2005
CO 531	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated November 12, 2005
CO 532	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated October 25, 2005
CO 533	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated October 19, 2005
CO 534	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated October 1, 2005
CO 535	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 30, 2005
CO 536	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 24, 2005

CO 537	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 8, 2005
CO 538	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 6, 2005
CO 539	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 1, 2005
CO 540	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 1, 2005
CO 541	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated August 23, 2005
CO 542	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated August 2, 2005
CO 543	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated August 1, 2005
CO 544	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated July 29, 2005
CO 545	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated July 20, 2005
CO 546	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated July 4, 2005
CO 547	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated July 1, 2005
CO 548	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated July 1, 2005
CO 549	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated June 14, 2005
CO 550	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated June 11, 2005
CO 551	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated June 1, 2005

CO 552	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated May 11, 2005
CO 553	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated April 26, 2005
CO 554	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated April 4, 2005
CO 555	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated March 22, 2005
CO 556	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated March 5, 2005
CO 557	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated March 1, 2005
CO 558	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated February 1, 2005
CO 559	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated December 15, 2004
CO 560	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated November 13, 2004
CO 561	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 7, 2004
CO 562	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated August 1, 2004
CO 563	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated July 1, 2004
CO 564	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated May 7, 2004
CO 565	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated May 3, 2004
CO 566	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated May 2, 2004

CO 567	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated April 4, 2004
CO 568	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated March 29, 2004
CO 569	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated February 27, 2004
CO 570	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated January 21, 2004
CO 571	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated December 8, 2003
CO 572	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated December 4, 2003
CO 573	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 19, 2003
CO 574	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated September 11, 2003
CO 575	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated August 1, 2003
CO 576	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated June 16, 2003
CO 577	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated May 16, 2003
CO 578	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated March 31, 2003
CO 579	Sony/ATV Music Publishing, LLC, Ringtone License Agreement, dated November 8, 2002
CO 580	Sony/ATV Music Publishing, LLC, License Agreement, dated August 1, 1998
COA 1	iTunes Music Store P&L
COA 2	Deposition Transcript of David Teece, dated October 11, 2007
COA 3	Deposition Transcript of Ron Wilcox, dated October 5, 2007

COA 4	Deposition Transcript of David Munns, dated October 16, 2007
COA 5	Agreement between Blue Note Records and Charles Tolliver, dated May 24, 2006
COA 6	Agreement between Wynton Marsalis Enterprises, Inc. and Blue Note Records, dated Apr. 30, 2003
COA 7	Draft Singer-Songwriter Agreement with Universal Records
COA 8	Draft Singer-Songwriter Agreement with Atlantic, Elektra and Warner Bros.
COA 9	Backup data produced by David J. Teece
COA 10	Backup data produced by David J. Teece
COA 11	Backup data produced by Linda McLaughlin
COA 12	Deposition Transcript of Eddy Cue, dated September 28, 2007
COA 13	Apple Weekly Download Sales Data
COA 50	BMG / MusicNet Subscription Services Agreement, dated April 4, 2001
COA 51	Letter Amending BMG / MusicNet and Agreement, dated July 12, 2002
COA 52	BMG / MusicNet Digital Music Download Agreement, dated October 14, 2002
COA 53	Letter Amending BMG / MusicNet Agreement, dated October 1, 2004
COA 54	Letter Amending BMG / MusicNet Agreement, dated October 1, 2004
COA 55	Letter Amending BMG / MusicNet Subscription Agreement, dated November 29, 2004
COA 56	BMG / MusicNet Schedule of Current Wholesale Prices Applicable to the Download Service, dated June 21, 2005
COA 57	BMG / RealNetworks Amendment One to Digital Music Download Agreement, dated September 1, 2003
COA 58	Letter Amending New Content Usage Rules to BMG / RealNetworks Agreement, dated July 15, 2004
COA 59	EMI / Amazon Music Marketing DRM-Free Download Agreement Order Form, dated May 15, 2007

COA 60	EMI / Virgin Subscription Service Agreement, dated April 4, 2001
COA 61	EMI / MusicNet Amended and Restated Subscription Service Agreement, dated October 15, 2002
COA 62	Letter re: EMI / MusicNet Amended and Restated Subscription Services Agreement, dated November 12, 2002
COA 63	EMI / MusicNet Agreement for Distribution and Sale of Audio-Only Digital Downloads, dated December 1, 2002
COA 64	EMI / MusicNet Amendment to Agreement for Distribution and Sale of Audio-Only Digital Downloads, dated December 1, 2003
COA 65	EMI / MusicNet Amendment to Agreement for Distribution and Sale of Audio-Only Digital Downloads, dated August 27, 2004
COA 66	EMI / Virgin Amendment to Amended and Restated Subscription Services Agreement, dated May 11, 2005
COA 67	EMI / MusicNet Amendment to Agreement for the Distribution & Sale of Audio-Only Digital Downloads, dated December 15, 2004
COA 68	EMI / MusicNet Agreement for Distribution and Sale of Audio-Only Digital Downloads, dated June 1, 2005
COA 69	EMI / MusicNet Digital Download, and Audio (Non Portable and Portable) Subscription Agreement Order Form, dated November 28, 2006
COA 70	EMI / MusicNet Amendment to Digital Download Agreement, dated June 29, 2007
COA 71	Letter re: EMI / Napster Amendment, dated May 18, 2004
COA 72	EMI / Napster Amendment to the Agreement for Distribution and Sale of Audio-Only Digital Downloads, August 27, 2004
COA 73	EMI / Napster Amendment to the Agreement for Distribution and Sale of Audio-Only Digital Downloads, dated December 1, 2004
COA 74	EMI / Napster License Agreement, dated December 9, 2005
COA 75	EMI / Napster Dual Mode Digital Download Agreement Order Form, dated March 28, 2006
COA 76	EMI / Napster Audio Subscription Services Agreement, dated August 31, 2006

COA 77	EMI / Napster Digital Download Agreement, dated August 31, 2006
COA 78	EMI / Napster Audio Subscription Service Agreement, dated September 20, 2006
COA 79	EMI / Napster Amendment No.1 to Audio Subscription Service Agreement, dated March 30, 2007
COA 80	EMI/Napster Amendment to Dual Mode Digital Download Agreement, dated October 31, 2006
COA 81	EMI/ RealNetworks Amendment to Agreement for Distribution & Sale of Audio-Only Digital Downloads, dated November 1, 2003
COA 82	EMI / RealNetworks Streaming Audio and Conditional Download Order Form, dated April 1, 2005
COA 83	EMI / RealNetworks Amendment to Streaming Audio and Conditional Download Agreement, dated November 14, 2006
COA 84	EMI / RealNetworks Streaming Audio and Conditional Download Order Form, dated April 1, 2005
COA 85	EMI / RealNetworks Music Marketing Digital Download Agreement Order Form, dated November 14, 2006
COA 86	EMI / RealNetworks Amendment to Streaming Audio and Conditional Download Agreement, dated November 14, 2006
COA 87	EMI / QTrax Ad-Supported P2P Music Service, Digital Download and Subscription Services Agreement, dated November 30, 2007
COA 88	EMI / MSpot Mobile Digital Streaming Agreement, dated July 25, 2005
COA 89	EMI / Dwarf Village Music Agreement, dated June 11, 2007
COA 90	Sony / MusicNet Content Integration Agreement, dated November 6, 2002
COA 91	Sony / MusicNet Digital Download Sales Agreement, November 6, 2002
COA 92	Sony / Napster Amended and Restated Content Integration and Distribution Agreement, August 1, 2002
COA 93	Sony BMG / EMI Music Publishing Letter Agreement: Modification to New Digital Media Agreement, dated March 30, 2007
COA 94	Sony BMG / Famous Music Group New Digital Media Agreement, dated November 1, 2004

COA 95	Letter Amending Sony BMG / Famous Music Group New Digital Media Agreement, dated November 1, 2004
COA 96	Sony BMG / MusicNet Digital Music Download Agreement, dated October 14, 2002
COA 97	Letter re: Sony BMG / MusicNet Re: Hold Back Periods; Right to Terminate, dated November 6, 2002
COA 98	Letter re: Sony BMG / MusicNet Re: Content Integration Agreement, Key Provisions, dated November 6, 2002
COA 99	Sony BMG / MusicNet Digital Download Sales Agreement, dated November 6, 2002
COA 100	Letter re: Sony BMG / MusicNet Digital Download Sales Agreement, dated November 6, 2002
COA 101	Sony BMG / MusicNet Digital Download Sales Agreement, dated November 6, 2002
COA 102	Sony BMG / MusicNet Amendment to July 12, 2002 Letter Agreement Amending April 4, 2001 Subscription Agreement, dated January 9, 2003
COA 103	Sony BMG / MusicNet Amendment to July 12, 2002 letter Agreement Amending April 4, 2001 Subscription Agreement, dated January 9, 2003
COA 104	Sony BMG / MusicNet Subscription Service Distribution Agreement, dated October 1, 2004
COA 105	Sony BMG / MusicNet Modification of Oct 11, 2002 Contract, dated October 1, 2004
COA 106	Letter Amending Sony BMG / MusicNet Agreement: Amendment to Agreement, dated November 29, 2004
COA 107	Sony BMG / MusicNet Modification of April 4, 2001 Contract, dated November 29, 2004
COA 108	BMG / MusicNet Digital Download Sales Agreement, dated May 11, 2005
COA 109	Sony BMG / MusicNet Agreement: Subscription Service Distribution Agreement, dated May 11, 2005
COA 110	Sony BMG / MusicNet Subscription Services Agreement, dated April 4, 2001

COA 111	Sony BMG / Napster Letter Amending Content Distribution and Integration Agreement of Oct. 02, date illegible
COA 112	Sony BMG / Napster Digital Music Download Agreement, dated February 18, 2004
COA 113	Sony BMG / Napster Dual Delivery Downloads Amendment, dated February 3, 2006
COA 114	Sony BMG / Napster Re: Napster – Sony Subscription Services Amendment, dated April 25, 2006
COA 115	Sony BMG / Napster Letter modifying prior agreements, dated December 31, 2006
COA 116	Sony BMG / Napster Letter modifying prior agreements, dated March 20, 2007
COA 117	Sony BMG / Napster Letter modifying prior contracts, dated March 30, 2007
COA 118	Sony BMG / RealNetworks Digital Music Download Agreement, dated September 1, 2003
COA 119	Sony BMG / RealNetworks Second Amendment to Content Integration Agreement, April 1, 2005
COA 120	Sony BMG / RealNetworks Content Integration Agreement, dated April 1, 2005)
COA 121	Sony BMG / RealNetworks Amendment No. 1 to the Content Integration Agreement, dated April 1, 2006
COA 122	RealNetwork Contract Ownership Form & Sony BMG / RealNetworks No. Amendment to the Content Integration Agreement, dated April 1, 2006
COA 123	Sony BMG / Warner/Chappell Music New Digital Media Agreement, dated February 1, 2005
COA 124	Sony BMG / Warner/Chappell Music Modification to New Digital Media Agreement, dated February 1, 2005
COA 125	Sony Music / MusicNet Integration Agreement

COA 126	Sony Music / Duet d/b/a press, Sony Digital Download Sales Agreement Amendments, dated August 1, 2002
COA 127	Sony Music / Duet d/b/a press, Sony Digital Download Sales Agreement Amendments, dated August 1, 2002
COA 128	Sony Music / Duet d/b/a press, Sony Digital Download Sales Agreement Amendments, dated August 1, 2002
COA 129	Sony/ATV / Full Audio, Digital Music subscription Services Agreement, dated April 1, 2002
COA 130	Amendment UMG / MusicNet Agreement, dated November 13, 2002
COA 131	UMG / MusicNet Agreement for the Inclusion of Universal Sound Recordings in Online On Demand Subscription Services, dated November 13, 2004
COA 132	Letter re: UMG / MusicNet Subscription Services Agreement, dated November 11, 2005
COA 133	UMG / MusicNet Agreement for UMG Recordings, dated November 13, 2002
COA 134	UMG / MusicNet Agreement for UMG Recordings Inc., dated November 15, 2002
COA 135	UMG / MusicNet Addendum Agreement for UMG Recordings, dated November 15, 2002
COA 136	UMG / MusicNet Public Performance License Agreement, dated June 1, 2004
COA 137	UMG / MusicNet Agreement for Universal Sound Recordings, dated September 24, 2004
COA 138	Letter Modification to UMG/MusicNet Agreement, dated November 13, 2004
COA 139	Exhibit C-2, Universal Content Rate and Published Wholesale Prices & Bundling Guidelines for Permanent Downloads (chart), dated March 2006
COA 140	UMG / MusicNow Consent Assignment and Amendment to the Agreement for UMG Recordings, Inc, dated March 16, 2005
COA 141	UMG Subscription Agreement Amendment, dated August 1, 2002

COA 142	UMG / Duet d/b/a pressplay Download Addendum Agreement Amendments, dated August 1, 2002
COA 143	UMG / Napster Agreement for the Inclusion of universal Sound Recordings in Over the Air Permanent Download Services, dated July 18, 2006
COA 144	UMG / Napster Agreement for the Inclusion of Universal Sound Recordings in Permanent Download Services, dated January 1, 2007
COA 145	UMG / MusicNet Amendment No. 2 to Agreement for the Inclusion of Universal Sound Recordings in Online On Demand Subscription Services, dated, November 13, 2004
COA 146	UMG / Napster Agreement for the Inclusion of Universal Sound Recordings in Online, On-Demand Subscription Services, dated January 1, 2007
COA 147	UMG / Napster Amendment No. 1 to Agreement for the Inclusion of Universal Sound Recordings in Online On Demand Subscription Services, dated January 30, 2007
COA 148	UMG / RealNetworks Agreement for Universal Sound Recordings, dated December 23, 2003
COA 149	UMG / RealNetworks Subscription Agreement, dated July 1, 2004
COA 150	Universal / Napster Master Services Agreement, dated May 19, 2003
COA 151	UMG / RealNetworks Amendment No. 1 to the Subscription Agreement, dated October 26, 2005
COA 152	Universal / RealNetworks Amendment No.1 to Agreement for UMG Sound Recordings, dated July 1, 2004
COA 153	WMG / MusicNet Subscription Services Agreement (Amended), dated April 3, 2001
COA 154	WMG / MusicNet Subscription Services Agreement, dated April 3, 2001
COA 155	WMG / MusicNet Digital Music Download Agreement, dated July 17, 2002
COA 156	WMG / MusicNet Digital Music Download Agreement, dated July 18, 2002

COA 157	WMG / MusicNet Letter Amending Subscription Services Agreement, dated August 31, 2004
COA 158	WMG / MusicNet Subscription Service Agreement, dated January 1, 2005
COA 159	WMG / MusicNet OTA Digital Video Download Agreement, dated December 15, 2006
COA 160	WMG / Napster OTA Digital Music Download Agreement, dated July 7, 2006
COA 161	WMG / Napster Amendment No. 1 to Subscription Services Agreement, dated March 30, 2007
COA 162	WMG / Napster Amendment No. 2 to Subscription Services Agreement, dated April 6, 2007
COA 163	WMG / RealNetworks Subscription Services Agreement, dated April 22, 2005
COA 164	WMG / RealNetworks Re: Amendment No. 2 to Subscription Services Agreement, dated February 11, 2002
COA 165	WMG / RealNetworks Digital Music Download Agreement, dated October 10, 2002
COA 166	WMG / RealNetworks Re: Amendment No. 1 to Digital Download Agreement, dated January 6, 2004
COA 167	WMG / RealNetworks Amendment No. 2 to Subscription Services Agreement, dated February 26, 2004
COA 168	WMG / RealNetworks Subscription Services Agreement, dated April 22, 2005
COA 169	EMI Music / FaithWest USA, Inc. Music Marketing Mobile Ringtune Subscription Agreement, effective date August 13, 2007
COA 170	EMI / Verizon Wireless Ringback Tune Agreement, executed November 1, 2005
COA 171	EMI / Ericsson Mobile Ringback Tune Agreement, executed September 7, 2005
COA 172	EMI / Verizon Wireless Mobile Ringback Tune Agreement, executed November 1, 2005

COA 173	EMI Music / Thumbplay, Inc. Marketing Mobile Ringtune Agreement, effective date January 3, 2007
COA 174	Sony BMG / 9 Squared, Inc. Mobile Products Agreement, dated November 5, 2004
COA 175	EMI Music / Buongiorno USA, Inc. Music Marketing Mobile Ringtune Subscription Agreement, effective date August 16, 2007
COA 176	Sony BMG / Cellco Partnership d/b/a Verizon Wireless Ringtone Agreement, dated November 5, 2004
COA 177	Sony BMG / Jamster International Ringtone Agreement, dated January 1, 2005
COA 178	Sony BMG/ Ericsson Ringback Tone Agreement, dated September 29, 2005
COA 179	Sony BMG/ Verizon Wireless Amendment No. 2 to Definite Agreement, dated June 26, 2006
COA 180	Sony BMG/ Ericsson Amendment No. 1 to Ringback Tone Agreement, dated May 16, 2006
COA 181	Sony/ BMG /Helio Mobile Personalization Products Sales Agreement, dated December 12, 2006
COA 182	BMG/ Faith West Ringtone Agreement, dated July 22, 2004
COA 183	Sony BMG/ Vocel Ringtone Agreement, dated August 8, 2006
COA 184	Sony/ DVNO Ringtone Agreement, dated January 16, 2004
COA 185	Sony/ MOVISO Ringtone Agreement, dated February 24, 2004
COA 186	Sony/ AT&T Wireless Ringtone Agreement, dated May 6, 2004
COA 187	Sony/ Zingys Sales Agreement, dated June 3, 2004
COA 188	EMI/ Ericsson Renewal Amendment to Mobile Ringback Tune Agreement, dated October 1, 2006
COA 189	BMG/ Faith West Master Distribution Agreement, dated November 30, 2003
COA 190	UMG/ Helio Ringtone and Ringbacks Agreement, dated May 19, 2006
COA 191	UMG/ Cricket Ringback Agreement, dated June 4, 2007
COA 192	EMI/ Infospace Ringtone Subscription Agreement, dated July 13, 2006

COA 193	UMG/ Ericsson Ringtone Agreement, dated June 8, 2006
COA 194	UMG/ Verizon Wireless Amendment No. 2 to Ringtone Distribution Agreement, dated June 30, 2006
COA 195	WMG/ Ericsson Ringback Tone Aggregator Agreement, dated December 1, 2005
COA 196	UMG/ Blue Frog Agreement, dated January 26, 2007
COA 197	BMG/ Faith West Agreement, dated November 30, 2003
COA 198	WMG/ Helio Ringback Tone Agreement, dated December 15, 2006
COA 199	Sony BMG/ Zomba Enterprises New Digital Media Agreement, dated November 1, 2004
COA 200	Sony/ WCM Ringtone Agreement, dated May 27, 2004
COA 201	Sony BMG Global Digital Business Unit – U.S. Deal Parameters and Pricing Guidelines, dated October 10, 2004
COA 202	Sony BMG/ EMI Agreement, dated November 1, 2004
COA 203	Sony BMG/ WCM New Digital Media Agreement, dated February 1, 2005
COA 204	Sony BMG/ WCM New Digital Media Agreement Modification, dated February 1, 2005
COA 205	Sony BMG/ Famous Music New Digital Media Agreement, dated November 1, 2004
COA 206	Sony BMG/ EMI New Digital Media Agreement, dated November 1, 2004
COA 400	Apple/EMI Digital Music Download Agreement, dated April 7, 2003
COA 401	Apple/EMI 1st Amendment to the Digital Music Download Agreement, dated April 7, 2003
COA 402	Apple/EMI 2nd Amendment to the Digital Music Download Agreement, dated April 7, 2003
COA 403	Apple/EMI 4th Amendment to the Digital Music Download Agreement, dated March 27, 2007
COA 404	Apple/EMI 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007

COA 405	Apple/EMI Amended and Restated 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007
COA 406	Apple/Sony Digital Music Download Agreement, dated June 11, 200 4
COA 407	Apple/Sony 1st Amendment to the Digital Music Download Agreement, dated October 8, 2003
COA 408	Apple/BMG Digital Music Download Agreement, dated January 1, 2003
COA 409	Apple/BMG 3rd Amendment to the Digital Music Download Agreement, dated January 1, 2003
COA 410	Apple/BMG 1st Amendment to the Digital Music Download Agreement, dated January 1, 2003
COA 411	Apple/Sony Renewal & 2nd Amendment to the Digital Music Download Agreement, dated April 3, 2003
COA 412	Apple/Sony Renewal & 2nd Amendment to the Digital Music Download & Digital Music Download Agreement, dated April 3, 2003
COA 413	Apple/BMG 1st Amendment to the Digital Music Download Agreement, dated January 1, 2003
COA 414	Apple/BMG 4th Amendment to the Digital Music Download Agreement, dated January 1, 2003
COA 415	Apple/BMG Renewal & 2nd Amendment to the Digital Music Download Agreement, dated January 1, 2003
COA 416	Apple/Sony Digital Music Download Agreement, dated April 3, 2003
COA 417	Apple/Universal Sound Recordings Agreement, dated December 13, 2002
COA 418	Apple/Universal 2nd Amendment to Universal Sound Recordings Agreement, dated December 13, 2002
COA 419	Apple/Universal Sound Recordings Agreement, dated December 13, 2002
COA 420	Apple/Universal 1st Amendment to the Amended Universal Sound Recordings Agreement, dated April 26, 2006
COA 421	Apple/Universal 3rd Amendment to the Universal Sound Recordings Agreement, dated October 11, 2005
COA 422	Apple/Universal 4th Amendment to the Amended Universal Sound

	Recordings Agreement, dated April 26, 2007
COA 423	Apple/Warner Amendment of Digital Music Download Agreement, dated October 11, 2005
COA 424	Apple/Warner 1st Amendment to the Digital Music Download Agreement, dated November 25, 2002
COA 425	Apple/Warner 2nd Amendment to the Digital Music Download Agreement, dated December 23, 2003
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COA 427	Apple/Warner 4th Amendment to the Digital Music Download Agreement, dated February 27, 2004
COA 428	Apple/Warner 5th Amendment to the Digital Music Download Agreement, dated November 25, 2002
COA 429	Apple/Warner 6th Amendment to the Digital Music Download Agreement, dated November 25, 2002
COA 430	Apple/Warner Digital Music Download Agreement, dated November 25, 2002
COA 431	Apple/Warner Digital Music Download Agreement, dated April 28, 2006
COA 432	Apple/Warner Amendment to Digital Music Download Agreement, dated March 1, 2007
COA 433	Apple/Warner Letter Agreement, dated April 5, 2007
COA 434	Apple/EMI Amended and Restated 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007
COA 435	Apple/EMI Digital Content Supply Agreement, dated March 28, 2006
COA 436	Apple/EMI Extension of Digital Music Download Agreement, dated April 25, 2006
COA 437	Apple/Sony BMG 3rd Amendment to the Digital Music and Video Download Agreement, dated April 28, 2006
COA 438	Apple/Sony Digital Music Download Agreement, dated April 3, 2003
COA 439	Apple/Sony 1st Amendment to the Digital Music Download Agreement, dated October 8, 2003

COA 440	Apple/Sony Renewal and 2nd Amendment to the Digital Music Download Agreement, dated April 3, 2003
COA 441	Apple/Sony Amendment to the Digital Music and Video Download Agreement, dated April 22, 2007
COA 442	Apple/Sony BMG Amendment to the Digital Music and Video Download Agreement, dated May 30, 2007
COA 443	Apple/Sony BMG Amendment to the Digital Music and Video Download Agreement, dated June 15, 2007
COA 444	Apple/Sony BMG 4th Amendment to the Digital Music and Video Download Agreement, dated April 28, 2006
COA 445	Apple/Sony BMG Digital Music and Video Download Agreement, dated April 28, 2006
COA 446	Apple/Universal 1st Amendment to the Universal Sound Recordings Agreement, dated December 13, 2002
COA 447	Apple/Universal Amendment to the Universal Sound Recordings Agreement, dated June 26, 2007
COA 448	Apple/Sony BMG 2nd Amendment to the Amended Universal Sound Recordings Agreement, dated April 28, 2006
COA 449	Apple/Universal Sound Recordings Agreement, dated December 13, 2002
COA 450	Apple/Universal 4th Amendment to the Amended Universal Sound Recordings Agreement, dated April 28, 2006
COA 451	Apple/Universal 2nd Amendment to the Universal Sound Recordings Agreement, dated December 13, 2002
COA 452	Apple/Universal Sound Recordings Agreement, dated December 13, 2002
COA 453	Apple/Warner Digital Music Download Agreement, dated November 25, 2002
COA 454	Apple/Warner Digital Music Download Agreement, dated April 28, 2006
COA 455	Apple/Warner Amendment to Digital Music Download Agreement, dated March 1, 2007
COA 456	Apple/Downtown Records Free Single of the Week Agreement, dated December 18, 2006

COA 457	Apple/Atlantic Records Free Single of the Week Agreement, dated January 19, 2006
COA 458	Apple/Warner Free Single of the Week Agreement, dated March 6, 2007

Other Data
Data on licensing income from six publishers
Data on songwriter licensing royalties from two publishers
Licensing data from the Harry Fox Agency
Data from two publishers on prices paid under mastertone agreements during a quarter in 2006
RealNetworks Top Tracks data (DIMA_2006-3_CRB_DPRA046456-47348; DIMA_2006-3_CRB_DPRA047349-48721; DIMA_2006-3_CRB_DPRA048722-50092; DIMA_2006-3_CRB_DPRA050093-51461; DIMA_2006-3_CRB_DPRA051642-53517; DIMA_2006-3_CRB_DPRA053518-54894; DIMA_2006-3_CRB_DPRA054895-56275)

CO Trial
Ex. 10

ENDERS|ANALYSIS

U.S. Digital Music Market

November 29, 2006

AMENDED ON OCTOBER 29, 2007

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1. Introduction

My name is Claire Enders, and I am the CEO of Enders Analysis, an international provider of research, analysis and advice on telecommunications, media and technology. Enders Analysis has a long track record of, and is a respected source for, analysis of the music industry, with a focus on digital music. I received a Bachelor's degree with honors in History from Yale University in 1979 and a MBA from the London Business School in 1984. A copy of my CV is attached as Exhibit A.

I have worked in the media and entertainment industries for over 20 years. From 1985 through 1986, I was the Head of Business Development for The Virgin Group, a U.K.-based media company focusing on entertainment, music and travel services, and the owner of the Virgin Megastores, an international chain of music stores, and Virgin Records, the well-known recording label (now owned by EMI Group plc). In that capacity, I was responsible for the development of the Group's media activities, including investments in new media.

In 1986, I became the Director of Marketing for Superchannel, a pan-European satellite television channel then owned by the ITV companies, where I was responsible for Superchannel's commercial strategy. In 1989, I became Director of Corporate Development at TVS Entertainment, the former ITV broadcaster for the South and the South-East of England, where I was responsible for group strategy, corporate development and related regulatory issues.

In 1992, I joined Thorn EMI plc, then the corporate parent of EMI Music (the record company), EMI Music Publishing and the owner of HMV, a major music retailer. As the company's Corporate Development Manager, I was responsible for advising the Chairman, Chief Executive and Group Finance Director, on major strategic issues facing the company as a whole. I concentrated on new technologies and the resulting changes for the music industry.

In 1994, I was seconded from Thorn EMI plc to be the Special Advisor on broadcasting policy for the U.K. Department of Trade and Industry, the department of the U.K. government responsible for, among other things, trade, business, and consumers, and (at the time) the regulation of U.K. broadcasting.

I founded Enders Analysis in 1997 to provide the leaders of major companies with high quality, independent research. The firm's roster of 110 subscribers includes media companies and content providers such as The Walt Disney Corporation, Time Warner, Vivendi, EMI and Sony BMG, as well as major financial institutions such as Citigroup, JP Morgan and Kohlberg Kravis Roberts & Co.[1] The Financial News Survey of Independent Research, conducted in February 2005, cited Enders Analysis as a leader in our sector in the U.K.

I have been retained by the U.K.'s Mechanical-Copyright Protection Society Limited, the Performing Right Society Limited and the British Academy of Composers and Songwriters, to provide expert witness testimony before the U.K. Copyright Tribunal in the Matter of References Under Sections 119, 121 and 126 of the Copyright, Designs and Patents Act of 1988. This 2006 U.K. proceeding concerns the mechanical royalty rates applicable to online and mobile music services, and webcasting services, supplied to consumers for private use in the U.K. I submitted two expert reports and one supplemental report to the U.K. Copyright Tribunal in connection with that proceeding. The U.K. Copyright Tribunal returned its decision in July 2007.

My work on this report has been performed with the assistance of my colleagues and staff at Enders Analysis. I am being compensated at the rate of $675 per hour for my independent analysis in this matter, and my colleagues are being compensated at their standard rates.

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[1] A more complete description of Enders Analysis and its subscribers is available on www.endersanalysis.com.

References to sources are contained in the footnotes. Where I have used news releases or articles published in the press, I have included the full citation in the relevant footnote. Where I have obtained information from a website, I have included the full address of the website, and the latest verifiable access date for the material. Lists of the data and other information I have considered in connection with my initial report and this amended report are attached as Exhibit B and Exhibit B-Amended, respectively, and the documents containing such data and information are Exhibits CO 701 to CO 753, and Exhibits COA 300 to COA 335 and COA 400 to COA 488, which are incorporated herein.

2. Scope and Structure of This Report

I submit this report in support of the compulsory license fee rate proposal presented by National Music Publishers' Association, Inc. ("NMPA"), the Songwriters Guild of America ("SGA"), and the Nashville Songwriters Association International ("NSAI") (collectively with NMPA and the SGA, the "Copyright Owners").

I understand that the Copyright Owners' proposal is as follows:

- For physical phonorecords, a penny rate equal to the greater of 12.5 cents per track or 2.40 cents per minute of playing time or fraction thereof, with a periodic adjustment for inflation as measured by the Consumer Price Index ("CPI");
- For permanent downloads, a penny rate equal to the greater of 15 cents per track or 2.90 cents per minute or fraction thereof, with a periodic adjustment for inflation as measured by the CPI;
- For limited downloads, a rate equal to the greatest of: (i) 15 percent of music provider revenue attributable to music; (ii) one-third of the amount paid for rights to musical compositions and sound recordings (the "music content"); or (iii) $0.0033 per use or

$0.00064 per minute of playing time or fraction thereof, subject to a periodic adjustment for inflation as measured by the CPI;

- For interactive streams, a rate equal to the greatest of: (i) 12.5 percent of music provider revenue attributable to music; (ii) 27.5 percent of the amount paid for rights to music content; or (iii) $0.00275 per use or $0.00053 per minute of playing time or fraction thereof, subject to a periodic adjustment for inflation as measured by the CPI; and
- For ringtones, a rate equal to the greater of: (i) 15 percent of music provider revenue attributable to music; (ii) one-third of the amount paid for rights to music content; or (iii) 15 cents per ringtone subject to a periodic adjustment for inflation as measured by the CPI.

I have been asked specifically to provide my opinion as to whether the Copyright Owners' proposal for setting compulsory license fees under Section 115 of the Copyright Act for digital phonorecord deliveries ("DPDs") at rates higher than that set for physical phonorecords is appropriate. In evaluating this question, I have been asked to examine the U.S. digital music market, including the markets for permanent downloads, limited downloads, interactive streams and ringtones.[2]

A summary of my conclusions is set forth in Section 3 of this report. Section 4 of this report concerns the development of the U.S. digital music market. Section 5 focuses on the

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[2] A "permanent download" is a digital delivery of a sound recording of a musical work that is not limited in availability for listening by the consumer either to a period of times or number of times the sound recording can be played. In contrast, a "limited download" is a digital delivery of a sound recording of a musical work available for listening by the consumer for a limited period of time or a limited number of times. An "interactive stream" consists of the digital delivery of a sound recording of a musical work, using streaming technology, in response to a consumer's request. A ringtone is a digital music file or excerpt of a sound recording of a musical work up to 30 seconds in length, downloaded to a mobile phone or similar device to personalize its ring.

current state of the U.S. digital music market, focusing in particular on digital music consumers, market data, music providers and the costs of producing and distributing digital music. Section 6 sets out growth projections for the U.S. digital music market for the period ending in 2012. Section 7 sets forth my conclusions and the reasons for those conclusions in greater detail.

I have amended this report to reflect new information made available to me since I submitted my initial report on November 29, 2006, including information disclosed in discovery to date. I understand that additional materials may be disclosed as a result of discovery orders issued by the Copyright Royalty Judges after the submission of this report. Accordingly, I reserve the right to amend or supplement my analyses and conclusions based on that additional information. It is my understanding that, under the regulations governing this proceeding, the amendment of my report is limited to consideration of material that was received by the Copyright Owners in discovery. Accordingly, I have amended my report on the basis of those materials. I am aware, however, that additional public information has become available since my initial report and will likely become available in the future, and I reserve the right to modify my testimony based on such information.

3. Summary of Conclusions

None of the discovery information that I have reviewed since the submission of my initial report alters the central conclusions set forth in that report. [redacted]

1. Increased Value of Digital Music – Today, there is a thriving U.S. market for digital music. The digital music market has expanded rapidly and is poised for increased growth due in part to the increased value of digital music to consumers.

As discussed below in Section 5.2, U.S. consumers are able to identify a number of attributes of DPDs that provide them with value, and which are not available on purchases of physical phonorecords, including the ability to purchase only the hit song without purchasing the rest of the album, *i.e.*, the ability to "cherry-pick," increased convenience, and immediacy of purchase. [redacted]

2. Lower Costs for Selling DPDs Versus Physical Phonorecords – The relative contributions of record companies and Copyright Owners in the process of creating musical works are the same whether a musical work is sold as a DPD or as a physical phonorecord. However, as is discussed in more detail in Section 5.5, the record companies and digital music providers do not incur the costs of manufacturing and distributing the physical format when musical works are sold as DPDs. The record companies in particular realize higher gross and/or net operating margins on the digital distribution of music. Moreover, the digital music providers incur relatively modest costs to provide digital music compared to the costs of physical retailers. [redacted]

3. U.S. Digital Music Sales Are Singles-Driven – The current rates for physical phonorecords and for DPDs were agreed in 1997 when the U.S. digital music market was nascent and the album was the dominant format for recorded music

sales. Hit songs drove the sale of albums with multiple tracks. As a result, the physical royalty rate per track was effectively a blended average of rates on hit songs and the other tracks on albums. In the digital world, consumers have the ability to purchase only the hit song without purchasing the rest of the album, *i.e.*, the ability to "cherry-pick." As Section 5.3.2 describes, the single dominates U.S. digital music sales. [redacted]

4. History of the U.S. Digital Music Market

4.1 Introduction

This section of my report surveys the development of the U.S. digital music market. The U.S. digital music market has only recently emerged. For decades, recorded music was sold to consumers only in physical formats such as vinyl, cassette or CD. Digital music delivered over the Internet emerged as a format for consumers to enjoy in the mid-1990s. Initial record company efforts to exploit the Internet for the sale of digital music failed. Only after the record companies largely abandoned these efforts and began licensing third-party music download providers, such as Apple, around 2002 and 2003, did the U.S. market for legitimate digital music begin to grow.

Today, the U.S. digital music market is vibrant. As discussed below, a large number of music providers have entered the U.S. digital music market. U.S. digital music sales exceeded $1 billion in 2005 and accounted for 8.8 percent of recorded music retail sales that year.[3] Growth continued in 2006, with total U.S. digital music sales rising 73 percent on a year-over-

[3] Recording Industry Association of America ("RIAA"), "Year-End Statistics," RIAA 41992-41998 ("Year-End Statistics") at RIAA 41997 (2005), attached as Exhibit COA 301.

year basis, to reach $1.859 billion,[4] a 17 percent share of U.S. recorded music retail sales in that period.[5] The RIAA further reports that 929 million digital units (586 million tracks, 28 million albums, 315 mobile digital music formats) were sold in 2006, compared to 553 million physical units sold at retail.[6] Thus, the number of digital units sold annually exceeded the number of physical units sold in 2006 for the first time. I also understand from information disclosed in discovery by the RIAA that the RIAA expects digital music sales to account for almost 25 percent of record company wholesale revenues in 2007.[7]

As described more fully in Section 6, the growth of the U.S. digital music market is expected to continue in the near future. In my initial report submitted on November 29, 2006, I forecast that U.S. digital music sales could reach an estimated $5.8 billion by 2012. New information made available to me since that time has caused me to adjust my forecast slightly, and I now expect U.S. digital music sales should reach an estimated $5 billion by 2012.[8]

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[4] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

[5] My calculation is as follows: for 2006, RIAA reports physical unit retail sales of $9,053 million, permanent download revenues of $878 million, mobile music revenues of $774.5 million and $206.2 million of subscription revenues. Accordingly, the total dollar value of U.S. recorded music sales is $10,911.2 million, of which digital music formats accounted for $1,858.7 million, representing a share of 17 percent. These figures do not include the revenues generated by music providers offering ad-supported free music services.

[6] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

[7] My calculation is as follows: in 2007, wholesale revenues are reported as $6,628.53 million, of which $1,162.76million is due to digital downloads, $462.19 million is due to ringtones and $5,003.58 million is due to physical albums. Summing up the wholesale revenue data for digital music formats yields $1,625.95 million, which is 24.5 percent of the total figure of $6,628.53 million. See "Statutory and Effective Rates with Continued Decline of Controlled Composition in Physical Albums," RIAA 15382-15386 at RIAA 15384, attached as Exhibit COA 302.

[8] Enders Analysis estimates. The Enders Analysis estimates cited here and elsewhere in this report are discussed in Section 6 and the accompanying footnotes. As set forth more fully in Section 6, I attribute the adjustment in my forecast to new information disclosed in discovery.

The significance of the development of the digital music market in the U.S. is best understood in the context of the traditional physical market for music sales, which I discuss below.

4.2 The Traditional Physical Market for Music Sales

For well over a decade, the compact disc or CD has been the dominant format for music sales in the U.S. Traditionally, record companies have incurred significant costs associated with the manufacture and distribution of CDs and other physical formats such as cassettes and vinyl.

For many years, record companies had divisions devoted to manufacturing (sometimes called pressing) CDs. I understand that the major record companies have largely divested themselves of these operations in recent years in order to reduce their costs, and currently outsource manufacturing. Similar expenses were incurred by record companies in connection with the manufacture of other physical formats such as cassettes and vinyl, whose sales have declined substantially over the past 10 years.[9] The distribution of physical units involves shipping CDs from the manufacturing facility via a distributor to a retailer who sells the CDs to consumers and returns unsold CDs. As discussed in Section 5.5 of this report, the record companies' costs associated with bringing CDs to market remain substantially higher than the costs associated with supplying music in digital formats to online and mobile music providers.

4.3 The Development of the U.S. Market for Digital Music

4.3.1 Technological and Legislative Developments

During the 1990s, advances in technology and, particularly, the growth of the Internet, made it possible to distribute digital music through means other than a CD. Personal computers equipped with CD-ROM drives grew increasingly prevalent, enabling users to copy music stored

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[9] RIAA, Year-End Statistics at RIAA 41997 (2005), attached as Exhibit COA 301.

on CDs into audio files to be stored on their personal computers. The development of the MP3 file format permitted users to compress those audio files, making them easier to distribute over the Internet. At the same time, the Internet was becoming available to a growing number of consumers, setting the stage for a revolution – the digital delivery of music over the Internet.

The major record companies, which had enjoyed substantial growth in revenue and profitability through CD album sales, were slow to embrace this new means of delivering music to consumers. Congress had taken action in 1995 and in 1998 to clarify the scope of copyrights and potential infringement liability for digital music, and facilitate the entry of music providers.[10] The Copyright Owners had settled the mechanical royalty rates for certain DPDs in the context of the 1997 Mechanical Rate Adjustment Proceeding. Major record companies were reluctant to license third-party music download services until 2002 and 2003, after the launch of their own legitimate Internet-based music services in late 2001.

4.3.2 The Growth of Online Music Piracy

The absence of a viable Internet-based music service offering from the major record labels, and the delay in their licensing of successful third-party music services, fueled continued demand for the illegal copying of digital music over the Internet. The result was unprecedented levels of piracy in the music industry, with a peak level of 1.1 billion music files available for illegal copying in April 2003.[11]

In 1999, the notorious peer-to-peer ("P2P") file sharing service, Napster, was launched. P2P file sharing software such as Napster allowed its users to make MP3 files of digital music on

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[10] The Digital Performance Rights in Sound Recordings Act of 1995 clarified that the scope of the Section 115 compulsory license encompasses digital delivery of phonorecords. The Digital Millennium Copyright Act of 1998 granted a safe harbor from infringement claims to Internet service providers transmitting music over the Internet.

[11] IFPI (2004), *IFPI Online Music Report 2004*, www.ifpi.org [accessed November 29, 2006].

a users' computer available for copying by other users of that software, and enabled those users to search for and copy desired music from one "peer" computer in the network to another over the Internet.[12]

Litigation against Napster commenced in December 1999. After a preliminary injunction was entered by the trial court and affirmed by the United States Court of Appeals for the Ninth Circuit, Napster shut down in July 2001. Following Napster, a number of other P2P file sharing networks, such as Grokster, Aimster, Gnutella, and Freenet, emerged to foster Internet-based piracy of digital music. Record companies and music publishers have continued to challenge the legality of such services. Internet-based piracy of music continues today.

4.3.3 The Major Record Companies Fail to Offer Successful Online Music Services

In late 2001, the record companies finally launched their online music services.[13] These services, MusicNet and Pressplay, however, were not attractive to consumers, in part because neither had music available from all the major record companies.[14] Neither service offered

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[12] Ninth Circuit Court of Appeals, "Napster decision," February 12, 2001, www.riaa.com [accessed November 29, 2006].

[13] "Joint Statement of the Recording Industry Association of America, Inc. National Music Publisher's Association and The Harry Fox Agency, Inc.," Docket No. RM 2000-7, www.copyright.gov [accessed November 29, 2006].

[14] MusicNet was launched in December 2001 by AOL Time Warner, Bertelsmann AG, EMI Group plc and RealNetworks, Inc., without licenses from all the major record companies, which were obtained in November 2002. MusicNet was acquired by Baker Capital, a private equity firm, in 2005. MusicNet continues to operate in the U.S. as a provider of business-to-business digital entertainment services. www.musicnet.com [accessed November 29, 2006]. Pressplay was launched in December 2001 by Sony Music Entertainment and Universal Music Group, without licenses from all the major record companies, which were obtained in November 2002. Pressplay was acquired by Roxio, a private equity firm, in May 2003, which subsequently changed its name to Napster, Inc. (having acquired the rights to the brand and the logo), and the licensed music provider Napster, Inc. launched in October 2003. www.napster.com [accessed November 29, 2006].

Other early music subscription services were likewise unsuccessful. The music provider eMusic.com launched in 1998, offering permanent music downloads in MP3 (unprotected) format from a catalog of music mainly licensed from independent record companies. Dimensional Associates, a private equity company, acquired eMusic.com in 2003. The company continues to operate in the U.S. www.emusic.com [accessed November 29, 2006]. Listen.com launched its subscription-based Rhapsody service in December 2001, without licenses

consumers permanent and portable downloads like those available from file-sharing networks at the time. The shortcomings of these services were readily apparent and widely reported.[15]

The RIAA has subsequently acknowledged that the key to combating piracy is to offer "a legitimate alternative that consumers will prefer" and that it is up to the music industry to offer consumers sufficiently convenient access to music, ease of use and high sound quality so that consumers will choose to use legitimate music sites.[16] The record companies' own initiatives did not meet this test and, as noted previously, the major record companies were resistant to licensing their music catalogs to third-party music download services. Although the record companies did not provide or license digital music services that were attractive to customers who sought permanent downloads, they did draw the attention of the U.S. Department of Justice, which launched an antitrust investigation of the major record companies in 2001 regarding, among other things, whether major record companies' joint ventures in the digital arena restrained competition and affected the terms on which they were willing to license their catalogs to music providers not owned by the record labels themselves.[17] After the investigation commenced, the major record companies began licensing competitor music providers in 2002, and the Department of Justice closed its investigation in 2003 without bringing charges. In March 2006, the Department of Justice opened an investigation into possible price-fixing among the major record companies for digital music, following a similar inquiry launched by the New

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from all the major record companies, which were obtained in July 2002. Listen.com was acquired by RealNetworks in August 2003, which continues to operate the Rhapsody music service. www.realnetworks.com [accessed November 29, 2006].

[15] *The Wall Street Journal*, "Music Industry Is Finally Online, But There Aren't Many Listeners," May 7, 2002 [accessed from the archive on October 21, 2006].

[16] RIAA, "Frequently asked questions – Napster and Digital Music," www.riaa.com [accessed November 29, 2006].

[17] Department of Justice, "Statement by Assistant Attorney General R. Hewitt Pate regarding the closing of the digital music investigation," December 23, 2003, www.usdoj.gov [accessed November 29, 2006].

York Attorney General in December 2005.[18] I understand that these investigations remain ongoing.

4.3.4 The Launch of Apple's iTunes and the iPod

After the Department of Justice investigation had begun in 2001, and after their own online music services had failed, the record companies finally licensed Apple for its iTunes Music Store.[19] This step was instrumental in the growth of the U.S. digital music market.[20]

The iTunes Store is integrated with the iPod family of players. Apple sells music content in a proprietary format, which can only be played on its iPod music players.[21] In May 2007, Apple started selling certain music without proprietary digital rights management (DRM) software at the higher price point of $1.29 per track, compared to the longstanding price of 99 cents for standard tracks.[22] These tracks can be played on certain music players other than the iPod and offer better audio quality (i.e., they are encoded at the higher rate of 256 kbps instead of 128 kbps). The DRM-free purchased music files are also "watermarked" (i.e., contain customer name and account info) to enable use of the files to be monitored.[23]

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[18] P2Pnet, "DoJ probes Big Music downloads," March 3, 2006, www.p2pnet.net [accessed November 29, 2006].

[19] Apple's CEO, Steve Jobs, has noted that it took more than 18 months for the record companies to issue licenses for the iTunes music store. *Newsweek*, "Q&A: Jobs on iPod's Cultural Impact," web exclusive, October 15, 2006, www.msnbc.msn.com [accessed November 29, 2006].

[20] "The success of the Apple iTunes download shop, which sold almost 4 million tracks in its first month of operation, suggests that many consumers are willing to pay $1 per track if the interface is quick and easy to use, and if there are few limits placed on the copying and portability of downloads." *Music & Copyright*, Issue No. 252, June 11, 2003, p. 11.

[21] Apple uses proprietary digital rights management software to restrict the use of music purchased from the iTunes Store to the iPod family of music players. Two other companies, Sony and Microsoft, also use their own proprietary formats for music sold on their music stores, which can only be played on the Sony Walkman and Microsoft Zune music players, respectively.

[22] Tr. of Deposition of Eddy Cue dated Sept. 28, 2007 ("Cue Tr.") at 37:20-38:21, 70:23-71:20, attached as Exhibit COA 12.

[23] See Apple/EMI Amended and Restated 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007, RIAA 8264-8271 ("Apple/EMI 5th Amendment"), attached as Exhibit COA 405.

The iTunes software on the personal computer connects the consumer directly to the iTunes Store when opened. Consumers' seamless experience in purchasing music from Apple, organizing it on the personal computer and transferring it to the iPod, are key to the success of Apple. By mid-2006, Apple had sold more than 1.5 billion tracks and over 67 million iPod music players. As of September 2007, Apple has sold more than 3 billion tracks globally.[24]

Apple launched the iTunes Music Store to Mac users in April 2003, offering *à la carte* (or pay-per-track) permanent downloads at 99 cents per track. As discussed in Section 5.4.3, below, the 99 cent per track price point set by Apple is followed by most other online music providers. The iTunes Music Store sold an average of 500,000 downloads per week in the first six months after launch, with total sales to Mac users surpassing 10 million downloads by mid-October 2003.[25] In the first week following the introduction of the iTunes Music Store for PC users in mid-October 2003, iTunes sales were 1.5 million downloads, with total sales of more than 25 million downloads by mid-December 2003.[26]

The iPod family of music players has grown over time with the introduction of new devices such as the iPod mini in January 2004, the iPod Photo in October 2004, the iPod shuffle in January 2005, the iPod Nano in September 2005 and the iPod with video capability in October 2005. These new devices have driven Apple's continued success. According to information disclosed in discovery, the U.S. iTunes Music Store averaged sales of approximately [redacted] million songs per week (single tracks and tracks within albums) in 2006, rising to [redacted] million

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[24] See Cue Tr. at 26:9, 104:3, attached as Exhibit COA 12.

[25] IFPI (2004), *IFPI Online Music Report 2004*, www.ifpi.org [accessed November 29, 2006].

[26] IFPI (2004), *IFPI Online Music Report 2004*, www.ifpi.org [accessed November 29, 2006].

[redacted][27] Thus, the iPod family and the iTunes Store have been remarkably successful. Additionally, as more fully discussed below, information disclosed by Apple in discovery indicates that iTunes is a driver of sales by Apple of both iPods and Apple computers.

Having revolutionized the market for digital music, today Apple dominates the U.S. market for digital music. Numerous other music services providers pursuing a variety of business models have entered the market, as is described in more detail below.

4.3.5 The Delivery of Digital Music Through Wireless Phones and Wireless Devices

Beginning in 2005, wireless carriers launched the sale and delivery of digital music through wireless phones and other wireless devices. Dollar sales of mobile music grew 96.8 percent from the first half of 2005 to the first half of 2006, the first period for which year over year comparisons are available.[28] For the full year of 2006, RIAA reports that mobile music sales reached $774.5 million, up 83.7 percent on a year-over-year basis.[29] To date, most of the sales of mobile music have been of ringtones.[30] In addition, as discussed in detail in Section 5.3.3 below, wireless phone users have been able to download full tracks over wireless networks since 2005, contributing to the further growth of the U.S. digital music market. In the report I submitted on November 29, 2006, I had forecast that U.S. mobile music sales could reach an estimated $1.7 billion by 2012, but new information made available to me through discovery has

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[27] Enders Analysis based on Apple, iTunes Music Store P&L, DiMA 3808-3832 ("iTunes P&L"), at 3816-3826, attached as Exhibit COA 461.

[28] RIAA, "RIAA Mid-Year Statistics," RIAA 41999-42003 ("Mid-Year Statistics"), at RIAA 42003 (2006), attached as Exhibit COA 303.

[29] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

[30] According to the RIAA disclosure, in 2006 262.8 million ringtunes were sold compared to 17.2 million full tracks. RIAA, Unit and Wholesale Data, RIAA 15271-15331, at RIAA 15301, attached as Exhibit COA 304.

caused me to adjust my forecast, and I now expect U.S. mobile music sales could reach an estimated $1.8 billion by 2012.[31]

4.3.6 The History of the U.S. Digital Music Market — A Summary

The principal events in the development of the U.S. digital music market discussed above are summarized in Table 1-Amended. Major developments in the digital music market since I submitted my initial report on November 29, 2006 include:

- EMI's decision to make its catalog available for sale to digital music providers without DRM software;[32]
- New milestones for Apple in terms of songs sold by the iTunes music store, which topped 3 billion, and the launch of iTunes Plus, offering DRM-free single track and album downloads;[33]
- The consolidation of the subscription service segment of the market, with Napster acquiring AOL Music Now's subscribers;[34] and
- The launch by Amazon, a leading e-tailer of music and associated equipment, of a permanent download service offering tracks in MP3 ("DRM-free") format.[35]

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[31] Enders Analysis estimates. The Enders Analysis estimates cited here and elsewhere in this report are discussed in Section 6 and the accompanying footnotes. As set forth more fully in Section 6, I attribute the adjustment in my forecast to new information on mobile music market developments for the full year of 2006, including information disclosed in discovery.

[32] EMI/Amazon Music Marketing DRM-Free Download Agreement Order Form, dated May 15, 2007, RIAA 8211-82334, attached as Exhibit COA 59. Apple/EMI 5th Amendment, RIAA 8264-8271, attached as Exhibit COA 405.

[33] See Cue Tr. at 26:9, 104:3, 37:20-38:21, 70:23-71:20, attached as Exhibit COA 12.

[34] Napster, 5-Year Model, DiMA 21460-21469 ("Napster 5-Year Model"), at DiMA 21461, attached as Exhibit COA 305. See also Napster/AOL Asset Purchase Agreement, dated January 11, 2007, DiMA 19353-19402, attached as Exhibit COA 306 ; Napster/AOL Amendment No. 1 to Asset Purchase Agreement, dated March 14, 2007, DiMA 19348-19352, attached as Exhibit COA 308; Napster/AOL Assignment and Assumption Agreement, dated March 14, 2007, DiMA 19404-19407, attached as Exhibit COA 307.

Table 1-Amended: Digital Music Timeline in the U.S., 1998-2006

Date	Event
1998 July	eMusic.com is the first commercial provider of downloads in MP3 format. Its catalogue is mainly licensed from independent record companies.
1999 June	Shawn Fanning, a college student in the U.S., launches Napster, the original P2P file-sharing service designed to enable users to swap songs for free on the Internet.
1999 December	First lawsuit filed against Napster.
2000 January	MP3.com launches its personal Jukebox software to allow PC users to upload their CD libraries in MP3 format.
2001 January	Apple launches its jukebox software for Mac users to allow CD libraries to be uploaded to Macs in Apple's proprietary format.
2001 July	Napster shut down.
2001 Summer	U.S. Department of Justice commences antitrust investigation of major record labels' online music joint ventures and failure to license third parties.
2001 October	Apple introduces iPods (to play music stored on the iTunes JukeBox, and before introducing the iTunes music store).
2001 December	Listen.com launches subscription service Rhapsody. Sony and Universal launch subscription service Pressplay. MusicNet, a distribution platform for subscription services, is launched by AOL Time Warner, Bertelsmann AG, EMI and RealNetworks.
2002 July	Listen.com's Rhapsody subscription service offers music licensed from all major record companies.
2002 November	MusicNet and Pressplay each offer music licensed from all major record companies.
2003 April	Apple launches the Mac version of iTunes, charging 99 cents per single-track download.
2003 June	RIAA announces it will take legal action against individual file-sharers.
2003 October	Apple launches the PC version of iTunes, charging 99 cents per single-track download. MusicNet and Pressplay are sold to Roxio, which changes its name to Napster.com.
2004 January	Apple introduces the iPod Mini.
2004 May	Sony launches SonyConnect.
2005 June	U.S. Supreme Court issues Grokster decision holding that illegal file-sharing networks can be found liable for inducing infringement.
2005 October	Sprint launches its mobile download service.
2005 October	Apple introduces iPod with video capability.
2006 January	Verizon launches its mobile download service.
2006 February	Apple announces sale of 1 billionth song.
2006 November	Microsoft launches the Zune portable music player and the Zune Marketplace.
2007 January	AOL Music Now acquired by Napster.
2007 May	Apple starts selling EMI catalog DRM-free at $1.29 per track.
2007 July	Apple announces sale of 3 billion songs globally.
2007 September	Amazon launches Amazon MP3.

[Source: Enders Analysis based on www.pro-music.org, www.usdoj.gov, www.copyright.gov, www.riaa.com, company websites accessed November 29, 2006, and information produced in discovery.]

[35] EMI/Amazon Music Marketing DRM-Free Download Agreement Order Form, dated May 15, 2007, RIAA 8211-82334, attached as Exhibit COA 59.

With this background, the next section of my report examines the current U.S. market for digital music in greater detail.

5. The Current State of the U.S. Digital Music Market

5.1 Introduction

Today, the U.S. digital music market, while continuing to evolve, is flourishing. U.S. consumers appear increasingly willing to pay for legitimate digital music, regarding digital music as having a number of advantages over CDs. Sales of digital music are rising rapidly across a variety of formats and new sources of digital music sales, such as wireless music, are further increasing the size of the U.S. digital music market. The major players in the U.S. digital music market are the record companies, the online music providers, and the wireless phone companies. Online music providers are pursuing a variety of business models, increasing the choices available to consumers.

The digital distribution of music over the Internet provides important cost savings to record companies and retailers compared to the manufacture and distribution of physical music formats. My discussion of the relevant costs of the digital distribution of music in Section 5.5 reflects the information disclosed in discovery. I examine each of these aspects of the current U.S. digital music market and its future below.

5.2 U.S. Digital Music Consumers[36]

According to Ipsos, by the first quarter of 2007, roughly 70 million Americans (aged 12 and over) had ever downloaded music files – either on a fee-paying basis or through file-sharing. Of this group of 70 million Americans, 45 million reported having paid a fee to download music

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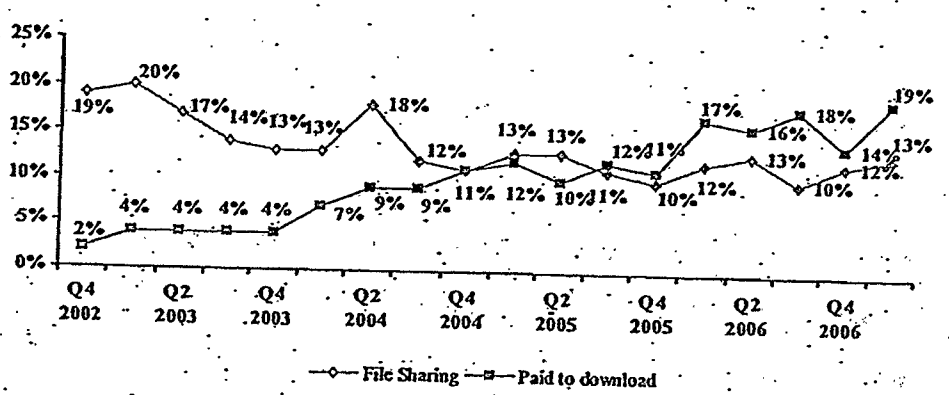
[36] Unless otherwise stated, all figures contained in this section are sourced from Ipsos, "Tempo: Keeping Pace with Digital Music Behavior," 2007 Quarter 1 Report, dated June 2007, DiMA 16468-16560 ("Tempo Q1 2007",) attached as Exhibit COA 309.

and 30 million reported that they engaged in file sharing. Fee-based music downloading has gained significant ground since the iTunes Music Store launched in 2003. At that time, only 4 percent of Americans reported that they had paid to download music, a figure that increased to 19 percent by the first quarter of 2007; as discussed in Section 6 below, the current share of Americans who pay to download music leaves room for substantial future growth. Table 2-Amended shows the percentage of Americans who reported that they paid to download music and/or engaged in file sharing in each quarter since Q4 2002.

Table 2-Amended: Share of Americans (aged 12 or above) Who Ever Paid to Download Music or Engaged in File-Sharing



[Source: Ipsos, "Tempo: Keeping Pace with Digital Music Behavior," 2006 Quarter 4 Report, dated March 2007, DiMA 16751-16910 ("Tempo Q4 2006") at DiMA 16787, attached as Exhibit COA 310; Tempo Q1 2007 at DiMA 16508, attached as Exhibit COA 309.]

Of those consumers who report that they paid to download music in the fourth quarter of 2006, just over half cited their desire to purchase just one track rather than the entire album (a practice known as "cherry-picking") as the principal motivation for first paying to download music. This is also the main reason these consumers give for continuing to pay for music downloads. Consumers also cite convenience and immediacy as important reasons for choosing to pay to download music.

Table 3-Amended provides the most common reasons given by consumers for their initial decision to pay to download music.

Table 3-Amended: Reasons For *First* Paying for Music Downloads, Q4 2006

Reasons	Share of fee-based music downloaders
I only wanted to purchase one song from the artist and not the entire album	53%
More convenient to download songs from the Internet than going to a store	44%
Acquired a portable music player	39%
Wanted to experiment with this type of downloading	38%
Wanted the song/album right away	37%
Was curious about the service	34%
Legal issues associated with file sharing	27%
A friend recommended I try it	17%
There was a special promotion	16%
The service had a music exclusive I wanted	16%
Received as a gift	13%
Other	6%

Note: Responses exceed 100 percent because respondents can provide multiple reasons.
[Source: Enders Analysis based Tempo Q4 2006 at DiMA 16847, attached as Exhibit COA 310.]

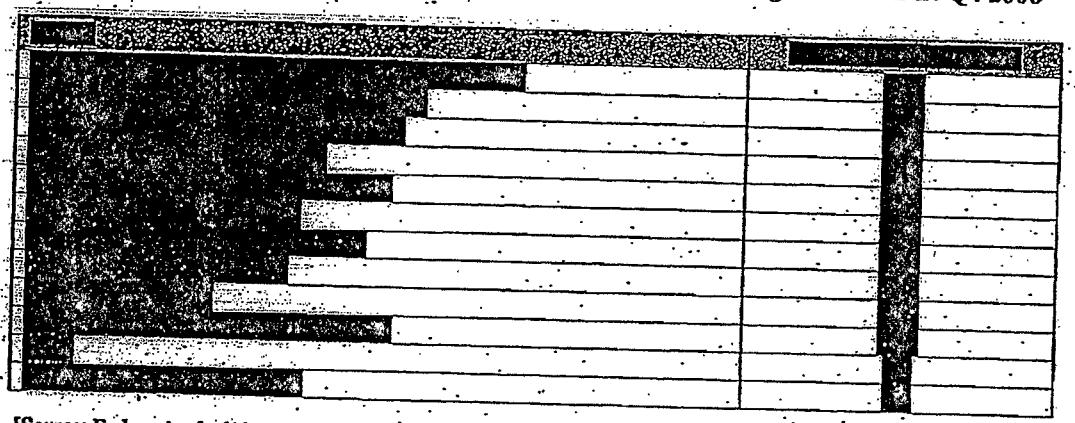
In addition to relying on public consumer research, I have also reviewed consumer research disclosed in Apple's iTMS Tracker Program Reports, which were provided by Apple in discovery.[37] [redacted]

[37] Apple, iTunes Music Store Tracker Program, Final Report Wave 1 – Fourth Quarter 2004, dated March 18, 2005, DiMA 2885-2996 ("iTMS Tracker Q4 2004"), attached as Exhibit COA 311; Apple, Final Report – 2005 Q1 iTMS Tracker Program, dated April 2005, DiMA 2997-3082 ("iTMS Tracker Q1 2005"), attached as Exhibit COA 312; Apple, Final Report – 2005 CYQ2 iTMS Tracker Program, dated August 2005, DiMA 3138-3209 ("iTMS Tracker Q2 2005"), attached as Exhibit COA 313; Apple, Final Report – 2006 CYQ1 iTMS Tracker Program, dated May 30, 2006, DiMA 3083-3137 ("iTMS Tracker Q1 2006"), attached as Exhibit COA 314; Apple, iTMS Tracker – CYQ3 2005 Presentation, dated November 14, 2005, DiMA 2832-2884 ("iTMS Tracker Q3 2005"), attached as Exhibit COA 315; iTunes Store Tracker Program Final Report – 2006 CYQ4, dated January 2007, DiMA 3210-32554 ("iTMS Tracker Q4 2006"), attached as Exhibit COA 335.

[redacted][38]

Table 3-B sets forth more results from this Report:

Table 3-B: iTunes Music Store Customers, Reasons for Purchasing Music Online Q4 2006



[Source: Enders Analysis based on iTMS Tracker Q4 2006 at DiMA 3221, attached as Exhibit COA 310.]

I have also reviewed consumer research disclosed by MusicNet,[39] dated July 2003 (after the launch of iTunes to Mac users, but prior to the launch of iTunes to PC users). The report confirms that, at that time, roughly [redacted] of respondents found the permanent download service appealing, "[redacted]"[40]

Consumer research concerning customers' reasons for continuing to pay to download digital music indicates that many consumers view purchasing the digital single as more

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[38] [redacted] iTMS Tracker Q4 2006 at DiMA 3221, attached as Exhibit COA 335.

[39] See MusicNet Price Sensitivity Research Final Report, dated July 3, 2003, DiMA 4064-4211, attached as Exhibit COA 316; MusicNet Pricing Study, dated July 2003, DiMA 4212-4386, attached as Exhibit COA 317. See also Napster, Price Research – Quantitative Research Preliminary Findings, dated October 2004, DiMA 4501-4533 (for reasonably equivalent although later information concerning Napster), attached as Exhibit COA 318.

[40] MusicNet Price Sensitivity Research Final Report, dated July 3, 2003, DiMA 4064-4211 at DiMA 4072, attached as Exhibit COA 316.

economical than purchasing a CD.[41] The prevailing price of a permanent download of a track (99 cents) is about one-tenth the price of a digital album ($9.99) and about one thirteenth the price of the CD album ($13.24).[42]

The reasons given by consumers for continuing to pay for music downloads are set forth in Table 4, below.

Table 4: Reasons for *Continuing* to Pay for Music Downloads, Q2 2006

Reason	Interested fee-based music downloaders
I only wanted to purchase one song from the artist and not the entire album	51%
It's less expensive for me to download songs I want than to purchase entire albums on CD	49%
More convenient to download songs from the Internet than going to a store	45%
Wanted the song/album right away	39%
Downloading is an easier way to add to my digital collection than ripping CDs	31%
I do most of my music shopping online now	24%
I prefer digital music to physical CDs	20%
Legal issues associated with file sharing	18%
I'm still experimenting with digital music	15%
The service had a music exclusive I wanted	10%
I've made the switch to all digital collection	8%
The service has special promotions	7%
Other	2%

Note: Responses exceed 100 percent because respondents could list multiple reasons.
[Source: Enders Analysis based on Ipsos, "Tempo: Keeping Pace with Digital Music Behavior," 2006 Quarter 2 Report, dated October 2006, DiMA 6325-6473 (Tempo Q2 2006") at DiMA 6398-6399, attached as Exhibit COA 319.]

5.3 U.S. Digital Music Sales[43]

5.3.1 Total U.S. Digital Music Sales

According to the RIAA, total U.S. digital music sales (online and mobile) grew to more than $1 billion in 2005 and to $1.859 billion in 2006. As the growth of the U.S. digital music market continues, digital sales are expected to rise to an estimated $5 billion by 2012.[44]

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[41] "The combination of searching, browsing, downloading and portability is transforming the experience of consuming music. Notably it is driving demand for the single." IFPI (2005), *IFPI:05 Digital Music Report*, p. 15, www.ifpi.org [accessed November 29, 2006].

[42] RIAA, Wholesale Data, RIAA 15203-15209, at RIAA 15209, attached as Exhibit COA 320.

[43] Unless otherwise stated, all figures cited in this section are sourced from the Year-End Statistics at RIAA 41997-41998 (2005, 2006) or Mid-Year Statistics at RIAA 42003 (2006), attached as Exhibit COA 301 and Exhibit COA 303, respectively.

The contribution of digital music to U.S. recorded music sales is increasing rapidly. In 2004, digital music sales constituted 1.5 percent of total U.S. recorded music sales, rising to 8.8 percent of such sales in 2005, and 17 percent in 2006.[45]

The U.S. digital music market is composed of online music services (58 percent of digital music sales in 2006), and mobile services (42 percent of digital music sales in 2006).[46]

5.3.2 Online Music Services

Online music services generated sales of $1,084.2 million in 2006, of which about 81 percent was due to download services and 19 percent to subscription services.[47]

Dollar sales of music download services are growing rapidly: from 2004 to 2005, dollar sales of digital single downloads rose 163 percent to reach $363.3 million, and rose 59.8 percent from 2005 to 2006 to reach $580.6 million; from 2004 to 2005, dollar sales of digital album downloads rose to $135.7 million, and rose 103 percent to $275.9 million from 2005 to 2006.

The increase in digital music sales is being driven by a substantial increase in unit sales. From 2004 to 2005, unit sales of digital single downloads rose 163 percent to reach 366.9 million units, and from 2005 to 2006, rose by 59.8 percent to reach 586.4 million units; indeed, IFPI has reported that the digital single is the fastest growing format in recorded music history based on

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[44] Enders Analysis estimates. See Section 6 of this report.

[45] See footnote 6 for details of my calculation.

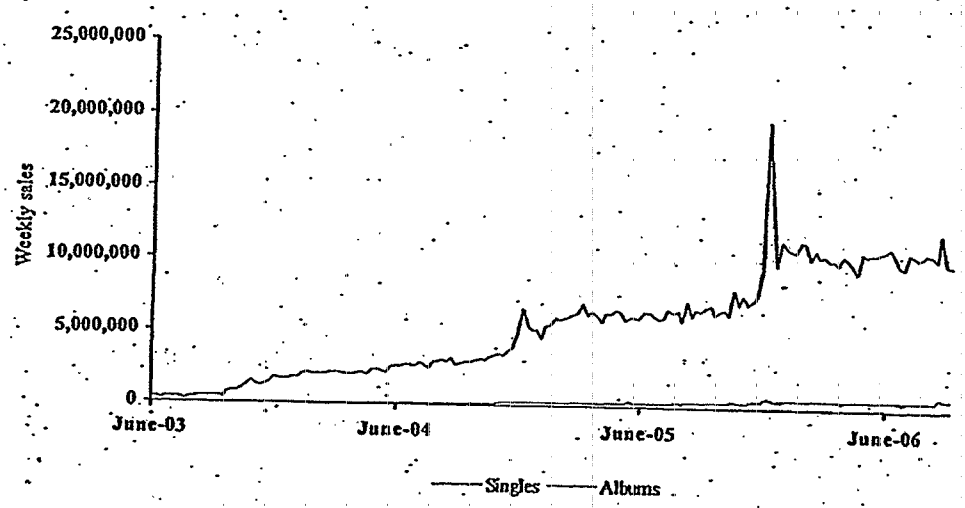
[46] My calculation is as follows: for 2006, RIAA reports permanent download revenues of $878 million, mobile music revenues of $774.5 million and $206.2 million of subscription revenues. Accordingly, the total dollar value of U.S. digital music sales is $1,858.7 million, of which online (permanent download and subscription services) are $1,084.2 million, representing a share of 58 percent, and mobile music the remaining 42 percent. These figures do not include the revenues generated by music providers offering ad-supported free music services.

[47] My calculation is as follows: for 2006, RIAA reports permanent download revenues of $878 million and $206.2 million of subscription revenues. Accordingly, the total dollar value of online U.S. digital music sales is $1,084.2 million, of which permanent downloads represent a share of 81 percent and subscription services the remaining 19 percent. These figures do not include the revenues generated by music providers offering ad-supported free music services.

the annual number of units sold.[48] Unit sales of digital album downloads rose to reach 13.6 million units in 2005 and again in 2006 to reach 27.6 million units. Albums represented 4.5 percent of online purchases of digital formats in 2006.[49]

Based on Nielsen Soundscan data of weekly sales, U.S. digital music unit sales are composed primarily of singles, not albums, as illustrated in Table 5. Unit sales of single permanent downloads averaged 11.0 million per week in 2006, up from 6.5 million per week in 2005, and 2.6 million per week in 2004. Weekly sales of digital album downloads averaged 592,000 in 2006, up from 303,000 in 2005, and 138,000 in 2004.

Table 5: Weekly Sales of U.S. Digital Single and Album Downloads



[Source: Enders Analysis based on Nielsen SoundScan]

Additionally, iTunes data produced in discovery shows weekly sales have continued to increase in 2007, rising to [redacted] million songs per week (single tracks and tracks within albums) in the first half of 2007.[50]

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[48] IFPI (2006), *2006 Global Recording Industry in Numbers*, p. 18.

[49] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

Subscription services represent a small but growing segment of online music services. Such services generated revenue of $149.2 million in 2005, and then $206.2 million in 2006, up 38 percent on a year-over-year basis.[51] During 2006, there was a weighted annual average of 1.7 million subscribers, up 28 percent from the weighted annual average of 1.3 million in 2005.[52]

5.3.3 Wireless Music Services

In addition to online music services, another important segment of the current U.S. digital music market is the market for mobile music sales through wireless carriers, which includes the sale of both ringtones and full-track "over-the-air" (OTA) downloads to mobile phones. This market generated sales of $421.6 million in 2005 and $774.5 million in 2006.[53]

According to Ipsos, some 140 million Americans (aged 12 and over) owned a mobile phone in the first quarter of 2007.[54] The most established mobile music market is for ringtones: about 41 million Americans downloaded ringtones in the first quarter of 2007.[55] According to M:Metrics, a leading mobile consumer research firm, the U.S. market for full-track downloads to mobile phones is only beginning to emerge.[56] The growth of music-enabled phones is likely to increase future digital music sales, and Ipsos reports that 28 percent of cell phones were music-enabled in the first quarter of 2007,[57] double the share reached in the second quarter of 2006.[58]

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[50] Enders Analysis based on Apple, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461.

[51] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

[52] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

[53] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

[54] Tempo Q1 2007 at DiMA 16550, attached as Exhibit COA 309.

[55] Tempo Q1 2007 at DiMA 16533, attached as Exhibit COA 309

[56] M:Metrics Press Release, September 26, 2005, www.mmetrics.com [accessed November 29, 2006].

[57] Tempo Q1 2007 at DiMA 16530, attached as Exhibit COA 309

Data disclosed by RIAA in discovery confirm that ringtunes are the leading mobile music format: ringtunes accounted for $654.3 million of total mobile music revenue in 2006, while full track OTA downloads generated $34.2 million in 2006; and 262.8 million ringtunes were purchased in 2006, compared to 17.2 million full track downloads.[59]

5.4 Overview of the Major Players in the U.S. Digital Music Market

5.4.1. Record Companies

There are four major record companies worldwide - EMI, Warner Music, Sony BMG and Universal Music Group - all of which operate in the United States. In addition, there are a number of independent record companies in the U.S., such as American Gramophone, Equity Music Group, Koch Records, Red Ink and TVT Records. Currently, the record companies license sound recordings to many digital music providers, while other digital music providers license mechanical rights directly from Copyright Owners and license master recordings from the record companies.

5.4.2 Overview of Online Digital Music Services

Numerous music providers operate in the U.S. digital music market and offer digital music through a wide variety of business models. Today, there are at least 41 licensed online music providers active in the U.S. online music market; some offer *à la carte* permanent downloads at a fixed per track price, while others offer subscription-based limited download services or interactive streams. In addition, there are music providers that offer free, advertising-supported music in each of these formats. Finally, several companies offer consumers more than one format or pricing model.

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[58] Tempo Q2 2006 at DiMA 6381, attached as Exhibit COA 319.

[59] RIAA, Unit and Wholesale Data, RIAA 15271-15331, at RIAA 15301, attached as Exhibit COA 304.

Table 6 summarizes the various pricing models currently being offered by U.S. music providers of permanent downloads, limited downloads and interactive streams.

Table 6: Music Providers Pricing Models, November 2006

Music format	Pricing model	Music provider
Permanent downloads	Free	SpiralFrog[1]
	À la carte	Beatport, BuyMusic, Calabash Music, Ctrax (Cdigix), Connect (Sony), eBay, Elatinmusic, Fox Music, Graze Music, Indieburn, iTunes Store, mMode Music Store,[2] Mp3tunes.com, Mperia, Musica360, Music Giants, Musicmatch Music Store, Napster Light, Passalong.com, Peer Impact, Puretracks, RCN Music Library,[3] RCN Music To Go,[3] RealPlayer Music Store, Rhapsody Unlimited,[3] Rhapsody To Go,[3] Songtouch, Soundbuzz, Tower Records Digital, Univision, URGE, Virgin Digital Red Pass, Voy Music, V Cast,[2] Wal-Mart, Yahoo! Music JukeBox, Yahoo! Music Unlimited, Yahoo! Music Unlimited To Go, Zune Marketplace
	Subscription	eMusic
Limited downloads	Free-subscription	Ctrax (Cdigix)[4], Ruckus[4]
	Subscription	AOL Music Now, AOL Music Now To Go, Best Buy Digital Music Store To Go, Ctrax2Go (Cdigix),[4] FYE Download Zone, Napster, Napster To Go, Musicmatch On Demand, RCN Music Library, RCN Music To Go, Rhapsody Unlimited, Rhapsody Unlimited To Go, Ruckus To Go,[4] URGE All Access, URGE All Access To Go, Virgin Digital Red Pass, Yahoo! Music Unlimited, Yahoo! Music Unlimited To Go, Zune Marketplace Pass
Interactive streams	Free	Best Buy Digital Music Store, Napster, Rhapsody
	Subscription	RCN Music Library, RCN Music To Go, Rhapsody Unlimited, Rhapsody Unlimited To Go, Virgin Digital Red Pass

Notes:
1. To launch in December 2006.
2. Requires a mobile phone contract.
3. To purchase permanent downloads, users must subscribe to the limited download service.
4. Restricted to educational institutions.

[Source: Enders Analysis based on company websites accessed November 29, 2006]

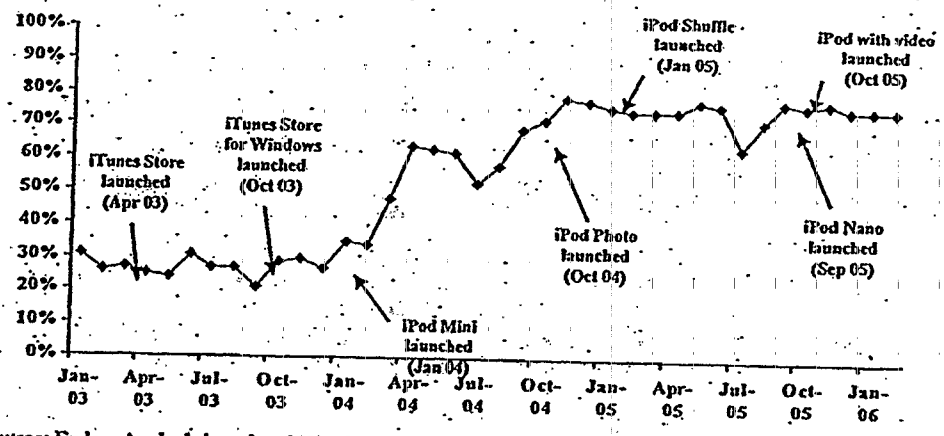
To date, the permanent download model has proven most popular with consumers, due largely to the success of Apple's iTunes Store and iPod portable music players. The discussion of the various business models in the U.S. marketplace provided below is organized by the music format offered by those music services.

5.4.3 Permanent Download Services

(i) Overview

The most well-known and successful permanent download service is offered by Apple. Apple claims its iTunes Store has a market share of approximately 85 percent of legal music downloads in the U.S.,[60] making iTunes the dominant provider of digital music in the U.S. with sales continuing to increase.[61] Likewise, Apple's iPod dominates the portable music player market, with 75.6 percent market share in the second quarter of 2006.[62] As Table 7 shows, Apple has increased its share of the U.S. portable music player market by introducing iPods with new features and with new designs, such as the iPod mini, the iPod shuffle, the iPod Photo, the iPod nano and the iPod with video capability. Thus, the iPod family and the iTunes Store have been remarkably successful, and today Apple dominates the U.S. market for digital music.

Table 7: iPod Share of U.S. Portable Music Players, 2003-2005



[Source: Enders Analysis based on NPD data from Piper Jaffray Investment Research, "A Closer Look At Apple Computer" August 2006, and company web site accessed November 29, 2006]

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[60] Apple Q4FY2006 Quarterly Earnings Call, October 18, 2006, www.apple.com [accessed November 29, 2006].

[61] Apple, iTunes P&L at DiMA 3816, attached as Exhibit COA 461.

[62] In contrast, NPD has estimated the market shares of Apple's competitors in the second quarter of 2006 as: SanDisk's Sansa, 9.7 percent; Creative, 4.7 percent, Samsung, 1.9 percent; and Sony, 1.9 percent. *BetaNews*, "iPod continues to dominate industry," August 17, 2006, www.betanews.com [accessed November 29, 2006].

(i) Revenue Model

Apple's music business model is built around selling its iPods and iPod-related accessories such as speakers and headphones. Of Apple's $9.6 billion in music and music-related revenue in FY 2006, 80.3 percent of Apple's revenue was derived from the sale of iPods. (The rest came from the sale of music and accessories on the iTunes Store.) Thus, the sale of music, as such, is a small part of Apple's $19.3 billion in total annual revenue.[63]

Apple has reported publicly that it has margins in excess of 20 percent on iPods, but its philosophy is to run the iTunes Store just above breakeven.[64] When asked why Apple sells music, Peter Oppenheimer, Apple's Chief Financial Officer, has explained candidly that Apple's goal is to sell iPods.[65] As one industry analyst, Mark Mulligan, Research Director at JupiterResearch, has summarized: "The fact is, iTunes is a tool to sell iPods."[66] There are a variety of players from other manufacturers such as Sony, Microsoft, Creative Labs, Samsung and SanDisk that compete with Apple's iPod.

[redacted]

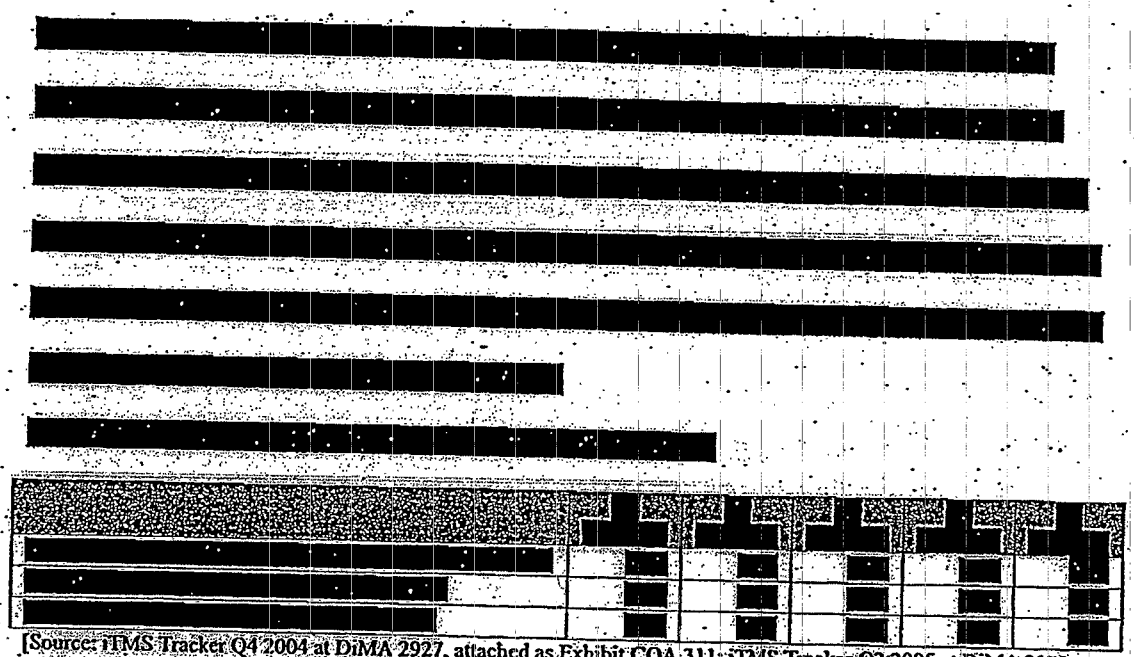
[redacted]

[63] Enders Analysis based on Apple financial data as follows: "Q4 2006 Unaudited Summary Data" and "Unaudited Condensed Consolidated Statement of Operations," October 18, 2006; "Q3 2006 Unaudited Summary Data" and "Unaudited Condensed Consolidated Statement of Operations," July 19, 2006; Apple Form 10-Q filed May 5, 2006; Apple Form 10-Q filed February 3, 2006. www.apple.com [accessed November 29, 2006].

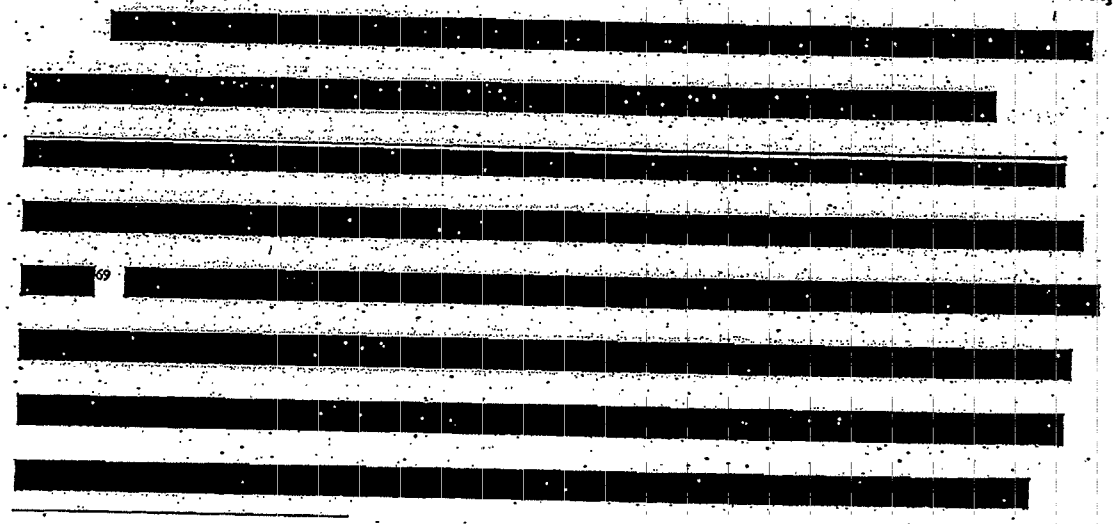
[64] "Apple Q4 FY2006 Quarterly Earnings Call," October 18, 2006, www.apple.com [accessed November 29, 2006].

[65] At Apple's Q4 FY2006 earnings call, the CFO stated "our philosophy is to run the store a little bit over breakeven." "Apple Q4 FY2006 Quarterly Earnings Call," October 18, 2006, www.apple.com [accessed November 29, 2006]. At Apple's Q2 FY2006 earnings call, the CFO stated: "We think selling songs and video is really helping us sell iPods." "Apple Q2 FY2006 Quarterly Earnings Call," April 19, 2006, www.apple.com [accessed November 29, 2006]. Apple achieves its goal in part by selling music using proprietary digital rights management software.

[66] Red Herring, "iTunes profits, labels stew," April 20, 2006, www.redherring.com [accessed November 29, 2006].



[Source: iTMS Tracker Q4 2004 at DiMA 2927, attached as Exhibit COA 311; iTMS Tracker Q2 2005 at DiMA 3178, attached as Exhibit COA 313; iTMS Tracker Q3 2005 at DiMA 2875, attached as Exhibit COA 315; iTMS Tracker Q1 2006 at DiMA 3130, attached as Exhibit COA 314; iTMS Tracker Q4 2006 at DiMA 3247, attached as Exhibit COA 335.]

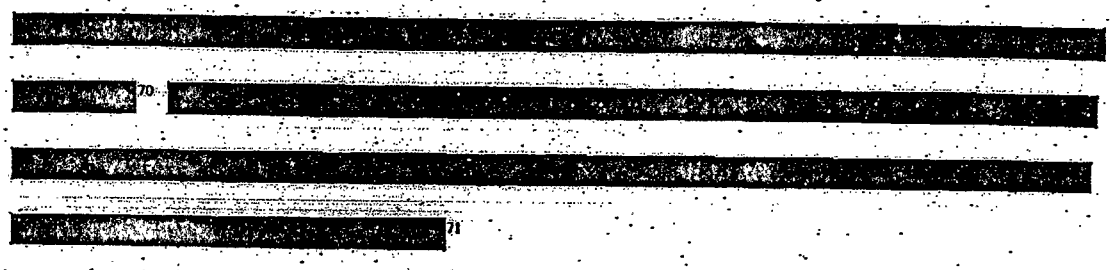


[69]

[67] iTMS Tracker Q4 2006 at DiMA 3247, attached as Exhibit COA 335.

[68] iTMS Tracker Q4 2006 at DiMA 3217, attached as Exhibit COA 335.

[69] Apple, iTunes P&L at DiMA 3816, attached as Exhibit COA 461. Apple defines the "contribution" of the iTunes Music Store as profits contributed to Apple. See Cue Tr. at 118:20-119:2, attached as Exhibit COA 12. For the iTunes Music Store, contribution is the difference between reported revenues and reported costs (content, other costs of goods sold, and operating expenses such as marketing, general administrative, and credit card costs). This difference is then divided by revenues to obtain its share in revenues, or the "contribution margin."



[70]

[71]

Table 7-C: iTunes U.S. Music Revenue and Contribution Margin, 2003-H1 2007

Calendar Year	2003	2004	2005	2006	H1 2007
Songs (includes songs sold within albums)					
Revenue					
Standard margin					
Standard margin (%)					
Gross margin					
Gross margin (%)					
Contribution margin					
Contribution margin (%)					

[Source: Enders Analysis based on Apple disclosure, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461.]

(i) Pricing of Permanent Downloads

The prices at which Apple and its competitors sell permanent downloads are similar, as shown in Table 8. Other more recent competitors have largely adopted Apple's 99 cent per download price point as well. One exception is eMusic, which offers a subscription-based permanent download service for music licensed from independent record companies, at an

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[70] I note that Apple did not disclose in discovery detailed projections for the performance of the iTunes music store, or indeed sales of iPods and other Apple products, in the near future; Napster, MusicNet and Realnetworks however disclosed their music store projections, and I review the information in section 5.4.4 below that concerns the services these providers offer. Given Apple's current dominance of the U.S. digital music market, I consider Apple's view of the future development of the permanent download segment over the rate-setting period to be of significant interest to this proceeding, just as I found it instructive to be informed of the strong revenue growth that subscription service providers anticipate for their businesses over the rate-setting period.

[71] Cue Tr. 22:10-22:12, 18:14-18:19, attached as Exhibit COA 12.

average price of as little as 25 cents per track.[72] A new music provider, SpiralFrog (to be launched in December 2006), intends to offer free limited downloads in return for viewing ads.[73]

Most albums on iTunes are priced at $9.99/album.[74] I understand that the average number of tracks on an album is 13, which generates an average price of 77 cents per track on an album sold on the iTunes music store. Apple's new "complete-my-album" feature introduced in March 2007 further incentivizes the purchase of albums, because purchasers of a single track or tracks can be credited for those purchases when acquiring the album within 180 days.[75] Despite the discount on tracks sold as albums, and although some digital music customers will prefer buying entire albums to individual tracks, single track downloads continue to dominate Apple's sales model.

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[72] eMusic offers 30 downloads per month for $9.99; 50 downloads per month for $14.99; and 75 downloads per month for $19.99 (as from November 17, 2006). Based on full usage of the latter offer, the average price per track would be 25 cents.

[73] Spiral Frog Press Release, "SpiralFrog and Universal Music Group Partner in Advertising-Supported Legal Music Download Service," August 29, 2006, www.spiralfrog.com [accessed November 29, 2006]. See UMG/Spiralfrog Amendment No. 1 to Agreement for Inclusion of Universal Videos in Online On-Demand Ad-Supported Services, dated May 30, 2006, RIAA 56803-56819, attached as Exhibit COA 321.

[74] Apple does not charge a higher price for DRM-free album downloads, in contrast to the pricing policy on DRM-free single track downloads. Cue Tr. at 78:2-78:14, attached as Exhibit COA 12.

[75] Cue Tr. at 264:18-268:5, attached as Exhibit COA 12. See also Apple, DRM-Free and Higher Quality Audio Presentation, DiMA 3262-3271 at DiMA 3270-3271, attached as Exhibit COA 322.

Table 8: Prices of *à la carte* Singles and Albums, October 2006

Music Provider	Single	Album
iTunes Store	$0.99	$9.99
Napster Light	$0.99	$9.95
RCN (subscribers)	$0.99	$9.99
Rhapsody	$0.99	$9.99
Rhapsody (subscribers)	$0.89	$8.99
URGE	$0.99	$9.99
Virgin Digital Red Pass	$0.99	$8.99
Wal-Mart	$0.88	$9.44
Yahoo! Music JukeBox	$0.99	$9.27
Yahoo! Music Unlimited (subscribers)	$0.79	$7.72
Zune Marketplace	$0.99	$8.69

Note: Price for a typical album is the price of Madonna's "Confessions on a Dance Floor," released in November 2005, which is available for sale on all the listed sites.
[Source: Enders Analysis based on company websites accessed November 29, 2006]

5.4.4 Limited Download and Interactive Streaming Services

(i) Overview

A number of companies offer limited download services on a monthly subscription basis, which typically provide customers paying a monthly fee with a fixed or unlimited number of downloads that may be used so long as the subscription fee is paid each month. Napster and Yahoo! Music Unlimited are among the most widely known limited download services.[76] A number of digital music providers offer two variants: limited downloads and/or interactive streams that are provided solely to a PC; and "to go" services that provide portable limited downloads to a portable music player. Rhapsody and Yahoo! Music Unlimited also allow users to convert limited downloads to permanent downloads at a discounted penny rate per track.

[76] AOL Music Now, another of the most widely known limited download services, was acquired by Napster in January 2007. See Napster/AOL Asset Purchase Agreement, dated January 11, 2007, DiMA 19353-19402, attached as Exhibit COA 306; Napster/AOL Amendment No. 1 to Asset Purchase Agreement, dated March 14, 2007, DiMA 19348-19352, attached as Exhibit COA 308; Napster/AOL Assignment and Assumption Agreement, dated March 14, 2007, DiMA 19404-19407, attached as Exhibit COA 307.

Subscription-based services pursue a variety of revenue models. The principal objective of companies such as Yahoo! is to attract users to its site in order to sell online advertising.[77] Music subscription services are important elements in helping to drive users to web portals such as Yahoo! and to that extent aggressively price their offerings in order to maximize subscriber numbers.

Notwithstanding the wide variety of services and products on offer, revenues of subscription-based sales have not grown as rapidly as revenues from permanent download sales or from the sales of mobile music. According to the RIAA, subscription revenues rose by 38 percent between 2005 and 2006, compared to 74 and 84 percent growth for permanent download and mobile revenues respectively.[78]

(ii) Pricing of subscription services

Prices for subscription-based services are shown in Table 9, below.

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[77] In 2005, online advertising accounted for 87% of Yahoo's revenues of $4.954 billion in FY2005, compared to only 13% from pay services. Yahoo!'s 10-K SEC filing for FY2005 states: "We focus on increasing our user base and deepening the engagement of our users on the Yahoo! properties to enhance the value of our user base to advertisers and to increase the spending of these advertisers." March 3, 2006, www.yahoo.com [accessed November 29, 2006].

[78] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

Table 9: Pricing of Subscription-based Limited Download and Interactive Streaming Services, October 2006

Music Format	Music Provider	Pricing
Limited Downloads	AOL Music Now	AOL Music Now $9.95/month AOL Music Now To Go $14.95/month
	Ctrax	Ctrax and Ctrax2Go are restricted to educational institutions
	Napster	Napster $9.95/month Napster To Go $14.95/month
	Musicmatch	Musicmatch On Demand $71.88/year
	RCN	RCN Music Library $7.95/month RCN Music To Go $13.95/month
	Rhapsody	Rhapsody Unlimited $9.99/month Rhapsody Unlimited To Go $14.95/month
	URGE	URGE All Access $9.95/month or $99/year URGE All Access To Go $14.95/month or $149/year
	Virgin Digital	Virgin Digital Red Pass $14.99/month
	Yahoo! Music	Yahoo! Music Unlimited $8.99/month or $71.88/year Yahoo! Music Unlimited To Go $14.99/month or $143.88/year
	Zune Marketplace	Zune Marketplace $14.99/month
Interactive Streams	Best Buy	Best Buy Digital Music Store 25 Free
	Napster	Napster Free
	RCN	RCN Music Library $7.95/month RCN Music To Go $13.95/month
	Rhapsody	Rhapsody 25 Free Rhapsody Unlimited $9.99/month Rhapsody Unlimited To Go $14.95/month
	Virgin Digital	Virgin Digital Red Pass $14.99/month

[Source: Enders Analysis based on company websites accessed November 29, 2006]

Best Buy, Rhapsody and Napster offer free, advertising-supported interactive streaming services, tapping into the booming U.S. online advertising market worth $12.5 billion in 2005.[79] Rhapsody 25 offers users up to 25 interactive streams per month without charge.[80] Users register and download a customized version of the Rhapsody software that incorporates several

[79] IAB/PwC, IAB Internet Advertising Revenue Report 2005 Full-Year Results, April 2006; IAB/PwC, IAB Internet Advertising Revenue Report Second Quarter 2006 and First Six Months Results, September 2006, www.iab.net [accessed November 29, 2006].

[80] RealNetworks Press Release, "Real introduces Rhapsody.com, the first web destination to offer free and legal access to a deep catalog of full length songs from all major labels," December 5, 2005, www.realnetworks.com [accessed November 29, 2006].

advertising slots. The same model is also available from the Bestbuy.com digital music store. Napster.com has an ad-supported service also offering users interactive streams without charge.[81]

(iii) Revenue models

The revenue streams from these different business models vary greatly, as described below. Table 9-B sets forth the net revenues disclosed by Napster for FY 2004 through FY 2007 (to date). This information reveals that [redacted][82]

Table 9-B: Napster Revenue, FY 2004 – FY 2007

	FY 2004	FY 2005	FY 2006	FY 2007 YTD
Revenue				
Permanent Downloads	[redacted]	[redacted]	[redacted]	[redacted]
Subscription Services, including limited downloads	[redacted]	[redacted]	[redacted]	[redacted]
Other	[redacted]	[redacted]	[redacted]	[redacted]
Total net revenue	[redacted]	[redacted]	[redacted]	[redacted]
Share				
Downloads	[redacted]	[redacted]	[redacted]	[redacted]
Subscription	[redacted]	[redacted]	[redacted]	[redacted]
Other	[redacted]	[redacted]	[redacted]	[redacted]
Total net revenue	[redacted]	[redacted]	[redacted]	[redacted]
Growth				
Downloads		[redacted]	[redacted]	n/a
Subscription		[redacted]	[redacted]	n/a
Other		[redacted]	[redacted]	n/a
Total net revenue		[redacted]	[redacted]	n/a

Note: Total net revenue is stated, as in the disclosed results, to include certain promotional costs
[Source: Enders Analysis based on Napster disclosure, Napster U.S Income Statements, Subscriber Data and Gross Margin Data, DiMA 3913-3931 ("Napster Financial Data") at DiMA 3913-3926, attached as Exhibit COA 482; Napster, Inc. Form 10-K, Filed June, 6, 2007 for Period Ending March 31, 200, DiMA 39671-39854 ("Napster 10-K 2007"), attached as Exhibit COA 323.]

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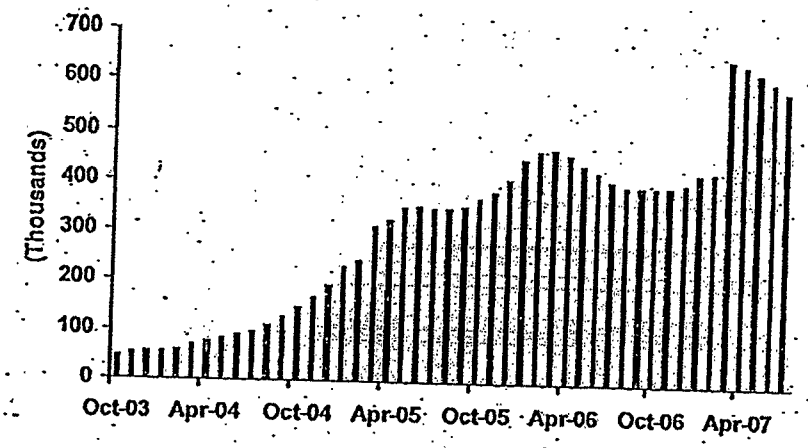
[81] Napster Press Release, "Napster.com is Now Free," May 1, 2006, www.napster.com [accessed November 29, 2006].

[82] Napster did not break down its permanent download revenue figures or disclose the portion of its sales of permanent downloads that are purchased by subscribers, and I therefore cannot establish the portion of permanent download revenues that are attributable to consumers who also subscribe to Napster's subscription service.

[redacted][83]

Table 9-C: Napster subscribers, Calendar Year October 2003-July 2007



Notes: 1. End of period data.
2. Excludes university students.

[Source: Enders Analysis based on Napster disclosure, Napster Subscriber Metrics, DiMA 22188-22212 at DiMA 22197-22200, attached as Exhibit COA 487.]

I also reviewed Napster's latest annual report filed with the Securities Exchange Commission, which contains information for its completed fiscal year 2007.[84] As shown in Table 9-D, Napster's revenue continued to grow in FY 2007, although its revenue growth rate

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[83] These subscriber figures exclude university students, who are able to subscribe to Napster at special rates and with special terms designed for the university context. Because such subscriptions are only active during the school year, the number of subscribers rises dramatically during August and September but then drops dramatically in May and June, with less variation in the intervening months. Accordingly, I felt that these numbers artificially affected the total subscription figures available for analysis and thus excluded them.

[84] See Napster 10-K 2007, DiMA 39671-39854, attached as Exhibit COA 323.

appears to have dropped to [redacted] percent.[85] The reduction in revenue growth in FY 2007 appears to be related to the slow growth of subscribers, and the high number of subscribers who leave the service from month-to-month. Nevertheless, I expect that the addition of AOL subscribers in March 2007 should increase Napster revenues in FY 2008.

Table 9-D: Napster Revenue, FY 2004 – FY 2007[86]

	FY 2004	FY 2005	FY 2006	FY 2007
Total revenue (000s)	[redacted]	[redacted]	[redacted]	[redacted]
Growth (%)		[redacted]	[redacted]	[redacted]

Note: FY 2007 revenue is for North America (i.e. including Canada) as reported in Napster's annual report, all other revenues are for the U.S. as provided in discovery.
[Source: Enders Analysis based on Napster disclosure, Napster Financial Data at DiMA 3913, attached as Exhibit COA 482; Napster 10-K 2007, DiMA 39671-39851, attached as Exhibit COA 323.]

MusicNet does not retail digital music directly to customers, but offers a platform to enable other companies to offer a digital music service to customers. MusicNet wholesales a range of digital music services to clients, including subscription services (limited downloads and interactive streaming) and permanent downloads. Table 9-E sets out the various revenue streams for MusicNet. Most revenue is generated by subscription services, although revenues from permanent downloads are growing, rising to [redacted] percent during January-August 2006.

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[85] Napster FY 2007 revenue is for North America (including Canada) as reported in Napster's FY 2007 annual report. All other data is for the U.S. as disclosed. Napster 10-K 2007, DiMA 39671-39854, attached as Exhibit COA 323.

[86] Napster's financial year ends in March and as such FY 2007 finished on March 31, 2007.

Table 9-E: MusicNet Revenue, 2002 – Aug 2006

	2002	2003	2004	2005	Jan-Aug 2006
Revenue					
Subscription (000s)	-	[redacted]	[redacted]	[redacted]	[redacted]
Permanent download (000s)	-	[redacted]	[redacted]	[redacted]	[redacted]
Other (000s)	-	[redacted]	[redacted]	[redacted]	[redacted]
Total (000s)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Share of total revenue					
Subscription	-	[redacted]	[redacted]	[redacted]	[redacted]
Permanent download	-	[redacted]	[redacted]	[redacted]	[redacted]
Other	-	[redacted]	[redacted]	[redacted]	[redacted]
Total revenue	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Growth					
Subscription	-	-	[redacted]	[redacted]	N/A
Permanent download	-	-	[redacted]	[redacted]	N/A
Other	-	-	[redacted]	[redacted]	N/A
Total revenue	-	[redacted]	[redacted]	[redacted]	N/A

[Source: Enders Analysis based on MusicNet disclosure. See MusicNet Statement of Operations, DiMA 9161-9164, attached as Exhibit COA 468; MusicNet Historical and Projected Financials ("MusicNet Financials"), DiMA 11936-11939, attached as Exhibit COA 324.]

RealNetworks retails subscription and permanent downloads to customers directly through its Rhapsody storefront and also offers a platform to enable third parties, such as BestBuy, to retail digital music services to customers. RealNetworks also offers a webcasting service to customers, RadioPass. Mr. Timothy Quirk, of RealNetworks, disclosed the revenues from these different lines of business in his submission of November 29, 2006.[87] As shown in Table 9-F, the share of RealNetworks' revenue from the Rhapsody services was over [redacted] percent in FY 2005, compared to a [redacted] percent share for tracks. The majority of revenue from sales of tracks is generated from purchases made by consumers who subscribe to Rhapsody's limited

[87] While preparing this report, I reviewed the significant volume of financial information produced on behalf of RealNetworks, but because the production was heavily weighted with monthly reports and appears not to contain year-end audited financial reports, I was unable to replicate the summary prepared by Mr. Quirk.

download services, which indicates that even customers who utilize subscription "rental" services also choose to purchase music to own it.[88]

Table 9-F: RealNetworks Music Revenue, FY 2005 – July 2006

	FY 2005	Q1 July 2006
Revenue		
Rhapsody Unlimited	[redacted]	[redacted]
Rhapsody To Go	[redacted]	[redacted]
Permanent downloads – subscribers	[redacted]	[redacted]
Permanent downloads – non-subscribers	[redacted]	[redacted]
Tracks – total	[redacted]	[redacted]
RadioPass (webcasting)	[redacted]	[redacted]
Total	[redacted]	[redacted]
Share		
Rhapsody Unlimited	[redacted]	[redacted]
Rhapsody To Go	[redacted]	[redacted]
Permanent downloads – subscribers	[redacted]	[redacted]
Permanent downloads – non-subscribers	[redacted]	[redacted]
Tracks – total	[redacted]	[redacted]
RadioPass (webcasting)	[redacted]	[redacted]
Total	[redacted]	[redacted]

[Source: Enders Analysis based on Timothy Quirk submission, RealNetworks Music Group, FY 2006 – July 2006 Actual, Exhibit E to Written Testimony of Timothy Quirk, attached as Exhibit COA 325.]

(iii) Forecasts

[redacted][89]

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[88] RealNetworks, "Subscription Services: Why Should You Give a Damn?" Presentation, dated September 1, 2007, DiMA 8517-8524 at DiMA 8518, attached as Exhibit COA 326.

[89] Napster 5-Year Model at DiMA 21468, attached as Exhibit COA 305.

Table 9-G: Napster forecast FY 2008 – FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue (000s)					
Download	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Subscription	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Mobile-Services	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Mobile-Sideloading	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Advertising	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total revenue	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Growth (%)					
Download	N/A	[redacted]	[redacted]	[redacted]	[redacted]
Subscription	N/A	[redacted]	[redacted]	[redacted]	[redacted]
Mobile-Services	N/A	[redacted]	[redacted]	[redacted]	[redacted]
Mobile-Sideloading	N/A	[redacted]	[redacted]	[redacted]	[redacted]
Advertising	N/A	[redacted]	[redacted]	[redacted]	[redacted]
Total revenue	N/A	[redacted]	[redacted]	[redacted]	[redacted]

[Source: Enders Analysis based on Napster disclosure, Napster 5-Year Model Back-up Data, DiMA 21470-21667 at DiMA 21470-21473, attached as Exhibit COA 488.]

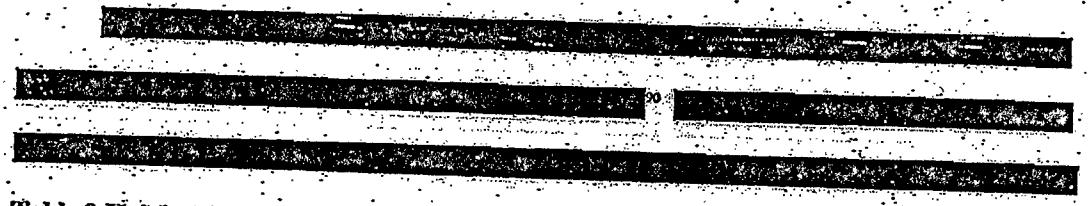

Table 9-H: MusicNet forecast FY 2008 – FY 2010

	2004A	2005A	2006A	2007E	2008E	2009E	2010E
Pro Forma Subscribers (000s)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Growth		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Note: Pro-Forma subscriber projections exclude Cdigix subscribers, AOL subscribers and approximately 175,000 MusicMatch/Yahoo subscribers currently scheduled to migrate to the MusicNet platform during 2007.
[Source: Enders Analysis based MusicNet disclosure, MusicNet Financials at DiMA 11936-11939, attached as Exhibit COA 324.]

It thus appears that the major U.S. subscription service providers – Napster, RealNetworks and MusicNet – anticipate that their services will encounter significantly increased adoption in the near future, both those delivered online and over mobile networks, thus driving strong revenue growth over the coming years and through the rate period at issue.

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[90] See RealNetworks, Saddle Creek Records Subscription Revenue Analysis, DiMA 8881-8891, attached as Exhibit COA 327.

5.4.5 Wireless Phone Carriers

The last category of significant players in the U.S. digital music market are the wireless phone operators. Today, there are four major wireless phone operators, Cingular, Sprint, T-Mobile and Verizon, who together have approximately 185 million subscribers.[91]

The most established mobile music downloading activity concerns ringtones: about 41 million Americans have downloaded ringtones as of Q1 2007.[92]. All networks currently offer ringtunes: Sprint offers ringtunes at $2.50 with a 90 day use limit; T-Mobile offers Hi-Fi Ringers at $1.99; Cingular offers ringtunes at $2.50 with a 90 day use limit; while Verizon's prices ringtunes at $2.49 to contract customers and $3.49 to prepay customers. Cingular[93] and Verizon[94] each also offer volume discounts for ringtories.

According to M:Metrics, a leading mobile consumer research firm, the market for full-track downloads to mobile phones is only beginning to emerge in the U.S.[95] Sprint and Verizon offer permanent downloads to their subscribers' cell phones and "dual-downloads," which provide one copy for download over the wireless network to a user's wireless phone and another copy for download over the Internet to his or her PC. Sprint charges $2.50 for the dual-download and Verizon charges $1.99. The "Napster Mobile" service, hosted by handset manufacturer

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91 Sprint, "3rd Quarter 2006 Investor Update" presentation, October 26, 2006, www.sprint.com [accessed November 29, 2006], Verizon, www.verizon.com, [accessed November 29, 2006], Cingular, www.cingular.com [accessed November 29, 2006], T-Mobile, www.w2forum.com, [accessed November 29, 2006].

92 Tempo Q1 2007 at DiMA 16533, 16550, attached as Exhibit COA 309.

93 Cingular Sounds Tone Club offers a 20% discount for a monthly 3 tone pack or a 30% discount for a 6 tone pack.

94 Verizon's contract customers pay $5.49 for 2 tones (8% discount) and $9.99 for 4 tones (17% discount), and prepay customers pay $6.49 for 2 tones (7% discount) and $11.99 for 4 tones (12% discount).

95 M:Metrics Press Release, September 26, 2005, www.mmetrics.com [accessed November 29, 2006].

Ericsson, offers customers access to OTA dual-downloads for 99 cents per track, and is available to the customers of AT&T, Suncom Wireless and Cellularone.[96]

The prices charged by Verizon, Sprint, Cingular and T-Mobile for different forms of mobile music are shown below in Table 10.

Table 10: Mobile Music Pricing, October 21, 2006

Network	Full-track Download	Multi-track Download
Verizon	$2.99 for single use on contract/$3.49 on prepay	$1.99 for dual-download
Sprint	$2.50 for 90 days use	$2.50 for dual-download
Cingular	$2.49	N/A
T-Mobile	$1.99	N/A

[Source: Enders Analysis based on company websites accessed November 29, 2006]

5.5 Costs of Digital Production and Distribution of Music

The costs associated with the manufacture, distribution and retailing of physical music formats are not incurred in connection with digital music sold and distributed over the Internet or a wireless network. I have reviewed the amended report of Helen Murphy, another expert testifying on behalf of the Copyright Owners and I understand that, for record companies the lower costs of sales for the Internet-based sale and distribution of digital music allow them to enjoy higher profit margins on such sales.[97] I have also reviewed the information disclosed in

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[96] See Napster 5-Year Model Back-up Data, DiMA 21470-21667 at DiMA 21470-21473, attached as Exhibit COA 488.

[97] Eric Nicoli, Chairman of EMI plc, stated: "Certain costs borne in the physical world such as manufacturing, returns and pick-pack-ship are not relevant for digital products. For physical products, these costs are in the range of 15% to 18% of sales." *EMI Annual Report 2005*, www.emigroup.com [accessed November 29, 2006]. A presentation made at the JPMorgan High Yield Conference in 2006 stated that "Digital drives greater efficiency and improved profitability." EMI, Presentation at JP Morgan High Yield Conference, dated February 5, 2006, RIAA 43940-44005 at RIAA 43966, attached as Exhibit COA 328.

discovery relating to the costs incurred by digital music providers in supplying digital music, as set forth more fully below.[98]

Based on the discovery I have reviewed, online music providers incur the following categories of costs in connection with the digital distribution of music: the costs of licensing content from record companies and music publishers;[99] the costs of maintaining a network of servers to store digital music files; the bandwidth costs of delivering music to customers; the costs of selling to customers, including marketing costs, professional and legal fees, and credit card fees; general administrative costs; and certain research and development (R&D) costs related to the storefront.

For online music providers, the most substantial costs incurred in selling digital music to customers are the licensing payments made under their agreements with the record companies. Most music providers conclude licensing agreements with all four major record companies (EMI, Warner, Sony BMG and Universal) as well as the leading independent record companies, to ensure that customers can find virtually any track on their respective online music stores. For example, the iTunes Store offers its customers access to over 6 million tracks.[100]

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[98] The absence of information of a similar nature from the wireless phone carriers prevents me from addressing the costs issue for this category of digital music services.

[99] The content typically delivered by the record company to the digital music provider includes: the eMaster, a 30-second clip for sampling purposes, metadata (e.g. artist name, title of track, date of composition, playing time), artwork, and copyright notices. The eMaster is produced from the same master recording used to produce a CD. The record company delivers content files to the digital music provider either by electronic transmission, from the "digital asset management" (DAM) system, by CD or by other physical device such as a hard drive. The digital music provider then ingests and uploads the content files to the server; ingestion may include the application of digital right management software by the digital music provider. Alternatively this step can be done by the record company. The recording is now ready for distribution to customers. See, e.g., Apple/Warner Digital Music Download Agreement, dated April 28, 2006, RIAA 24261-24300 ("Apple/Warner Download Agreement"), attached as Exhibit COA 431.

[100] Cue Tr. at 147:7-147:10, attached as Exhibit COA 12.

I have reviewed the financial information concerning the costs of operating digital music services disclosed in discovery by Apple, Napster and MusicNet.[101] I have reviewed the content costs supplied by RealNetworks, but due to the international nature of their business (operating in Canada, Japan, Australia, Singapore, Korea and the United Kingdom), as well as the fact that their revenues include those derived from their webcasting service, I was not able to establish operating costs solely attributable to permanent download and subscription services sold in the U.S. Because Apple is the dominant provider of permanent download services in the U.S. and Napster is among the leading subscription services, however, I am of the view that my analysis of these two companies, as set forth below, is illustrative of the economics of the digital music models they and other providers respectively pursue.

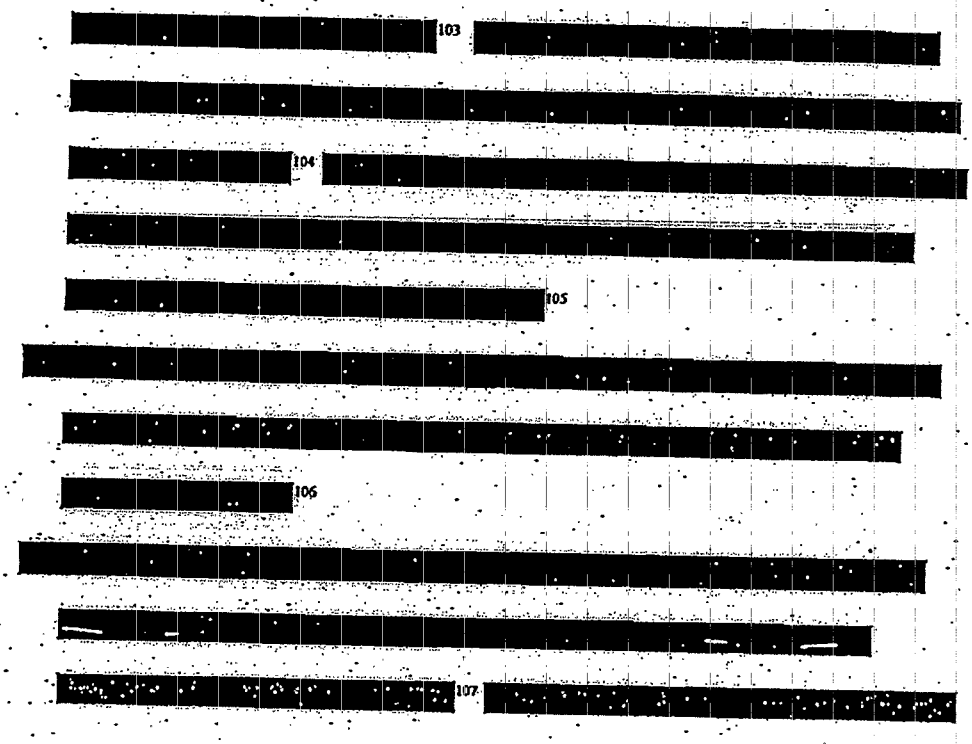
5.5.1 Costs of Permanent Download Services

The principal cost paid by Apple to distribute permanent downloads is the licensing costs paid to the record companies (which costs include the current mechanical license fee paid to the Copyright Owners). I have reviewed Apple's license agreements with the four major record companies (EMI, Warner, Sony BMG and Universal). The key provisions include:

[redacted][102]

[101] Apple, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461; Napster Financial Data at DiMA 3913-3926, attached as Exhibit COA 482; MusicNet Statement of Operations, DiMA 9161-9164, attached as Exhibit COA 468.

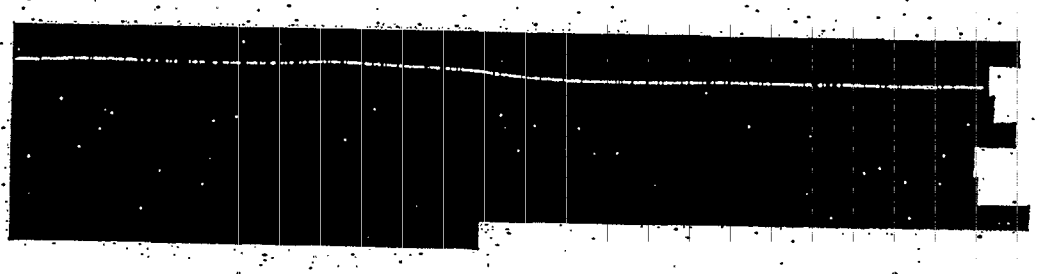
[102] See Apple/EMI 5th Amendment, RIAA 8264-8271, attached as Exhibit COA 405.



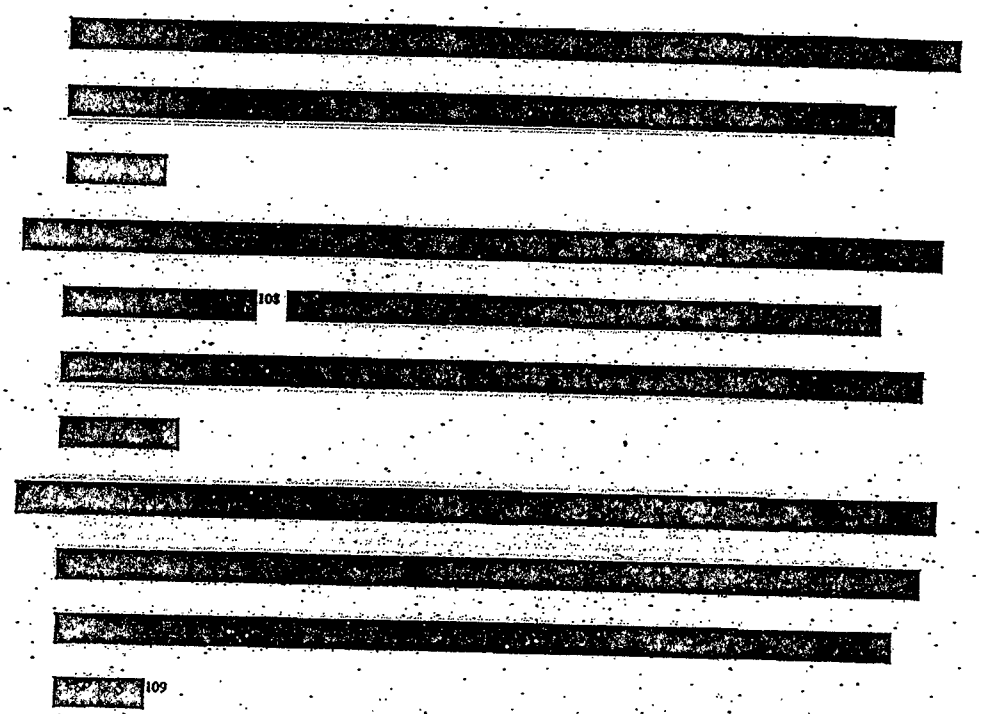
[103] See Apple/Warner Download Agreement, RIAA 24261-24300, attached as Exhibit COA 431.

[104] See Apple/Sony BMG Digital Music and Video Download Agreement, dated April 28, 2006, DiMA 3600-3643, attached as Exhibit COA 445; Apple/Sony BMG 4th Amendment to the Digital Music and Video Download Agreement, dated April 28, 2006, DiMA 3578-3599 ("Apple/Sony BMG 4th Amendment"), attached as Exhibit COA 444.

[105] See Apple/Universal Sound Recordings Agreement, dated December 13, 2002, DiMA 3691-3733 ("Apple/Universal Sound Recordings Agreement"), attached as Exhibit COA 452; Apple/Universal Amendment to the Universal Sound Recordings Agreement, dated June 26, 2007, DiMA 3657, attached as Exhibit COA 447. According to Mr. Cue's tesimony, among the issues discussed in the negotiations that took place between Apple and Universal in the Spring of 2007 was the proposal from Universal that Apple grant it a royalty payment for each iPod sold. Warner is also asking for such a per-iPod payment. Cue Tr. At 34:10-36:3, attached as Exhibit COA 12.

[106] 

[107] See Apple/Universal Sound Recordings Agreement, DiMA 3691-3733, attached as Exhibit COA 452; Apple/Sony BMG 4th Amendment, DiMA 3578-3599, attached as Exhibit COA 444; Apple/Warner Download Agreement, RIAA 24261-24300, attached as Exhibit COA 431.



A summary of the terms on which record companies are compensated for their content is set forth in Table 10-B below.

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[103] Apple/EMI 5th Amendment, RIAA 8264-8271, attached as Exhibit COA 405.

[109] See Apple/EMI 5th Amendment, RIAA 8264-8271, attached as Exhibit COA 405, Apple/Universal Sound Recordings Agreement at DiMA 3691-3733, attached as Exhibit COA 452; Apple/Sony BMG 4th Amendment, DiMA 3578-3599, attached as Exhibit COA 444; Apple/Warner Download Agreement, RIAA 24261-24300, attached as Exhibit COA 431.

Table 10-B: Remuneration Paid to Major Record Companies from the Sale of Single Track Downloads[110]

Record Company	Contract Terms
EMI	[redacted]
Warner Music Group	[redacted]
Universal Music Group	[redacted]
Sony BMG	[redacted]

[Source: Enders Analysis based on Apple/EMI 5th Amendment, RIAA 8264-8271, attached as Exhibit COA 405, Apple/Universal Sound Recordings Agreement at DiMA 3691-3733, attached as Exhibit COA 452; Apple/Sony BMG 4th Amendment, DiMA 3578-3599, attached as Exhibit COA 444; Apple/Warner Download Agreement, RIAA 24261-24300, attached as Exhibit COA 431..]

The information disclosed through discovery by Apple about iTunes has enabled me to estimate the aggregate payments made by Apple to the record companies for each calendar year of operation to date.[111] In 2006, Apple sold [redacted] million tracks (either as single tracks or as part of an album), generating [redacted] million in revenue and [redacted] million of contribution margin. In 2006, the content licensing payment to record companies totaled [redacted] million, of which [redacted] million was retained by the record companies for the use of their copyright, amounting to some [redacted] percent of the 2006 revenues of the U.S. iTunes music store (See Table 10-C). The costs of licensing from the Copyright Owners constitutes approximately [redacted] percent of Apple's

[110] [redacted]

[111] Apple, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461.

2006 revenues from the U.S. iTunes Music Store. [redacted]

[redacted]

Table 10-C: Distribution of iTunes U.S. Music Store Costs, 2003-H1 2007

Calendar Year	2003	2004	2005	2006	H1 2007
iTunes music revenue (m)	[redacted]				
Minus costs (m):					
Content licensing	[redacted]				
- Record company	[redacted]				
- Copyright owners	[redacted]				
Akamai bandwidth & storage	[redacted]				
Total Other costs of goods sold (OCOGS)	[redacted]				
Operating expenses:					
- Credit card fees (m)	[redacted]				
- Marketing	[redacted]				
- Other	[redacted]				
Total operating expenses	[redacted]				
Equals:					
Contribution margin (m)	[redacted]				
Share of revenue:					
Content licensing costs	[redacted]				
- Record company	[redacted]				
- Copyright owners	[redacted]				
Akamai bandwidth & storage	[redacted]				
Total OCOGS	[redacted]				
- Credit card fees	[redacted]				
- Marketing	[redacted]				
- Other	[redacted]				
Total operating expenses	[redacted]				
Contribution margin	[redacted]				

Note: iTunes music revenue excludes the revenue from sales of iPod accessories that are also sold on the storefront and included in Apple's SEC filings under the category of music revenues.
[Source: Enders Analysis based on Apple disclosure, Apple, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461.]

As I noted previously, Apple did not disclose its forecast of revenues and costs of the iTunes music store for the rate-setting period 2008 to 2012, despite the importance of this information for setting rates for the forthcoming period. To inform myself on this matter, I

projected iTunes music store revenues, costs and margins, if the Copyright Owners' proposed rates are adopted, based on my forecast for growth in sales of permanent downloads in the period to 2012 (see Section 6 below), and an assumption on the share of those sales that could reasonably be anticipated to accrue to iTunes, as the dominant music provider in the U.S. today.[112] Under the assumption that iTunes maintains its current content licensing regime for the period through 2012, without changing the levels of record company remuneration or its existing price points, and thereby having the record companies bear the cost of increased mechanical royalty rates, I project the contribution margin of iTunes will rise in line with revenue growth (Table 10-D).

Table 10-D: Forecasts for iTunes under a stable content licensing regime, 2007-2012

Calendar Year	2007	2008e	2009e	2010e	2011e	2012e
Revenue (m)	[redacted]					
Content licensing costs (m)	[redacted]					
Total OCOGS (m)	[redacted]					
Total operating expenses (m)	[redacted]					
Contribution margin (m)	[redacted]					
Contribution margin %	[redacted]					

*Data for the first half of 2007 is supplied by Apple, and the second half of 2007 is an estimate of Enders Analysis.
[Source: : Enders Analysis based on Apple disclosure, Apple, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461.]

I have also projected the results if Apple and the record companies agree to assign entirely to iTunes the increase in the mechanical royalty rate should the Copyright Owners' proposal be accepted. In this scenario, iTunes would absorb the increased royalty rates while the record companies would maintain their current content licensing income levels of around [redacted]

[112] My forecast for iTunes assumes Apple's continued market share of 85%, and applies that percentage to my forecast for sales growth in the entire market over the period. The cost of goods and operating expenses have been projected forward on a per track basis using a weighted average of historic costs. The mechanical royalty costs (considered as part of the content licensing costs) are based on adoption of the Copyright Owners' 15 cents per track proposal, with adjustments every two years to account for the effects of inflation using projected CPI rates. The total revenue is calculated from total track volumes, using the average revenue per track for iTunes, based on financial information disclosed in discovery.

percent of retail. As set forth below in Table 10-E, under such circumstances, Apple would still enjoy a healthy contribution margin.

Table 10-E: Forecasts for iTunes under iTunes full absorption of rate increase, 2007-2012

Calendar Year	2007e	2008e	2009e	2010e	2011e	2012e
Revenue (m)	[redacted]					
Content licensing costs (m)	[redacted]					
Total OCOGS (m)	[redacted]					
Total operating expenses (m)	[redacted]					
Contribution margin (m)	[redacted]					
Contribution margin %	[redacted]					

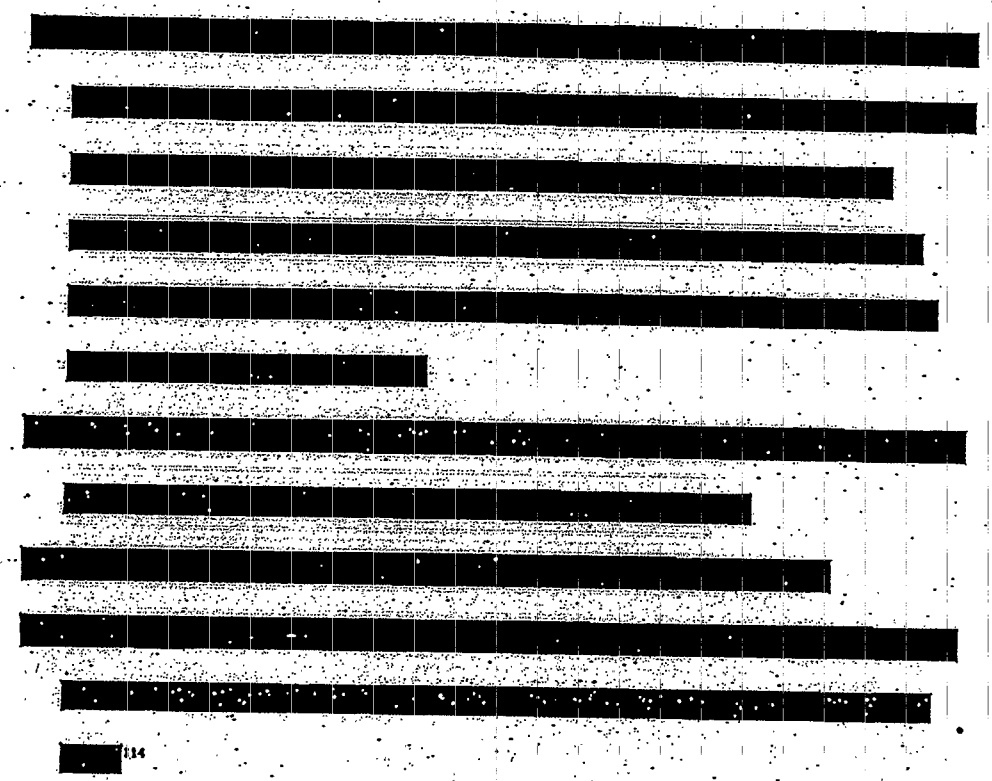
*Data for the first half of 2007 is supplied by Apple, and the second half of 2007 is an estimate of Enders Analysis.
[Source: Enders Analysis based on Apple disclosure, Apple, iTunes P&L at DiMA 3816-3826, attached as Exhibit COA 461.]

5.5.2 Costs of Limited Download and Interactive Streaming Services

As I noted above, Napster offers a permanent download service similar to iTunes but is promoted primarily as a subscription service. Accordingly, my review of Napster's agreements with Universal, EMI, Warner Music Group and Sony BMG concerning subscription services provides an important counterpoint to my review of corresponding agreements between these record companies and Apple.[113] The key elements of these agreements, which are summarized in Table 10-F, include:

[redacted]

[113] See Napster Summary of Record Company Subscription and Permanent Download Agreements, DiMA 20331-20335, attached as Exhibit COA 331. A similar summary document was produced describing content licensing deals for MusicNet. Summary of Record Company Permanent Download Agreements, DiMA 12265-12277, attached as Exhibit COA 332.



[114]

[114] Agreement Between the RIAA, NMPA and HFA for Licensing and Authorization of On-Demand Streams and Limited Downloads, dated October 5, 2001. Exhibit CO 0004 to Written Direct Statement of NMPA, The SGA & The NSAI, filed on November 30, 2006.

Table 10-F: Napster agreements on royalty rates for online, on-demand subscription services

[Source: Enders Analysis based on EMI/Napster Audio Subscription Services Agreement, dated August 31, 2006, DiMA 17195-17216, attached as Exhibit COA 76; RealNetwork/Sony BMG Content Integration Agreement, dated April 1, 2005, DiMA 22732-22850, attached as Exhibit COA 333; Warner Music/Napster OTA Digital Music Download Agreement, dated November 13, 2003, DiMA 17237-17284 at DiMA 17258, attached as Exhibit COA 334; UMG/Napster Agreement for the Inclusion of Universal Sound Recordings in Permanent Download Services, dated January 1, 2007, RIAA 18659-18825, attached as Exhibit COA 146.]

Because Napster offers a range of digital music services, it is important to note how the contract terms in Napster's agreements vary according to the particular format or service at issue. Using Napster's agreements with Universal as an example, summarized in Table 10-G, the most relevant features are:

[redacted]

Table 10-G: Napster agreements with Universal

	Permanent downloads	Online on-demand non-portable subscription	Online on-demand portable subscription	Full track OTA downloads
Royalty rate	[redacted]	[redacted]	[redacted]	[redacted]
Advance against fees	[redacted]	[redacted]		[redacted]

[Source: Enders Analysis based on UMG/Napster Agreement for the Inclusion of Universal Sound Recordings in Over the Air Permanent Download Services, dated July 18, 2006, RIAA 19834-19890, attached as Exhibit COA 143; UMG/Napster Agreement for the Inclusion of Universal Sound Recordings in Permanent Download Services, dated January 1, 2007, RIAA 18659-18825, attached as Exhibit COA 146; UMG/Napster Agreement for the Inclusion of Universal Sound Recordings in Permanent Download Services, dated January 1, 2007, RIAA 18501-18658, attached as Exhibit COA 144.]

[redacted]

[redacted]

Table 10-H: Distribution of Napster Costs, FY 2005-2007 YTD

	FY 2004	FY 2005	FY 2006	FY 2007 YTD
Total revenue (000)	[redacted]			
Minus cost of sales:				
Content licensing (000)				
Publishing (000)				
Other (000)				
Total cost of sales (000)				
Minus operating expenses:				
R&D (000)				
Marketing (000)				
G&A (000)				
Other (000)				
Total operating expenses (000)				
Equals				
Operating margin (000)				
GAAP net income (000)				

Note: Payments made under the 2001 joint agreement between the RIAA, NMPA and the Harry Fox Agency for publishing royalties payable on subscription services are listed separately by Napster. Content licensing costs are made to record companies for permanent download services (which are responsible for payments to copyright owners) and subscription services.

[Source: Enders Analysis based on Napster disclosure, Napster Financial Data at DiMA 3913-3926, attached as Exhibit COA 482.]

6. The Future of the U.S. Digital Music Market

The U.S. digital music market has a bright future, with sales expected to increase each year to an estimated $5 billion by 2012.[115] Among the drivers for this expected growth are the increasing penetration of high-speed broadband Internet connections, personal computers, portable music players and music-enabled wireless phones:

- U.S. broadband penetration has increased from 29 percent in January 2005 to 42 percent of the U.S. adult population in April 2006, representing 84 million potential

[115] Enders Analysis estimates. These are adjusted from the estimates contained in my report submitted on November 29, 2006.

customers, leaving substantial room for additional growth as broadband availability continues to expand.[116]

- About 70 million (or 26 percent of) Americans aged 12 and over had downloaded music in the first quarter of 2007.[117] Of that number, 45 million did so on a fee-paying basis.[118] Both figures indicate substantial opportunity for future growth as younger Americans, who are currently more likely to download music and are more likely to pay for music as they grow older, continue to purchase digital music in the future.
- The percentage of Americans aged 12 and older reporting that they own a portable music player in the second quarter rose to 25 percent in the first quarter of 2007 from only 9 percent since 2003, leaving substantial room for further adoption.[119]
- About 28 percent of cell phones are music-enabled as of the first quarter of 2007, again leaving substantial room for further growth.[120]

As these numbers rise, U.S. digital music sales will continue to increase. Because consumers perceive an increased value to digital music, the share of U.S. consumers with portable digital music players will steadily rise. Together with greater penetration of broadband Internet services, which permit the rapid downloading of digital music, I expect continued

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[116] Broadband refers to high-speed Internet service, which allows consumers to download content from the Internet, such as music files, more rapidly. Pew/Internet reports 42% of U.S. adult (18+) Internet users have broadband at home (84 million) in April 2006, up from 29% in January 2005. Pew/Internet, "Internet penetration and impact April 2006," www.pewinternet.org [accessed November 29, 2006].

[117] Tempo Q1 2007 at DiMA 16487, attached as Exhibit COA 309.

[118] Tempo Q1 2007 at DiMA 16508, attached as Exhibit COA 309.

[119] Tempo Q1 2007 at DiMA 16550, attached as Exhibit COA 309.

[120] Tempo Q1 2007 at DiMA 16530, attached as Exhibit COA 309.

increases in sales of permanent downloads, as reflected in my forecast. However, I expect the annual growth rate of sales of music downloads to gradually decline from 74 percent in 2006 to about 8 percent by 2012 as this segment matures.

In light of the current trends in digital music purchasing, I anticipate the continued dominance of Apple's iPod + iTunes model in the U.S. online music market. The segment comprised of limited download and interactive streaming services is consequently likely to experience lower annual growth than the music download segment, as reflected in my forecast assumptions.

Sales of mobile music formats are growing rapidly. Having long offered ringtone services, the major cellular networks are just launching their single-track download services. Sprint and Verizon already offer single-track downloads to their customers, while Cingular and T-Mobile have yet to announce their music download services. In my estimation, the pattern of sales of mobile single-track downloads in the U.S. will tend to reflect the weaker pattern of growth already witnessed in major European markets, rather than the stronger pattern of growth of Asian markets.[121] This assumption is reflected in my forecasts for mobile music revenues.

Table 11-Amended illustrates the growth of digital music revenues as forecast by Enders Analysis, PricewaterhouseCoopers and Informa, in November 2006, as well as an updated forecast by Enders Analysis, which has been adjusted in accordance with information produced in discovery.

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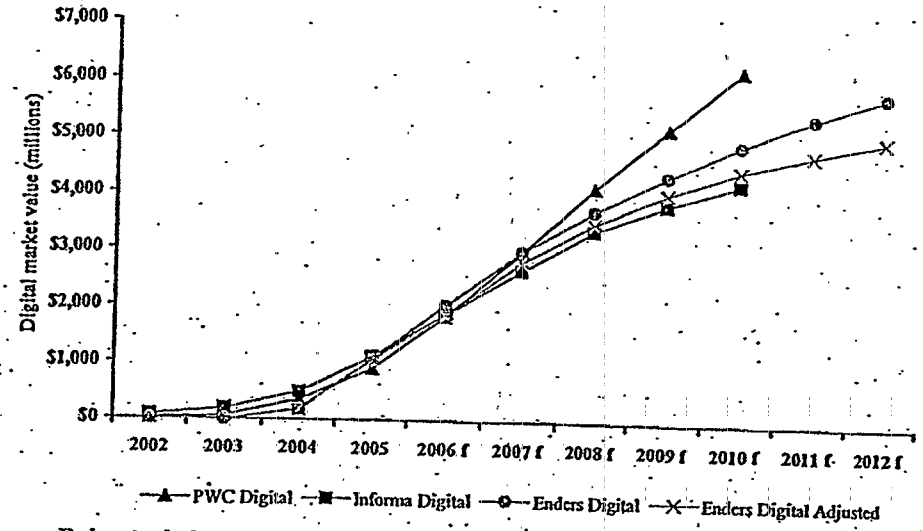
[121] IFPI (2006), *2006 Global Recording Industry in Numbers*, p. 6.

Table 11-Amended: U.S. Digital Music Download Forecasts, 2006-2012



[Source: Enders Analysis 2006 estimates are adjusted in 2007 for information disclosed in discovery; *PricewaterhouseCoopers Global Entertainment and Media Outlook; Informa Digital Home Entertainment: Future Consumer Spending Habit*]

I adjusted my forecast of the U.S. digital music market from that contained in the report I submitted on November 29, 2006. This adjustment reflects the greater knowledge that I have gathered in the intervening period with respect to market developments for the full year of 2006 and in 2007 to date, based on information disclosed. This information includes RIAA data for the full year of 2006,[122] iTunes sales volumes in 2006 and 2007 to date,[123] RIAA disclosed data on sales of ringtones and full-track OTA downloads,[124] and further consumer research from Ipsos on digital music purchasing practices and MP3 player and music-enabled phone adoption[125] (details on the research methodology and data sources I consulted to establish my forecasts are

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[122] RIAA, Year-End Statistics at RIAA 41998 (2006), attached as Exhibit COA 301.

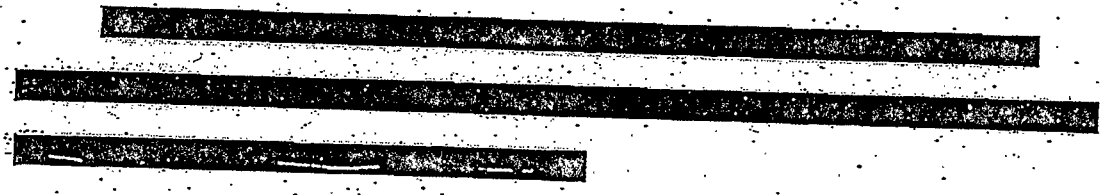
[123] Apple, iTunes P&L at DiMA 3816, attached as Exhibit COA 461; Cue Tr. at 26:9, 104:3, attached as Exhibit COA 12.

[124] RIAA, Unit and Wholesale Data, RIAA 15271-15331, at RIAA 15301, attached as Exhibit COA 304.

[125] See generally Tempo Q4 2006, DiMA 16751-16910, attached as Exhibit COA 310; Tempo Q1 2007, DiMA 16468-16560, attached as Exhibit COA 309.

contained in Exhibit C). I have accordingly revised downward my forecasts for revenues from permanent download services, while adjusting upwards slightly my forecast for subscription and mobile music revenues, with the result that I expect the value of the U.S. digital music market to grow from its 2005 level of just over $1 billion to reach $5 billion in 2012. Accordingly, my fundamental conclusions about the state and prospects of the U.S. digital music market remain the same..

7. Conclusions



7.1 An Increased Compulsory License Fee for DPDs Is Appropriate Because The Digital Distribution of Music Provides Increased Value to Consumers

Digital music provides increased value to consumers for a number of reasons. Digital music:

- allows consumers to cherry-pick desired single tracks rather than purchase entire albums;
- provides consumers increased portability because digital music players have the storage capacity that allows consumers to carry music more easily than the corresponding CDs;
- allows consumers to purchase the vast majority of commercially available music on a 24/7 basis;
- gives consumers immediate access to purchased music;
- allows consumers greater access to a wider catalog of commercially available music; and

- permits consumers to sample a variety of music with greater ease through the increased selection available.

The digital music purchase experience contrasts sharply with the physical phonorecord purchase experience. A consumer who shops at a traditional music retailer is limited to the selection of CDs carried by the store near him or her, must generally purchase albums rather than singles, thus spending more, must do so at the store during opening hours, can sample with less ease, and must take the CDs with him or her. By contrast, a consumer who shops at the iTunes Store can easily sample and select from 6 million tracks,[126] cherry-pick the ones he or she wants and download them to a computer, at home or anywhere else, at any time, and copy that music to an iPod, which can easily transport hundreds of CDs worth of music.

[redacted]

7.2 An Increased Compulsory License Fee for DPDs Is Appropriate Because of Lower Costs and Higher Margins in Connection with the Digital Distribution of Music

The Copyright Owners and the record companies make the same contribution to the creative process irrespective of whether a song is sold as a DPD or as part of a physical phonorecord. However, in contrast to the costs incurred in connection with the manufacture and distribution of physical phonorecords, the production of digital music is relatively inexpensive and provides higher gross and/or net operating profit margins for the record companies.

[redacted]

[126] Cue Tr. at 147:7-147:10, attached as Exhibit COA 12.

[redacted]

7.3 An Increased Compulsory License Fee for DPDs Is Appropriate Because the Digital Distribution of Music Is Based on Sales of Singles

As described in Section 5.3.2, the digital music market is primarily singles-based, in contrast to sales of physical phonorecords, which are typically delivered as albums. [redacted]

For physical phonorecords, the statutory mechanical rate is necessarily a blended average rate, reflecting the value of both the relatively "high-value" and the "low-value" tracks on the album to the consumer. For these physical phonorecords, Copyright Owners could count on consumer demand for the most popular tracks to drive album sales and lead to royalty payments for the other tracks on the album. [redacted] As shown above, digital sales are singles-driven and singles-dominant. [redacted]

In sum, the information and documents reviewed by me since the submission of my initial report have not altered any of the central conclusions set forth in that report. [redacted]

Declaration

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 29, 2007
Washington, D.C.

Claire Enders

Exhibit A

Claire Enders

PROFESSIONAL EXPERIENCE

1997- Enders Analysis (http://www.endersanalysis.com/)
Chief Executive
Presentations, reports and notes for subscribers and consultancy clients on commercial and strategic issues arising out of technology change in the media, internet and mobile and fixed-line telecommunications sectors in Europe, the US and Japan.

1992-97 Thorn EMI plc
Corporate Development Manager
Reporting to the Executive Chairman and the Finance Director on group strategy, the strategy of other companies in the entertainment sector in general and recorded music and music publishing in particular, potential investments and acquisitions and regulatory issues. Managed four Monopolies and Mergers Commission inquiries and two filings with the European Commission Competition Directorate. Was on secondment to the Department of Trade and Industry as the Special Adviser on broadcasting policy for 1994.

1989-92 TVS Entertainment
Director of Corporate Development
Responsible for group strategy, corporate development activity and related regulatory issues for the former ITV broadcaster for the South and South-East of England.

1986-89 Superchannel
Director of Marketing
Responsible for commercial strategy for the pan-European satellite channel then owned by the ITV companies.

1985-86 The Virgin Group
Head of Business Development
Responsible for development of The Virgin Group's media activities, including investments in new media.

EDUCATION

1984 London Business School, MBA
1979 Yale University, BA (Hons) History

Claire Enders
U.S. Digital Music Market
November 29, 2006

Exhibit B:

Citations:

EMI Annual Report 2005, www.emigroup.com [accessed November 29, 2006].

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M:Metrics Press Release, "M:Metrics benchmark survey: when it comes to ring(tone) shopping, males and females prefer different bling", September 26, 2005, www.mmetrics.com [accessed November 29, 2006].

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Claire Enders
U.S. Digital Music Market
November 29, 2006

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The Wall Street Journal, "Music Industry Is Finally Online, But There Aren't Many Listeners," May 7, 2002 [accessed from the archive on October 21, 2006].

Press releases, financial statements, conference calls and details of offers from online music provider sites:

musicstore.connect.com [accessed November 29, 2006].

www.zune.net [accessed November 29, 2006].

www.apple.com [accessed November 29, 2006].

www.musicnet.com [accessed November 29, 2006].

www.napster.com [accessed November 29, 2006].

www.emusic.com [accessed November 29, 2006].

www.realnetworks.com [accessed November 29, 2006].

www.yahoo.com [accessed November 29, 2006].
www.sprint.com [accessed November 29, 2006].
www.verizon.com, [accessed November 29, 2006].
www.cingular.com [accessed November 29, 2006].
www.t-mobile.com [accessed November 29, 2006].

Other sites with information on digital music:
www.pro-music.org
www.digitalmusicnews.com
www.betanews.com
www.mmetrics.com
www.redherring.com
www.w2forum.com

Periodic publications:

Music & Copyright, Issues No. 173-332

Data and research reports:

Nielsen Soundscan weekly data on U.S. single-track download sales, June 29, 2003 to October 1st, 2006.

Nielsen Soundscan weekly data on U.S. album download sales, July 4, 2004 to October 1st, 2006.

Ipsos, "Tempo: Keeping Pace with Digital Music Behavior," Q2 2006

Piper Jaffray Investment Research, "A Closer Look At Apple Computer", August 2006

PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2006-2010*, June 2006

Claire Enders
U.S. Digital Music Market
November 29, 2006

Informa Telecoms & Media, *Digital Home Entertainment: Future Consumer Spending Habits*, January 2006

Enders Analysis estimates:
My forecast of the U.S. digital music market is based on forecasts for U.S. online and mobile music. My forecast is that U.S. online music revenue increases by 84 percent in 2006, 44 percent in 2007, 27 percent in 2008, 23 percent in 2009, 19 percent in 2010, 14 percent in 2011 and 10 percent in 2012 and that U.S. mobile music revenue increases by 100 percent in 2006, 50 percent in 2007, 20 percent in 2008, 8 percent in 2009, 4 percent in 2010 and 2 percent per year in 2011 and 2012. See attached excel files.

Exhibit B-Amended

Data, Information, and Documents Considered

Ex. No.	Bates No.	Sponsored By	Description
COA 4		William Landes	Deposition Transcript of David Munns, dated October 16, 2007 (RESTRICTED)
COA 12		William Landes	Deposition Transcript of Eddy Cue, dated September 28, 2007 (RESTRICTED)
COA 59	RIAA 8211-8234	William Landes	BMG / RealNetworks Letter Agreement: New Content Usage Rules for MBG Recordings Agreement, dated July 15, 2004 (RESTRICTED)
COA 76	DiMA 17195-17216	William Landes	EMI / Napster Dual Mode Digital Download Agreement Order Form, dated March 28, 2006 (RESTRICTED)
COA 143	RIAA 19834-19890	William Landes	UMG / Napster Download Addendum Agreement Amendments, dated August 1, 2002 (RESTRICTED)
COA 144	RIAA 18501-18658	William Landes	UMG / Napster Agreement for the Inclusion of universal Sound Recordings in Over the Air Permanent Download Services, dated July 18, 2006 (RESTRICTED)
COA 146	RIAA 18659-18825	William Landes	UMG / Napster Agreement for the Inclusion of Universal Sound Recordings in Permanent Download Services, dated January 1, 2007 (RESTRICTED)
COA 300		Claire Enders	Curriculum Vitae for Claire Enders
COA 301	RIAA 41992-41998	Claire Enders	RIAA Year-End Statistics (1999-2006)
COA 302	RIAA 15382-15386	Claire Enders	2005 Wholesale Revenues, Statutory and Effective Mechanical Rates with Continued Decline of Controlled Composition in Physical Album, and

Ex. No.	Bates No.	Sponsored By	Description
			other Wholesale Data (RESTRICTED)
COA 303	RIAA 41999-42003	Claire Enders	RIAA Mid-Year Statistics (1995-2006)
COA 304	RIAA 15271-15331	Claire Enders	Unit and Wholesale Data (RESTRICTED)
COA 305	DiMA 21460-21469	Claire Enders	Napster 5-Year Model (RESTRICTED)
COA 306	DiMA 19353-19402	Claire Enders	Napster/AOL Asset Purchase Agreement, dated January 11, 2007 (RESTRICTED)
COA 307	DiMA 19404-19407	Claire Enders	Napster/AOL Assignment and Assumption Agreement, dated March 14, 2007 (RESTRICTED)
COA 308	DiMA 19348-19352	Claire Enders	Napster/AOL Amendment No. 1 to Asset Purchase Agreement, dated March 14, 2007 (RESTRICTED)
COA 309	DiMA 16468-16560	Claire Enders	Ipsos, Tempo: Keeping Pace with Digital Music Behavior, 2007 Quarter 1 Report, dated June 2007 (RESTRICTED)
COA 310	DiMA 16751-16910	Claire Enders	Ipsos, Tempo: Keeping Pace with Digital Music Behavior, 2006 Quarter 4 Report, dated March 2007 (RESTRICTED)
COA 311	DiMA 2885-2996	Claire Enders	Apple, iTunes Music Store Tracker Program, Final Report Wave 1 – Fourth Quarter 2004, dated March 18, 2005 (RESTRICTED)
COA 312	DiMA 2997-3082	Claire Enders	Apple, Final Report – 2005 Q1 iTMS Tracker Program, dated April 2005 (RESTRICTED)
COA 313	DiMA 3138-3209	Claire Enders	Apple, Final Report – 2005 CYQ2 iTMS Tracker Program, dated August 2005 (RESTRICTED)
COA 314	DiMA 3083-3137	Claire Enders	Apple, Final Report – 2006 CYQ1 iTMS Tracker Program, dated May 30, 2006 (RESTRICTED)
COA 315	DiMA 2832-2884	Claire Enders	Apple, iTMS Tracker – CYQ3 2005 Presentation, dated November 14, 2005

Ex. No.	Bates No.	Sponsored By	Description
			(RESTRICTED)
COA 316	DiMA 4064-4211	Claire Enders	MusicNet Price Sensitivity Research, Final Report, dated July 3, 2003 (RESTRICTED)
COA 317	DiMA 4212-4386	Claire Enders	MusicNet Pricing Study, dated July 2003 (RESTRICTED)
COA 318	DiMA 4501-4533	Claire Enders	Napster Price Research Quantitative Research, Preliminary Findings, dated October 2004 (RESTRICTED)
COA 319	DiMA 6325-6473	Claire Enders	Ipsos, Tempo: Keeping Pace with Digital Music Behavior, 2006 Quarter 2 Report, dated October 2006 (RESTRICTED)
COA 320	RIAA 15203-15209	Claire Enders	RIAA Wholesale Data (RESTRICTED)
COA 321	DiMA 56803-56819	Claire Enders	UMG/Spiralfrog Amendment No. 1 to Agreement for Inclusion of Universal Sound Recordings and Universal Videos in Online, On-Demand Ad-Supported Services, dated May 30, 2006 (RESTRICTED)
COA 322	DiMA 3262-3271	Claire Enders	Apple DRM-Free and Higher Quality Audio Presentation (RESTRICTED)
COA 323	DiMA 39671-39851	Claire Enders	Napster, Inc. Form 10-K, Filed June 6, 2007 for Period Ending March 31, 2007
COA 324	DiMA 11936-11939	Claire Enders	MusicNet Historical and Projected Financials (RESTRICTED)
COA 325		Claire Enders	RealNetworks Music Group, FY 2005 - July 2006 Actual (RESTRICTED)
COA 326	DiMA 8517-8524	Claire Enders	RealNetworks/Rhapsody "Subscription Services: Why You Should Give A Damn?" Presentation, dated September 1, 2007 (RESTRICTED)
COA 327	DiMA 8881-8891	Claire Enders	RealNetworks, Saddle Creek Records Subscription Revenue Analysis (RESTRICTED)
COA 328	RIAA 43940-44005	Claire Enders	EMI, Presentation at a JP Morgan High Yield Conference, dated February 5,

Ex. No.	Bates No.	Sponsored By	Description
			2006 (RESTRICTED)
COA 329	DiMA 68950	Claire Enders	Email from Eddy Cue to Steve Jobs re: iTunes UMG Track Pricing Analysis, dated March 9, 2007 (RESTRICTED)
COA 330	DiMA 68951	Claire Enders	Email from Steve Jobs to Eddy Cue re: iTunes UMG Track Pricing Analysis, dated March 9, 2007 (RESTRICTED)
COA 331	DiMA 20331-20335	Claire Enders	Napster Summary of of Record Company Subscription and Permanent Download Agreements (RESTRICTED)
COA 332	DiMA 12265-12277	Claire Enders	MusicNet Summary of Record Company Permanent Download Agreements (RESTRICTED)
COA 333	DiMA 22732-22850	Claire Enders	RealNetwork/Sony BMG Content Integration Agreement, dated April 1, 2005 (RESTRICTED)
COA 334	DiMA 17237-17284	Claire Enders	Warner Music/Napster OTA Digital Music Download Agreement, dated November 13, 2003 (RESTRICTED)
COA 335	DiMA 3210-3254	Claire Enders	iTunes Store Tracker Program Final Report – 2006 CYQ4, dated January 2007 (RESTRICTED)
COA 400	RIAA 7732-7759	Claire Enders	Apple/EMI Digital Music Download Agreement, dated April 7, 2003 (RESTRICTED)
COA 401	RIAA 7760-7762	Claire Enders	Apple/EMI 1st Amendment to the Digital Music Download Agreement, dated April 7, 2003 (RESTRICTED)
COA 402	RIAA 7763-7770	Claire Enders	Apple/EMI 2nd Amendment to the Digital Music Download Agreement, dated April 7, 2003 (RESTRICTED)
COA 403	RIAA 8235-8240	Claire Enders	Apple/EMI 4th Amendment to the Digital Music Download Agreement, dated March 27, 2007 (RESTRICTED)
COA 404	RIAA 8246-8255	Claire Enders	Apple/EMI 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007 (RESTRICTED)

Ex. No.	Bates No.	Sponsored By	Description
COA 405	RIAA 8264-8271	Claire Enders	Apple/EMI Amended and Restated 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007 (RESTRICTED)
COA 406	RIAA 10890-10918	Claire Enders	Apple/Sony Digital Music Download Agreement, dated June 11, 2004 (RESTRICTED)
COA 407	RIAA 13429-13432	Claire Enders	Apple/Sony 1st Amendment to the Digital Music Download Agreement, dated October 8, 2003 (RESTRICTED)
COA 408	RIAA 13498-13517	Claire Enders	Apple/BMG Digital Music Download Agreement, dated January 1, 2003 (RESTRICTED)
COA 409	RIAA 13518-13524	Claire Enders	Apple/BMG 3rd Amendment to the Digital Music Download Agreement, dated January 1, 2003 (RESTRICTED)
COA 410	RIAA 13525-13547	Claire Enders	Apple/BMG 1st Amendment to the Digital Music Download Agreement, dated January 1, 2003 (RESTRICTED)
COA 411	RIAA 13548-13552	Claire Enders	Apple/Sony Renewal & 2nd Amendment to the Digital Music Download Agreement, dated April 3, 2003 (RESTRICTED)
COA 412	RIAA 13553-13625	Claire Enders	Apple/Sony Renewal & 2nd Amendment to the Digital Music Download & Digital Music Download Agreement, dated April 3, 2003 (RESTRICTED)
COA 413	RIAA 13626-13628	Claire Enders	Apple/BMG 1st Amendment to the Digital Music Download Agreement, dated January 1, 2003 (RESTRICTED)
COA 414	RIAA 13629	Claire Enders	Apple/BMG 4th Amendment to the Digital Music Download Agreement, dated January 1, 2003 (RESTRICTED)
COA 415	RIAA 13630-13636	Claire Enders	Apple/BMG Renewal & 2nd Amendment to the Digital Music Download Agreement, dated January 1, 2003 (RESTRICTED)
COA 416	RIAA 13762-13792	Claire Enders	Apple/Sony Digital Music Download

Ex. No.	Bates No.	Sponsored By	Description
			Agreement, dated April 3, 2003 (RESTRICTED)
COA 417	RIAA 18329-18357	Claire Enders	Apple/Universal Sound Recordings Agreement, dated December 13, 2002 (RESTRICTED)
COA 418	RIAA 18358-18371	Claire Enders	Apple/Universal 2nd Amendment to Universal Sound Recordings Agreement, dated December 13, 2002 (RESTRICTED)
COA 419	RIAA 18431-18471	Claire Enders	Apple/Universal Sound Recordings Agreement, dated December 13, 2002 (RESTRICTED)
COA 420	RIAA 18472-18485	Claire Enders	Apple/Universal 1st Amendment to the Amended Universal Sound Recordings Agreement, dated April 26, 2006 (RESTRICTED)
COA 421	RIAA 18486-18500	Claire Enders	Apple/Universal 3rd Amendment to the Universal Sound Recordings Agreement, dated October 11, 2005 (RESTRICTED)
COA 422	RIAA 20517	Claire Enders	Apple/Universal 4th Amendment to the Amended Universal Sound Recordings Agreement, dated April 26, 2007 (RESTRICTED)
COA 423	RIAA 24168-24176	Claire Enders	Apple/Warner Amendment of Digital Music Download Agreement, dated October 11, 2005 (RESTRICTED)
COA 424	RIAA 24177-24178	Claire Enders	Apple/Warner 1st Amendment to the Digital Music Download Agreement, dated November 25, 2002 (RESTRICTED)
COA 425	RIAA 24179	Claire Enders	Apple/Warner 2nd Amendment to the Digital Music Download Agreement, dated December 23, 2003 (RESTRICTED)
COA 426	RIAA 24180	Claire Enders	Apple/Warner 3rd Amendment to the Digital Music Download Agreement, dated January 27, 2004 (RESTRICTED)

Ex. No.	Bates No.	Sponsored By	Description
COA 427	RIAA 24181	Claire Enders	Apple/Warner 4th Amendment to the Digital Music Download Agreement, dated February 27, 2004 (RESTRICTED)
COA 428	RIAA 24182-24185	Claire Enders	Apple/Warner 5th Amendment to the Digital Music Download Agreement, dated November 25, 2002 (RESTRICTED)
COA 429	RIAA 24186-24187	Claire Enders	Apple/Warner 6th Amendment to the Digital Music Download Agreement, dated November 25, 2002 (RESTRICTED)
COA 430	RIAA 24188-24206	Claire Enders	Apple/Warner Digital Music Download Agreement, dated November 25, 2002 (RESTRICTED)
COA 431	RIAA 24261-24300	Claire Enders	Apple/Warner Digital Music Download Agreement, dated April 28, 2006 (RESTRICTED)
COA 432	RIAA 38536-38541	Claire Enders	Apple/Warner Amendment to Digital Music Download Agreement, dated March 1, 2007 (RESTRICTED)
COA 433	RIAA 38542-38546	Claire Enders	Apple/Warner Letter Agreement, dated April 5, 2007 (RESTRICTED)
COA 434	DiMA 3425-3432	Claire Enders	Apple/EMI Amended and Restated 5th Amendment to the Digital Music Download Agreement, dated April 1, 2007 (RESTRICTED)
COA 435	DiMA 3433-3436	Claire Enders	Apple/EMI Digital Content Supply Agreement, dated March 28, 2006 (RESTRICTED)
COA 436	DiMA 3437-3482	Claire Enders	Apple/EMI Extension of Digital Music Download Agreement, dated April 25, 2006 (RESTRICTED)
COA 437	DiMA 3530-3536	Claire Enders	Apple/Sony BMG 3rd Amendment to the Digital Music and Video Download Agreement, dated April 28, 2006 (RESTRICTED)
COA 438	DiMA 3537-3567	Claire Enders	Apple/Sony Digital Music Download Agreement, dated April 3, 2003

Ex. No.	Bates No.	Sponsored By	Description
			(RESTRICTED)
COA 439	DiMA 3568-3569	Claire Enders	Apple/Sony 1st Amendment to the Digital Music Download Agreement, dated October 8, 2003 (RESTRICTED)
COA 440	DiMA 3570-3574	Claire Enders	Apple/Sony Renewal and 2nd Amendment to the Digital Music Download Agreement, dated April 3, 2003 (RESTRICTED)
COA 441	DiMA 3575	Claire Enders	Apple/Sony Amendment to the Digital Music and Video Download Agreement, dated April 22, 2007 (RESTRICTED)
COA 442	DiMA 3576	Claire Enders	Apple/Sony BMG Amendment to the Digital Music and Video Download Agreement, dated May 30, 2007 (RESTRICTED)
COA 443	DiMA 3577	Claire Enders	Apple/Sony BMG Amendment to the Digital Music and Video Download Agreement, dated June 15, 2007 (RESTRICTED)
COA 444	DiMA 3578-3599	Claire Enders	Apple/Sony BMG 4th Amendment to the Digital Music and Video Download Agreement, dated April 28, 2006 (RESTRICTED)
COA 445	DiMA 3600-3643	Claire Enders	Apple/Sony BMG Digital Music and Video Download Agreement, dated April 28, 2006 (RESTRICTED)
COA 446	DiMA 3656	Claire Enders	Apple/Universal 1st Amendment to the Universal Sound Recordings Agreement, dated December 13, 2002 (RESTRICTED)
COA 447	DiMA 3657	Claire Enders	Apple/Universal Amendment to the Universal Sound Recordings Agreement, dated June 26, 2007 (RESTRICTED)
COA 448	DiMA 3658-3663	Claire Enders	Apple/Sony BMG 2nd Amendment to the Amended Universal Sound Recordings Agreement, dated April 28, 2006 (RESTRICTED)
COA 449	DiMA 3664-3683	Claire Enders	Apple/Universal Sound Recordings

Ex. No.	Bates No.	Sponsored By	Description
			Agreement, dated December 13, 2002 (RESTRICTED)
COA 450	DiMA 3684	Claire Enders	Apple/Universal 4th Amendment to the Amended Universal Sound Recordings Agreement, dated April 28, 2006 (RESTRICTED)
COA 451	DiMA 3685-3690	Claire Enders	Apple/Universal 2nd Amendment to the Universal Sound Recordings Agreement, dated December 13, 2002 (RESTRICTED)
COA 452	DiMA 3691-3733	Claire Enders	Apple/Universal Sound Recordings Agreement, dated December 13, 2002 (RESTRICTED)
COA 453	DiMA 3744-3773	Claire Enders	Apple/Warner Digital Music Download Agreement, dated November 25, 2002 (RESTRICTED)
COA 454	DiMA 3774-3794	Claire Enders	Apple/Warner Digital Music Download Agreement, dated April 28, 2006 (RESTRICTED)
COA 455	DiMA 3795-3800	Claire Enders	Apple/Warner Amendment to Digital Music Download Agreement, dated March 1, 2007 (RESTRICTED)
COA 456	DiMA 3801-3802	Claire Enders	Apple/Downtown Records Free Single of the Week Agreement, dated December 18, 2006 (RESTRICTED)
COA 457	DiMA 3803-3804	Claire Enders	Apple/Atlantic Records Free Single of the Week Agreement, dated January 19, 2006 (RESTRICTED)
COA 458	DiMA 3805-3807	Claire Enders	Apple/Warner Free Single of the Week Agreement, dated March 6, 2007 (RESTRICTED)
COA 459	DiMA 4029-4030	Claire Enders	DiMA Member Companies Financial Summary (RESTRICTED)
COA 460	DiMA 4052-4053	Claire Enders	DiMA Financial Summary, 2002-2006 (RESTRICTED)
COA 461	DiMA 3808-3832	Claire Enders	Apple iTunes P&L (Third Quarter 2003-Third Quarter 2007) (RESTRICTED)
COA 462	DiMA 11651-11669	Claire Enders	MusicNet Revenue Model

Ex. No:	Bates No.	Sponsored By	Description
			(RESTRICTED)
COA 463	DiMA 12910	Claire Enders	MusicNet, Inc. Revenue (RESTRICTED)
COA 464	DiMA 9157-9160	Claire Enders	MusicNet, Statement of Operations, dated December 2004 (RESTRICTED)
COA 465	DiMA 3953-3955	Claire Enders	MusicNet, Consolidated Statement of Operations, dated December 2005 (RESTRICTED)
COA 466	DiMA 9168-9170	Claire Enders	MusicNet, Consolidated Statement of Operations, dated August 2006 (RESTRICTED)
COA 467	DiMA 12911-12913	Claire Enders	MusicNet, Statement of Operations, dated December 31, 2006 (RESTRICTED)
COA 468	DiMA 9161-9164	Claire Enders	MusicNet, Consolidated Statement of Operations, 2001-August 2006 (RESTRICTED)
COA 469	DiMA 9144-9155	Claire Enders	MusicNet, Balance Sheet, dated December 31 (RESTRICTED)
COA 470	DiMA 11825-11829	Claire Enders	MusicNet, YTD Operating Summary (RESTRICTED)
COA 471	DiMA 12024-12027	Claire Enders	MusicNet Historical and Projected Financials (RESTRICTED)
COA 472	DiMA 11844-11846	Claire Enders	MusicNet, Estimated P&L, dated January 2006 (RESTRICTED)
COA 473	DiMA 11836-11841	Claire Enders	MusicNet, Business Plan 2006 (RESTRICTED)
COA 474	DiMA 11813-11818	Claire Enders	MusicNet U.S.-U.K, Cash flow, Business Plan 2007/2008 (RESTRICTED)
COA 475	DiMA 11615-11621	Claire Enders	MusicNet Gross Profit (RESTRICTED)
COA 476	DiMA 9142	Claire Enders	MusicNet, Cost Incurred for Development of New Technologies (RESTRICTED)
COA 477	DiMA 12090	Claire Enders	MusicNet, Technology Invested/Product Development (RESTRICTED)

Ex. No.	Bates No.	Sponsored By	Description
COA 478	DiMA 9156	Claire Enders	MusicNet, Capital Investment Analysis (RESTRICTED)
COA 479	DiMA 12521-12522	Claire Enders	MusicNet Distributor Analysis (RESTRICTED)
COA 480	DiMA 9140-9141	Claire Enders	Data Provided By MusicNet with LECG Comments (RESTRICTED)
COA 481	DiMA 13335-13342	Claire Enders	MusicNet Economics (RESTRICTED)
COA 482	DiMA 3913-3931	Claire Enders	Napster U.S. Income Statements, Subscriber Data, and Gross Margin Data (RESTRICTED)
COA 483	DiMA 22180-22187	Claire Enders	Napster US Actuals (RESTRICTED)
COA 484	DiMA 23113-23118	Claire Enders	RealNetworks Operating Expenses (RESTRICTED)
COA 485	DiMA 45638-45652	Claire Enders	Napster Operating Expenses (RESTRICTED)
COA 486	DiMA 22296-22306	Claire Enders	Napster, Quarterly P&L Worldwide (RESTRICTED)
COA 487	DiMA 22188-22212	Claire Enders	Napster Subscriber Metrics (RESTRICTED)
COA 488	DiMA 21470-21667	Claire Enders	Napster 5-Year Model Back-Up Data (RESTRICTED)

Exhibit C:
Research Methodology for Enders Analysis Estimates of U.S. Digital Music Market Growth, 2004A-2012F

Methodology

The Enders Analysis forecast of U.S. Digital Music Market Growth contained in the preceding amended report is generated from forecasts for three market segments: sales of permanent downloads; sales of mobile music; and revenues from subscription services. These forecasts are based on the accumulated knowledge of analysts at Enders Analysis on the performance of market segments, and assumptions regarding their likely evolution over the forecast period, supported by technical model-building skills and the information produced by the record companies and digital music services in discovery.

The accumulated knowledge of analysts at Enders Analysis on U.S. digital music market developments is acquired through examination of: market data (from the RIAA, IFPI, and Nielsen SoundScan), information on digital music providers, surveys on digital music consumption supplied by Ipsos, and discussions with industry participants. Information on digital music providers is contained in their press releases or on their websites, financial reports disclosed to the Securities Exchange Commission, conference calls held for analysts, speeches of key executives and their citations reported in the media. Finally, analysts consider as relevant information on other lines of business (e.g. Apple's sales of iPods and Mac computers).

For each segment, the forecast revenue is based on estimates and analysis of consumer demand. The starting point for the model is data on and projections for the U.S. population, obtained from the U.S. Census.[1] For permanent downloads, the core demand driver is the share of the population buying digital music on a monthly basis, as indicated by consumer research from Ipsos on digital music purchasing practices and MP3 player and music-enabled phone adoption.[2] Based on actual sales data for 2005 and 2006 from the RIAA, the usage (average number of tracks, albums and music videos purchased per year) per buyer is estimated.[3] The 2007 usage estimate is benchmarked against estimated weekly data disclosed by iTunes for 2007 to date.[4] The usage data is then projected forwards using our assumptions about growth, yielding forecast volumes of single track, album and video downloads. In the absence of information about the future pricing plans of the digital music services, we assume that the prices for digital music during the forecast period will remain at the current prices. Revenue forecasts are then derived.

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[1] http://www.census.gov/popest/estimates.php

[2] See generally Tempo Q4 2006, DiMA 16751-16910, attached as COA Exhibit 310; Tempo Q1 2007, DiMA 16468-16560, attached as Exhibit COA 309.

[3] RIAA, Year-End Shipment Statistics at RIAA 41997-41998 (2006), attached as Exhibit COA 301.

[4] Apple, iTunes P&L at DiMA 3816, attached as Exhibit COA 461.

For mobile music, revenue forecasts are provided for ringtones and full track downloads. Again, the starting point for the model is data on and projections for the U.S. population, obtained from the U.S. Census. For ringtones and downloads, core demand drivers are enabled handset penetration rates and the share of enabled handset owners willing to buy ringtones or downloads from wireless phone carriers, as indicated by consumer research from Ipsos.[5] Based on actual sales data for ringtones and downloads, disclosed by the RIAA in discovery, usage of ringtones and full tracks per buyer per year are estimated.[6] That usage data is then projected forwards using our assumptions about growth, yielding forecast volumes of ringtones and downloads. Using our assumptions about the anticipated development of prices, revenues are then derived.

In addition to the U.S. population and its projected growth, the demand for subscription services is driven by broadband penetration. High-speed Internet access is considered to be a prerequisite for adoption of subscription services, whose customers typically download a large number of songs. Pew data on broadband penetration is used for this purpose. Based on the actual number of subscribers, the share of broadband users taking subscription services is estimated. That share is then projected forwards using our assumptions about growth. Using our assumptions about the anticipated development of prices, revenues are then derived.

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[5] See generally Tempo Q4 2006, DiMA 16751-16910, attached as COA Exhibit 310; Tempo Q1 2007, DiMA 16468-16560, attached as Exhibit COA 309.

[6] RIAA, Unit and Wholesale Data, RIAA 15271-15331, at RIAA 15301, attached as Exhibit COA 304.

Summary of Enders Analysis estimates for U.S. digital music market, 2004A-2012F

Permanent Download Forecast, 2004A-2012F

	Units	2004	2005	2006	2007	2008	2009	2010	2011	2012
		A	A	A	F	F	F	F	F	F
Population										
US population	m	293	295	298	301	304	306	309	312	314
US population over 12 (end of year)	m	245	247	250	252	255	257	259	261	263
US population over 12 (mid-year)	m	245	246	249	251	253	256	258	260	262
% owning digital music player (year average)		13.5%	16.5%	20.5%	25.5%	29.5%	32.0%	33.5%	34.5%	35.0%
Percentage point increase		-	3.0%	4.0%	5.0%	4.0%	2.5%	1.5%	1.0%	0.5%
Digital music player owners	m	33	41	51	64	75	82	87	90	92
% above buying digital music at least once a month		22%	30%	37%	39%	41%	42%	43%	43%	44%
% over 12 monthly music buyers		3.0%	5.0%	7.5%	10.0%	12.0%	13.5%	14.5%	15.0%	15.5%
Percentage point increase		-	2.0%	2.5%	2.5%	2.0%	1.5%	1.0%	0.5%	0.5%
Regular digital music buyers	m	7	12	19	25	30	35	37	39	41
Usage										
Singles per buyer per year		19.0	29.8	31.4	33.0	34.5	35.9	37.1	38.2	39.4
Albums per buyer per year		0.6	1.1	1.5	1.9	2.2	2.4	2.6	2.7	2.9
Music Videos per buyer per year		-	0.2	0.5	0.8	0.9	1.0	1.0	1.0	1.0
Usage growth										
Singles per buyer		-	57.1%	5.5%	5.0%	4.5%	4.0%	3.5%	3.0%	3.0%
Albums per buyer		-	76.5%	33.9%	28.0%	15.0%	10.0%	8.0%	6.0%	4.0%
Music Videos per buyer		-	-	243.8%	50.0%	15.0%	5.0%	0.0%	0.0%	0.0%
Volumes per year										
Singles	M	139.4	366.9	586.4	829	1,049	1,239	1,388	1,491	1,600
Album	M	4.6	13.6	27.6	48	66	83	97	107	116
Music Videos	M	-	1.9	9.9	20.0	27.9	33.2	35.9	37.5	39.1

Price										
Singles		$0.99	$0.99	$0.99	$0.99	$0.99	$0.99	$0.99	$0.99	$0.99
Album		$9.89	$9.98	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Music Videos		-	$1.95	$1.99	$1.99	$1.99	$1.99	$1.99	$1.99	$1.99
Revenue										
Singles	m	$138.0	$363.3	$580.6	$820.7	$1,038.9	$1,226.3	$1,374.6	$1,476.6	$1,584.4
Album	m	$45.5	$135.7	$275.9	$475.5	$662.3	$826.8	$967.2	$1,069.2	$1,158.4
Music Videos	m	-	$3.7	$19.7	$39.8	$55.4	$66.0	$71.5	$74.6	$77.7
Total	m	$183.5	$502.7	$876.2	$1,336.0	$1,756.7	$2,119.2	$2,413.3	$2,620.4	$2,820.5

A=Actual
F=Forecast
[Source: Enders Analysis estimates]

Mobile Music Forecast, 2004A-2012F

	Units	2004	2005	2006	2007	2008	2009	2010	2011	2012
		A	A	A	F	F	F	F	F	F
Penetration										
Handset penetration of over-12s	%	-	62%	63%	64%	65%	66%	66%	67%	68%
Over-12 handset owners	m	-	153	157	161	165	168	171	175	178
Growth rate	%	-	-	2.7%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Handset Capability										
Ringtones	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Full track	%	0%	5%	25%	55%	80%	95%	100%	100%	100%
Enabled handset population for over-12s										
Ringtones	m	-	153	157	161	165	168	171	175	178
Full track	m	-	8	39	89	132	160	171	175	178
Adoption of paid for service										
Ringtones	%	-	3.0%	5.0%	7.0%	8.0%	8.5%	8.8%	9.0%	9.0%
Full track	%	-	0.5%	2.0%	3.0%	3.5%	3.8%	4.0%	4.0%	4.0%
Usage: downloads per month										
Ringtones		-	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Full track		-	1.1	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Volume per year										
Ringtones	m	-	169.5	291.4	420	490	531	561	585	597
Full track audio	m	-	0.21	17.18	-	-	-	-	-	-
Full track video	m	-	0.29	6.67	-	-	-	-	-	-
Full track total	m	-	0.5	23.8	81	140	182	208	213	217
Total (ringtones + full track total)	m	-	170	315	501	630	713	769	797	814

Price										
Ringtones	US$.	-	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48
Full track audio	US$.	-	2.00	1.99	1.99	1.70	1.55	1.50	1.50	1.50
Full track video	US$	-	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
% sales audio		-	42%	72%	80%	90%	90%	90%	90%	90%
Full track total	US$	-	2.26	2.13	2.09	1.78	1.64	1.60	1.60	1.60
Total revenue										
Ringtones	US $m	-	420.5	723.7	1,044	1,216	1,318	1,392	1,452	1,482
Full track total	US $m	-	1.1	50.8	170	250	299	334	340	347
Total	US $m	-	422	775	1,213	1,466	1,618	1,726	1,793	1,829

A=Actual
F=Forecast
[Source: Enders Analysis estimates]

Subscription Services Forecast, 2004A-2012F

	Units	2004	2005	2006	2007	2008	2009	2010	2011	2012
		A	A	A	F	F	F	F	F	F
Broadband use										
Broadband penetration in over 18s	%	23%	30%	33%	35%	37%	39%	40%	41%	41%
Broadband users in over 18s	m	51	66	74	79	84	90	93	95	98
% above who are digital music subscribers	%	-	2.0%	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Digital music subscribers	m	-	1.3	1.7	2.0	2.1	2.3	2.3	2.4	2.4
Price										
Average monthly fee	US$	-	9.56	10.11	10.61	11.14	11.70	12.29	12.90	13.55
% change	%	-	-	6%	5%	5%	5%	5%	5%	5%
Revenue	US $m	-	149	206	251	282	316	344	369	396

A=Actual
F=Forecast
[Source: Enders Analysis estimates]

Enders Analysis US Digital Music Forecast, 2004A-2012F

	Units	2004	2005	2006	2007	2008	2009	2010	2011	2012
		A	A	A	F	F	F	F	F	F
Total revenues										
Permanent downloads (m)	m	$184	$503	$876	$1,336	$1,757	$2,119	$2,413	$2,620	$2,820
Subscription services (m)	m	-	$149	$206	$251	$282	$316	$344	$369	$396
Mobile music (m)	m	-	$422	$775	$1,213	$1,466	$1,618	$1,726	$1,793	$1,829
Total	m	$184	$1,074	$1,857	$2,800	$3,505	$4,053	$4,483	$4,782	$5,046

A=Actual
F=Forecast
[Source: Enders Analysis estimates]

CO Trial
Ex. 15

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of Mechanical and Digital Phonorecord Delivery Rate Adjustment Proceeding	Docket No. 2006-3 CRB DPRA

AMENDED EXPERT REPORT OF HELEN MURPHY
ON BEHALF OF
NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC.,
THE SONGWRITERS GUILD OF AMERICA AND
THE NASHVILLE SONGWRITERS ASSOCIATION INTERNATIONAL

I. Introduction

A. Relevant Work Experience and Academic Credentials

1. Since 2004, I have been President of International Media Services Inc. (IMS), a New York based strategic advisory and financial services firm. Among other engagements, IMS has represented a number of independent music companies and private equity firms in assessing as acquisition candidates small and large music publishers. IMS also has been retained to restructure the operations of recorded music companies and music publishers.

2. From March 2001 to June 2004, I served as the Executive Vice President and Chief Financial Officer of the Warner Music Group. Warner Music Group was a division of Time Warner and was one of the world's largest recorded music companies. In the capacity of EVP and CFO, I was responsible for worldwide finance, business development, information technology, human resources, shared services (including manufacturing and distribution) and real estate.

3. From September 1999 to March 2001, I was Chief Financial and Administrative Officer for Martha Stewart Living Omnimedia Inc. I also served on the Board of Cinram, which is one of the world's largest independent manufacturers and distributors of recorded music and DVDs. Prior to that, I was Chief Financial Officer of Westvaco Corporation from January 1999 to September 1999.

4. From January 1990 to January 1999, I spent nine years in various senior financial positions at PolyGram, which was one of the largest recorded music companies worldwide and the leader outside of the United States. I was Chief Financial Officer of PolyGram Holding, Inc. from 1997-1999. From 1995-1997, I was Worldwide Senior Vice President of Investor Relations and U.S. Senior Vice President of Mergers and Acquisitions. From 1992-1995, I held the position of Senior Vice President, Corporate Finance and Treasurer. From 1990-1992, I held the positions of Vice President of Investor Relations and Treasurer.

5. I received a Masters in Business Administration from the University of Western Ontario, Canada and an Honors BA in Economics from the University of Guelph, Ontario, Canada. I am a Chartered Financial Analyst (CFA). My curriculum vitae is attached as Exhibit 1 to this report.

B. Materials Relied Upon for this Report

6. In preparing this report, I relied upon my education and my experience in the area of recorded music. Lists of the documents I considered and relied upon in connection with my initial and amended reports are attached as Exhibits 2 and 1A, respectively, and such documents can be found at CO 0901 to CO 0971, COA 900 to COA

1236, and COA 700 to COA 738, which are incorporated herein. The publicly available materials I reviewed include:

- International Federation of Phonographic Industry (IFPI) Reports
- Recording Industry Association of America, Inc. ("RIAA") reports and statistics
- Industry Reports
- Recorded Music Company Annual and Quarterly Reports
- Recorded Music Company Investor Presentations
- Analyst Reports
- Press releases and news articles

7. Since the submission of my initial report, I have reviewed documents produced in discovery on behalf of U.S recorded music companies, including but not limited to historical financial statements of U.S. recorded music companies, internal presentations, forecasts and projections, cost data and pricing information.[1] Nothing that I have reviewed since the submission of my initial report has caused me to modify the central conclusions I made in my initial report, including my forecast of continued growth in revenues and profits for U.S. major recorded music companies during the next five years.

8. I am being compensated at a rate of $500 per hour.

[1] It is my understanding that, in amending my report, I am limited to the consideration of materials that were received by the Copyright Owners in discovery. Accordingly, I have amended my report on the basis of those materials. I am aware that additional public information has become available since my initial report and will likely become available in the future, and I reserve the right to modify my testimony based on such information.

II. Issues Addressed in this Report

9. I have been retained to submit this report on behalf of the National Music Publishers' Association, Inc. ("NMPA"), the Songwriters Guild of America ("SGA"), and the Nashville Songwriters Association International ("NSAI") (collectively, the "Copyright Owners"). Specifically, I have been requested by the Copyright Owners to provide my opinion as to the historical, current and anticipated future financial state of the recorded music industry.

10. My report is based on publicly available information reviewed in connection with my initial report, documents provided to the Copyright Owners in discovery, and my knowledge and experience gained from being involved with the recorded music industry for over twenty years. I understand that the Copyright Owners requested but have not yet received additional financial information and projections concerning the major recorded music companies and the recorded music industry that may be relevant to my report. As a result, I specifically reserve the right to modify any of my conclusions herein once I have received and reviewed such additional information.

III. Summary of Conclusions

11. Historically, the recorded music industry has undergone cyclical growth and profitability. The annual value of global music sales (in total and by format) is shown at the end of this report in Exhibit 3. Technical innovation has generally led to periods of growth as new formats for the delivery of recorded music have fueled sales and created new demand for music. For example, the recorded music industry enjoyed a long period of prosperity from the mid-1980s through the late 1990s as the delivery format shifted from albums and cassettes to compact discs ("CDs"). Exhibit 4, which was derived from a public source, shows the

growth of the total U.S. recorded music market in dollars along with the growth in CD unit sales for the time period 1976-2003. Exhibit 2A[2] charts the U.S. record industry's wholesale revenues for the time period 1991-2005 and the revenues by format from 1973-2005, and is based on documents received from the RIAA in discovery.[3]

12. That period of growth abated at the very end of the 1990s as new digital technologies permitted music to be shared over the Internet through peer-to-peer and other services. As the recorded music industry struggled to find outlets for the lawful digital distribution of recorded music, sales and profitability waned. As documents received in discovery confirm, and as discussed in detail below, profitability was further impacted by the billions spent by the recorded music companies in restructuring costs/write-offs as they sought to adapt their business to the new digital environment.[4]

13. [redacted]

[2] Exhibits 2A-11A, which are attached at the end of my report, can also be found at COA 739.

[3] In my initial report, I relied on publicly available data, much of which was expressed on a global basis, and thus my report cited to worldwide figures when U.S. data was unavailable. I have now received documents produced in discovery by the RIAA, which have allowed me to supplement my report with additional U.S. data provided by the RIAA and the U.S. major record companies.

[4] Universal Music Group, *Universal Music Group in 2003 and Today*, May 2006, RIAA 018066-018088 ("Universal 2006 Presentation"), at RIAA 018074-018075, attached as Exhibit COA 700.

[redacted]

14. Using the summary data underlying the report of the RIAA's expert witness Linda McLaughlin, which was produced in discovery, I calculated the combined total revenues,[6] operating profits and operating margins of the U.S. recorded music majors. *See* Exhibit 3A. My calculations reveal that these companies experienced improved overall operating profitability from $354 million in 2001 to $740 million in 2005, and that their operating margins have increased from 6.1% to 12.2% during the same period. I have also reviewed the core financial documents produced on behalf of these companies in discovery and I prepared detailed summaries of several of these documents for each major record company. *See* Exhibit 4A. The major record companies account for various revenues and costs in different ways, and, unlike Ms. McLaughlin, I did not have the opportunity to obtain information from these companies that is necessary to standardize accurately the information that they each provided, and then to aggregate the information to generate a single, consistent set of industry-wide data. Nevertheless, the results of my analyses are generally consistent with the growing profitability and margins evident from Ms. McLaughlin's data.

[redacted]

[6] To calculate total revenues, I added net sales revenues and net license income. Total revenues, defined in this manner, is a commonly used and relied upon measure of record company revenues by Wall Street analysts.

15. Most publicly available sources forecast continued increases in profitability for the recorded music majors over the next three to five years, particularly as the proportion of digital sales continues to grow.[7]

16. Although I did not receive long-range profitability forecasts for each of the U.S. recorded music majors, I nevertheless reviewed the limited forecast information that was produced in discovery on behalf of Warner Music Group ("Warner"), Sony BMG Music Entertainment ("Sony BMG") and EMI Music ("EMI"), and it is generally consistent with the publicly available sources.[8] Specifically, the profitability forecasts I received, which were for Sony BMG worldwide, project a [redacted] in revenue from [redacted] in 2008 to [redacted] for 2009 but a pretax income [redacted] (from [redacted]).[9] Sony BMG also expects net income to [redacted] in 2007 to [redacted] in 2008 and [redacted] in 2009, which reflects [redacted] respectively.[10] I also received revenue forecasts from Warner and EMI. Warner projects recorded music revenues [redacted] over the 2006-

[7] Among the many Wall Street research reports making such predictions are: Deutsche Bank: Warner Music Group, September 22, 2006, page 7; Lehman Brothers: Warner Music Group, October 18, 2006, page 7; EMI, May 24, 2006, page 6; Morgan Stanley: EMI, November 9, 2006, page 20; Warner Music Group, May 17, 2006, page 20; Goldman Sachs: Warner Music Group, July 16, 2006, page 5; Merrill Lynch: Warner Music Group, July 27, 2006, page 2; EMI, April 26, 2006, page 6. Citibank: EMI, January 25, 2006, page 9; Bank of America: Warner Music Group, July 27, 2006, page 5. Collins Stewart: EMI, May 17, 2006 pages 3 and 9; Pali Research: Warner Music Group, March 2, 2006, page 11.

[8] I understand that the Copyright Owners have not received comprehensive forecast information for each of the major record companies. Based on my experience, forecasts of revenue and profitability for the next five years are prepared regularly by record companies for internal purposes, and I hope to receive additional forecast documents from the recorded music companies during this proceeding.

[9] RIAA 014988-014991, at 014988, 014991, attached as Exhibit COA 701.

[10] RIAA 014988-014991, at RIAA 014991, attached as Exhibit COA 701.

2010 period.[11] EMI forecasts [redacted] in 2010 of [redacted] through 2011.[12] Historically, revenue growth has generally been accompanied by profitability growth.

17. [redacted][13]

IV. Industry Historical Performance

18. The music business is comprised of two separate businesses: recorded music and music publishing. In simple terms, recorded music is the business of selling, marketing, and licensing recorded music in both physical and digital formats. Music publishing, among other things, retains ownership and acquires rights to musical compositions

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[11] WMG 5-Year Digital Revenue Forecast, RIAA 039183-039273, at RIAA 039185, attached as Exhibit COA 702.

[12] RIAA 007182, attached as Exhibit COA 703. *See also* EMI Operating Board, *Strategies for Growth at EMI Music – and the Associated Organizational Changes*, May 16, 2005, RIAA 002923-002988 ("EMI 2005 Presentation"), at RIAA 002925 (citing a 2004 forecast for industry total revenue growth of 5% compounded through 2009), attached as Exhibit COA 704.

[13] [redacted]

and generates revenue through royalties when a recording of a composition is sold or licensed, when a song is performed publicly, or when a song's sheet music is sold.

19. Recorded music companies have historically depended on growth of their market share (achieved through both organic growth and acquisition) to increase their profitability. Over many decades, as new formats have been introduced, recorded music companies have been able to command higher prices on the latest formats and have been able to decrease the costs of manufacturing those formats over time as economies of scale improved. This has led to higher profitability for the recorded music majors.[14]

20. Since 1969, the worldwide recorded music industry has experienced two periods of rapid growth. Each phase of rapid growth (followed by a brief downturn) was driven by a new format and new technology. The U.S. experience was similar.

21. The first growth phase, between 1969 and 1979,[15] resulted in a compound annual sales growth rate of 18% worldwide.[16] This growth was driven by the introduction and rapid penetration of the cassette player, which allowed full portability of music for the first time. It was also a period where the majors expanded their operations globally and expanded their music manufacturing and distribution operations.

22. In the early 1980s, the recorded music industry experienced a period of contraction for two reasons: first, the industry encountered a period of economic recession; second, a new technology was introduced that facilitated piracy in the form of copying music

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[14] Source: PolyGram 1987 annual report, page 7.

[15] RIAA U.S. shipment data indicates that the period of growth in the U.S. ended in 1978. *See* RIAA 015271-015331, at 015284, 015296, attached as Exhibit COA 705.

[16] Source: Soleil Media Metrics Research Report, Music Industry Review, May 31, 2005 page 10.

on cassettes.[17] As a result of these events, there was an annual rate of decline in worldwide sales of 4.1% between 1980 and 1984.[18]

23. Following this brief period of decline, the industry enjoyed a long period of prosperity. From the mid-1980's to the mid-1990's, the industry converted from the LP and cassette to the digital CD, which had a number of advantages, including superior sound quality. The replacement of music owned by consumers on older formats with music on CD spurred higher sales. The compound annual growth rate of the recorded music industry in this period was approximately 15% worldwide; recorded music companies also enjoyed strong growth.[19]

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[17] For example, in PolyGram's 1980 Annual Report, the company attributed its decline in profitability to "worldwide economic recession, rising costs and growing piracy and home taping on the music market, the mainstay of our business." The PolyGram report goes on to note that such cyclical downturns have "been seen before in the music business, and PolyGram's own development confirms this, that a slackening in growth, such as currently being experienced, does not materially affect the ultimate upward pattern" and that further upward growth is likely to result from technological innovation: "The new breed of portable, miniaturized tape players is already adding another dimension to listening habits. Videocassettes and videodiscs, high quality digital recordings, and the advanced Compact Disc, will all be major influences on the way people receive music in the future." Source: PolyGram Annual Report 1980/1981, pages 4 and 6.

[18] Source: Soleil Media Metrics Research Report, Music Industry Review, May 31, 2005, page 11. In the U.S., the corresponding period of decline was from 1978-1982, during which time the industry declined by 12.2%, for an average decline of -3.1% per annum. *See* RIAA 015284, 015296, attached as Exhibit COA 705.

[19] Source: Soleil Media Metrics Research Report, Music Industry Review, May 31, 2005 page 10. Again, the U.S. experience was similar. The U.S. recorded music industry grew from $4.3 billion in 1984 to $12.3 billion in 1996. *See* RIAA 015421, attached as Exhibit COA 706.

V. The Emergence of the Internet Music Age

24. In the mid-1990s, the Internet began to emerge as a new technology for the delivery of recorded music to the consumer. The major recorded music companies[20] knew that the digital revolution was quickly becoming a reality, yet very little was done strategically to prepare for the shift.[21] The majors struggled with the emerging technology for delivering music because they recognized that it required a completely different business model. Moreover, Internet delivery of music, which does not involve physical product, represented a new challenge for recorded music companies, which had always been in the business of selling, marketing, manufacturing and distributing physical product.

25. [redacted][22]

(a) [redacted]

[20] In the mid 1990s there were six recorded music majors: Warner, Universal, EMI, Sony, BMG and PolyGram. With the acquisition of PolyGram by Universal in 1998 and the joint venture formed between Sony and BMG in 2003, there are now four.

[21] Citigroup: Piracy in the Entertainment Industry, November 21, 2003 pages 32, 35 and 43.

[22] [redacted]

[redacted][23]

(b) [redacted]

[redacted][24]

(c) [redacted]

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[23] [redacted]

[24] [redacted]

[redacted]

26. The recorded music companies tried unsuccessfully to launch digital services such as MusicNet and Pressplay.[25] These services offered consumers only limited music offerings and did not permit users to own a permanent or portable copy of the music.[26] The recorded music majors were also slow to make their music available through licensing arrangements for the online distribution of downloaded music.

27. The resistance of the major recorded music companies and retailers to embrace digital distribution helped to create a culture of intellectual property theft, which was facilitated by pirate services such as Napster, Gnutella, Freenet and others. These services provided technology to consumers enabling them to share music files over the Internet for free, fulfilling and fostering the demand for music online. As a result, online piracy became widespread.[27]

28. Online piracy and the change from a market consisting predominantly of physical CD's to a digital market caused a period of economic dislocation for the recorded music industry that lasted through 2005. The worldwide retail market declined from

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[25] EMI 2001 Presentation, at RIAA 002150 (noting that "Subscription models (Musicnet) is currently favoured business model."), attached as Exhibit COA 708.

[26] Citibank, Piracy in the Entertainment Industry, November 21, 2003, page 47.

[27] *See* Universal 2004 Presentation, at RIAA 018181 ("Legitimate services were bogged down with heavy usage restrictions, while free music was plentiful and easy to find."), attached as Exhibit COA 707.

approximately $36.9 billion[28] in 2000 to $33.5[29] billion in 2005 and the U.S. market declined from $14.0 billion in 2000[30] to $12.3 billion in 2005.[31]

VI. Remaking of the Recorded Music Industry

29. The digital delivery of music has resulted in significant changes to the business model of the recorded music companies. In previous cycles of technological change in the delivery of music, new technology significantly improved the physical product and allowed for higher prices, which generated substantial additional margin for the recorded music companies. For example, from 1990 to 1997, profits for PolyGram more than doubled as the CD penetrated the market.[32] RIAA documents and data confirm that, as a whole, the other major U.S. recorded music companies also experienced increased profitability, as their combined profits increased from $62 million in 1991 to $269 million in 1995. *See* Exhibit 3A. The primary product for sale was the album and the primary distribution was through specialty music stores. Moreover, piracy was more difficult due to physical reproduction constraints.

30. With the Internet and broadband, there was no longer a need for a physical plant and single sales became the primary product sold. Digital distribution provided low price points and more extensive product offerings. Music now faces more competition

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[28] IFPI The Recording Industry in Numbers 2005, page 160.

[29] IFPI World Sales 2005: The Key Facts and Figures, page 2.

[30] IFPI The Recording Industry in Numbers 2005, page 25.

[31] IFPI World Sales 2005: The Key Facts and Figures, page 1.

[32] Source: PolyGram 1997 Annual Report, page 9.

from video games and other forms of entertainment such as DVD's and the Internet.[33] As a result, the relative price/value proposition of a CD started to look less favorable.

31. In 2001, faced with this changed market and its accompanying challenges to traditional record company business models, the major recorded music companies began significant restructuring programs.[34] The programs included: headcount reduction; the sale of LP, cassette and CD manufacturing facilities; the sale of their distribution activities and record club operations; the consolidation of owned labels to create greater scale efficiencies; compensation restructuring; and reduced capital expenditures. In the case of one recorded music major (Warner Music Group), worldwide headcount was reduced from approximately 12,996 to 4,000 over the 1997 to 2006 period for a reduction of approximately 69%. Other majors experienced similar reductions in total headcount over this period.[35]

32. Using documents produced in discovery, I calculated the headcount reductions that were made by the recorded music majors' U.S. operations. *See* Exhibit 5A. In

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[33] *See* Universal 2006 Presentation, at RIAA 018074 (mentioning "PS2/Xbox, gameboys, DVDs, etc." as sources of new competition), attached as Exhibit COA 700.

[34] Many of these restructuring activities had taken place in previous cycles. In 1980 and 1996, PolyGram reduced headcount, consolidated manufacturing operations, consolidated U.S. label operations and changed management. Source: PolyGram 1980 annual report, pages 4 and 8, 1996 annual report, pages 3 and 7.

[35] EMI's headcount has declined from 10,934 in 1997 to 6,300 in 2006. Source: For 1997, Proposed combination of EMI Music with Warner Music Group to form Warner EMI Music, June 2, 2000, page 188. For Warner Music Group 2006, Yahoo Finance WMG Company Description. For EMI 2006, www.emigroup.com, company overview, page 1.

the U.S., total headcount, including manufacturing,[36] across all of the majors was reduced from 17,723 in 2001 to 8,479 in 2005, a 52.2% decline.

33. [redacted][37][redacted][38]

[36] As detailed in Exhibit 5A, it is unclear if the headcount for Sony/BMG included or excluded manufacturing.

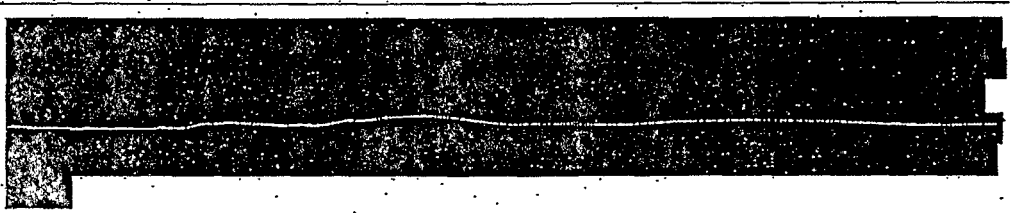
[37] [redacted]

[38] [redacted]

34. Indeed, an internal Universal Music Group ("Universal") presentation highlights pre-existing record industry inefficiencies that exacerbated the profitability declines experienced during the early 2000's.[39] Specifically, the presentation concedes that "[t]alent/recording costs were spiraling out of control," "[m]arketing costs were following suit," and the record companies were maintaining a "[b]loated overhead/cost structure."

35. These costs contributed to the decline in profitability and one-time losses/charges for the recorded music majors between 2001 and 2005 that are not likely to be repeated in the future. While the U.S. majors have continued to announce restructuring charges since I submitted my initial report, I do not expect that the magnitude of the previous write-offs will be repeated in the future, as the major costs associated with stripping away the manufacturing and distribution infrastructures for physical product are largely behind them.

36. [redacted][40]



[39] Universal 2006 Presentation, at RIAA 018075, attached as Exhibit COA 700 *See also* EMI 2005 Presentation, at RIAA 002937 (characterizing EMI's Resource Allocation by noting that there were "[e]xpensive executives and overhead"), attached as Exhibit COA 704.

[40] The margins and other financial information for the major recorded music companies set forth in Exhibit 6 are the estimated annualized financial results for the major recorded music

[redacted]

37. I have now reviewed financial information produced on behalf of the record companies in discovery. This information relates only to their U.S. recorded music operations, and does not reflect non-U.S. recorded music operations or music publishing results.[41] According to my analysis of the industry-wide data provided by RIAA expert Linda McLaughlin, the operating margins for these entities increased from 1.5% to 12.2% from 2003 to 2005,[42] which is consistent with the publicly available data cited above. I also analyzed the financial statements for each of the major record companies, and they are generally consistent with these industry-wide figures. According to the record companies' financial statements, Warner's [redacted] in 2003 to [redacted] in 2006, Universal's [redacted] in 2003 to [redacted] in 2006, and Sony BMG's pretax profit [redacted] in 2003[43] to [redacted] in 2006. EMI has [redacted].[44] EMI had a [redacted] in

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companies as a whole with adjustments made for the different fiscal year ends for each company. Although calculated from the same sources, these margins are different from the margins in Exhibit 9, which set forth the estimated margins of three major recorded music companies' record labels for the 2004/2005 fiscal year.

[41] The publicly available information I cited in my initial report represented combined margins for the major record companies' recorded music and music publishing operations because only some, but not all of these companies, publicly report margins specific to their recorded music operations.

[42] Exhibit 3A.

[43] In 2003, Sony and BMG were separate companies with different fiscal years. In order to estimate a 2003 pretax margin for the now combined entity, I used results from Sony's fiscal year ending March 2004 and from BMG's fiscal year ending December 2003.

[44] It is my understanding that EMI has been affected by, among other things, an inability to successfully develop and sustain a critical mass of U.S. repertoire over the last several years.

2001, saw [redacted] in 2002 and 2003 [redacted], experienced [redacted] in 2004 and 2005 to [redacted], and then had [redacted] in 2006.[45] *See* Exhibit 4A.

VII. The Growth of Digital Music Will Continue To Improve Record Industry Profits and Margins

38. [redacted][46] [redacted][47] [redacted][48] [redacted][49] [redacted][50] [redacted]

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[45] In calculating these margins, I used the record companies' total revenues as the denominator. I used either OIBDA, EBITDA, pretax profit or net income as the numerator because each of the companies use slightly different measures of their profitability. I used EBITDA including VPA to calculate the margins for Universal. However, the underlying trend in profitability across the companies, with the exception of EMI, is consistent.

[46] [redacted]

[47] [redacted]

[48] [redacted]

[49] [redacted]

[50] [redacted]

[redacted][51]

[redacted][52]

39. In the U.S., total digital retail sales represented approximately 14.6% of total U.S. music market in 2005.[53] During the first half of 2006, total digital retail sales increased to approximately 17.6% of the total U.S. music market.[54] One major recorded music company reported that its first half U.S. digital sales were 20% of its total sales.[55]

40. [redacted]

[51] [redacted]

[52] [redacted]

[53] RIAA 2005 Year-End Statistics.

[54] RIAA 2006 Mid-year Statistics.

[55] Source: Digital Music News, October 5, 2006, press article.

[redacted][56] [redacted]

[redacted][57]

41. [redacted]

[redacted][58] [redacted]

[redacted][59]

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56 [redacted]

57 [redacted]

58 [redacted]

59 [redacted]

42. It is common for recorded music companies to prepare internal forecasts and long-term plans for the future growth of the market and their companies. These forecasts and long-term plans may vary in length, but it is common for them to be five-year projections. I understand that the Copyright Owners requested this information in discovery but have not received comprehensive forecasts of revenues and profitability for each of the majors over the next five years. I expect that the forecasts I have not yet received are directionally consistent with the publicly available forecasts of external analysts. The record company forecast data that I did receive are consistent with my view. In particular, Sony BMG projections for the 2008 and 2009 periods are consistent with improving profitability and margins.[60] Warner provided revenue forecasts for the next five years, which show a [redacted][61] EMI expects revenues to [redacted] in fiscal 2010 and 2011 [redacted][62] See Exhibit 8A.

43. As in past cycles following technological innovation, the next cycle for recorded music companies is expected to be one of growth, led by emerging digital technology that provides consumers increased value and convenience. For example, new digital music services offer consumers a better experience than traditional retail outlets in numerous respects. While it was often frustrating to search for a particular song or album at a physical retail store, the digital world creates instant gratification with a vast, always available,

[redacted]

[60] RIAA 014988-014991, at 014988, 014991, attached as Exhibit COA 701.

[61] WMG 5-Year Digital Revenue Forecast, RIAA 039183-039273, at RIAA 039185, attached as Exhibit COA 702

[62] RIAA 007182, attached as Exhibit COA 703.

collection of content that consumers can sample before they buy. The digital world also makes it easier for consumers to purchase songs individually, whereas in the physical world they were often required to buy the full album to get the song they wanted. In addition, digital music players have vast storage capabilities that allow consumers to access their personal music collections more easily and, in the case of portable players, to carry their music collections with them.

44. The growth in digital sales of recorded music will generate higher profits for recorded music companies because digital revenues generate higher margins than physical sales, primarily because there are no physical manufacturing and distribution costs. Incremental costs for digital sales are small. Indeed, the majors have cited the increased margins for digital as one of the primary reasons for their sales growth and resulting margin expansions in 2006.[63]

45. [redacted][64]

[63] Source: Vivendi press release, July 27, 2006, "Vivendi Reports First Half 2006 Revenues Up 5.8% On a Comparable Basis," page 2; Warner Music Group press release, August 3, 2006, "Warner Music Group Reports Third Quarter Results," pages 2 and 3. *See also* EMI 2005 Presentation, at RIAA 002952-002953 ("On the digital side – underlying drivers supporting EMI's projections for a 'digital-led' growth story are here to stay and will accelerate in the coming years"; "This 'digital hockey stick' has clearly turned upwards in the USA such that these drivers will accelerate the penetration of digital availability in the coming years...."), attached as Exhibit 704.

[64] [redacted]

[redacted][65]

46. I have also reviewed the limited information regarding record companies' incremental costs of digital distribution that was produced in discovery.[66] That information demonstrates that incremental costs for digital sales are small. I understand from the documents I reviewed that incremental costs include, among others, IT costs for digitization, server costs for storing and hosting data, and direct employee costs. Digitization costs for Universal (the largest of the four major recorded music companies), for example, amounted to [redacted] in 2005 ([redacted] of total revenues), [redacted] million in 2006 ([redacted] of total revenues), and [redacted] for year to date 2007.[67] EMI's IT capital expenditure detail for the period 2002-2012 indicates that EMI has incurred [redacted] in 2002, [redacted] in 2003, [redacted] in 2004 and [redacted] in 2005. Going forward, EMI projects [redacted] in 2006 and [redacted] in 2007, [redacted] in 2008 and 2009, and [redacted] in 2010 and 2011, for a total of [redacted][68] over the 2002 to 2011 period.

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[65] [redacted]

[66] In general, adequate information regarding incremental costs of digital distribution were not received in discovery for any major record company.

[67] Universal Music Group Digitization Costs, RIAA 053238, attached as Exhibit COA 712; Exhibit 4A (Universal).

[68] EMI Music IT Capex Summary, RIAA 000580, attached as Exhibit COA 713. This schedule also provides for an allocation [redacted] of EMI's overall IT costs to digital

47. In my initial report, I provided publicly reported estimates of record company margins on physical and digital product. As shown in Exhibit 8, on the sale of a physical CD, the recorded music companies have an estimated margin of 12% based on wholesale sales whereas, on the sale of a digital album, the margin is conservatively estimated to be 24%, as there are no physical manufacturing and distribution costs.

48. [redacted]

[redacted][69] [redacted][70] [redacted]

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over the same period. Without additional detail regarding the basis of this allocation, it is impossible to determine whether the allocated costs are in fact incremental costs of digital sales, or if they were, for example, costs associated with replacing obsolete physical infrastructure. In any event, even if these IT capital expenditures were properly allocated to digital, EMI's IT capital expenditures during the 2002-2011 period would still amount to [redacted] per year. This level of capital expenditures is significantly lower than what they were for physical product.

69 [redacted]

70 [redacted]

[redacted]

49. I did receive information on the physical and digital margins of Warner's subsidiary labels.[71] They reported margins on digital product for their 2006 forecast and 2007 budget that are higher than their margins on physical product, and the spread ranges from [redacted] to [redacted]. Warner Brothers, Warner's largest label, reported in its 2007 budget a domestic gross margin of [redacted] for physical and [redacted] for digital (a margin spread of [redacted]). For its forecast 2006 period, it reported a gross margin of [redacted] for physical and a [redacted] margin for digital (a margin spread of [redacted]).[72] Warner's Word label, Warner's Christian music label group, reported a [redacted] gross margin for physical and a [redacted] gross margin for digital (a margin spread of [redacted]). For its forecast 2006 period, it reported a gross physical margin of [redacted] and a gross digital margin [redacted] (a margin spread of [redacted]).[73] Atlantic Records, Warner's major East coast label, reported in its 2007 budget presentation a gross margin of [redacted] for physical sales and a gross margin of [redacted] for digital sales (a margin spread of [redacted]). For its forecast 2006 period, it reported a gross margin of [redacted] for physical

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[redacted]

[71] Warner's digital margin information for these labels did not include details of what was included in the margin definition.

[72] *See WBR Family of Labels 2007 Budget*, RIAA 024962-024975 ("WBR Budget"), at RIAA 024964, attached as Exhibit COA 714.

[73] *See WBR Budget*, at RIAA 024973, attached as Exhibit COA 714.

and [redacted] for digital (a margin spread of [redacted]).[74] Rhino, a division of Warner that primarily markets and promotes Warner's U.S. catalog, reported for its 2007 budget a gross physical margin of [redacted] and a gross digital margin of [redacted] (a margin spread of [redacted]). Rhino also reported a full-year 2006 forecast gross margin of [redacted] for physical and [redacted] for digital (a margin spread of [redacted]).[75] These results reinforce my conclusions above.

50. I hope to receive additional information that I could use to perform margin calculations for these and other companies, as well as projections of expected future margins as the recorded music market shifts increasingly toward the digital distribution of music. Such information would be relevant to my analysis and, accordingly, I reserve the right to revise my opinions based on it.

VIII. Record Label Costs

51. I have also been asked to examine the cost structure of the major record labels and the contribution of mechanical royalties to those costs. At the time that I submitted my initial report, I had access to only publicly available information. The major recorded music companies do not publicly report their mechanical royalty costs as a separate cost item. Instead, mechanical royalties are typically included with artist and repertoire ("A&R") and other royalty costs when estimated by analysts.

52. Exhibit 9 sets forth the estimated cost structure and profitability of the record labels of three major recorded music companies for the 2004/2005 year.[76] A

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[74] *See Atlantic Records 2007 Budget*, RIAA 024940-024950, RIAA 024942, attached as Exhibit COA 715.

[75] *See Rhino 2007 Budget*, RIAA 026014-026024, at RIAA 026016, attached as Exhibit COA 716.

[76] Sony BMG does not publicly report detailed results of its recorded music joint venture.

company's costs are typically expressed as a percentage of net revenue (*i.e.*, gross sales less returns and discounts). In the aggregate, A&R costs and royalty costs ranged from 29.3% to 40.3% of net revenue, with an average of 33.7% for EMI, Universal and Warner. Other significant costs include administration (average of 21.2%), marketing and promotion (average of 16%), and manufacturing and distribution (average of 21.2%).

53. I have reviewed aggregate cost and revenue information provided in discovery. The data underlying the testimony of Linda McLaughlin, which provides information regarding the cost structure and profitability of the record labels of the major record companies using actual 2005 percentage of net sales data, is consistent with the public, worldwide results of the labels discussed above.[77]

54. Mechanical royalties are a relatively small fraction of the overall costs. Historically, they have represented 8 to 9% of net revenue. In my initial report, I estimated that mechanical royalties would average 7.2% to 9.7% of net revenue, which I defined as gross sales less returns and discounts.[78] I have since reviewed cost and revenue information produced on behalf of each of the U.S. recorded music majors in discovery, and using that information I have calculated mechanical royalty expenses as a percentage of total revenues.[79] The results indicate that mechanical royalty expenses ranged from an average of 5.5% to 9.7% of total revenues for each of the U.S. recorded music majors during the years for which data was provided. *See* Exhibit 10A.

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[77] RIAA 008423-008430, at 008423, attached as Exhibit COA 717.

[78] My estimate of current mechanical royalty costs was based on limited publicly available information. I now have access to actual information regarding the record companies' revenues and mechanical royalty costs.

[79] In my calculation, total revenues include, among others, the record companies' domestic sales, royalty income and ancillary income, less returns and discounts. *See* Exhibit 4A.

55. Based on my analysis of documents produced in discovery, I also determined that artist royalty expenses ranged from 16.4% to 21.1% of total revenues for each of the recorded music majors during the years for which data was provided. *See* Exhibit 3A. In dollar terms, artist royalties have increased from $555 million in 1991 to $1.27 billion in 2005.[80] Thus, artist royalties in absolute terms were 129% more than mechanical royalties in 2005.[81]

IX. FORECAST FOR THE GLOBAL RECORDED MUSIC MARKET 2006-2010

56. Publicly available market forecasts for the recorded music industry project the digital market to grow rapidly over the next several years; most analysts believe that digital sales will exceed 25% of the total global business by 2010.[82] U.S. digital sales are expected to increase from an estimated 5% in 2005 to more than 33% by 2010, or approximately $4.9 billion.[83]

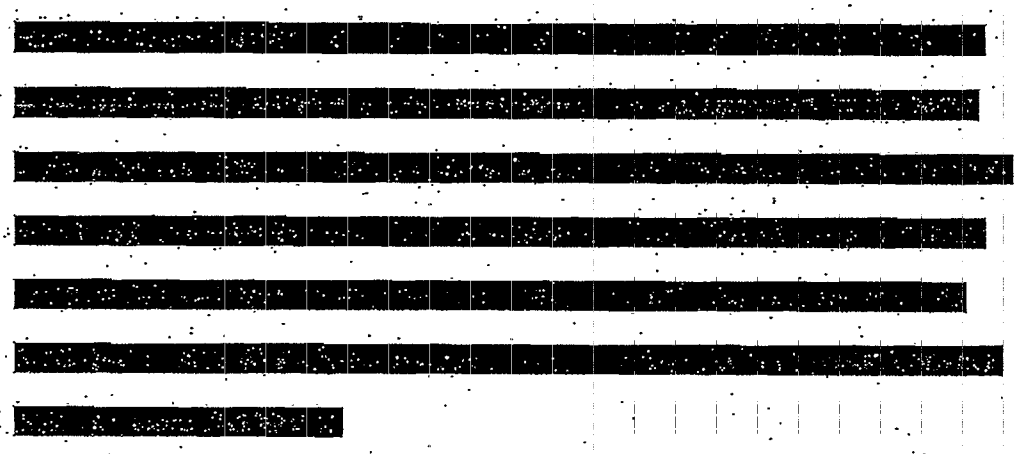
57. [redacted]

[80] RIAA 008423-008430, RIAA 008423, attached as Exhibit COA 717.

[81] RIAA 008423-008430, RIAA 008423, attached as Exhibit COA 717.

[82] Source: Bank of America Research: Warner Music Group, April 6, 2006, page 12; Deutsche Bank: Warner Music Group, September 22, 2006, page 7; Pricewaterhouse Coopers, June 2006, Global Entertainment and Media Outlook: 2006-2010, page 223, 225; Deutsche Bank: EMI, April 4, 2005, page 24.

[83] Pricewaterhouse Coopers, June 2006, Global Entertainment and Media Outlook: 2006-2010, page 223, 225.



58. In sum, the increased profit margin of digital music, which is already improving the recorded music companies' revenues and profit margins, should have a significantly positive effect on the overall industry revenues and profit margins. Some Wall Street analysts and industry analysts expect the conversion to digital to have a similar impact on profit margins as the CD did in earlier periods.[84] Thus, the overall forecast for the industry is for continued profitable growth and further increased margins as the industry benefits from the technological digital cycle.

59. These predictions are supported by recent results. The majors have generally reported positive results in 2005 and 2006 revenues and operating profits. For example, for Warner for fiscal 2005 (for the year ended September 30, 2005), revenues were up 1.9% and operating income increased from a loss of $954 million to a profit of $84

[84] Sources: Deutsche Bank research report, April 4, 2005, page 24. Soleil Media Metrics research report, September 29, 2006, pages 3 and 4. Collins Stewart research report, May 17, 2006, page 3. Credit Suisse Research, June 19, 2006, page 30.

Likewise, Music and Copyright in its April 12, 2006 publication states that: "...even without a return to growth of the physical recorded music market, the major international record companies will report profits growth rather than profit falls in 2006 and beyond."

million.[85] For the first nine months of fiscal 2006 (ended June 30, 2006) Warner reported revenues up 2.5%, operating income up 334% (from $65 million to $217 million) and operating margins of 8.2%, up 5.7%.[86] For 2005, Universal reported revenues up 1.5% (or 1.6% on a constant currency basis), earnings from operations up 20.4% and an operating margin of 9.8%, up 1.5%.[87] For the first nine months of 2006, Universal reported revenues up 2.7% (or 1.4% on a constant currency basis) and EBITA (earnings before interest taxes and amortization) up 18.6% (17.9% on a constant currency basis).[88] Sony BMG reported improved second quarter results (for the period ended September 30, 2006) with revenues up 1% and losses before taxes reduced from $58 million to $31 million. Sony BMG reported that the improvement in profitability was due primarily to lower legal and restructuring costs in the quarter.[89]

60. Based on my analysis of record company financial documents produced in discovery, I was able to supplement these publicly reported results with actual 2005 and

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[85] Source: Warner Music Group 2005 10K filed December 1, 2005, page 28.

[86] Source: Warner Music Group 10Q filed August 3, 2006, page 4.

[87] Source: Vivendi-Universal Group Overview: Key Businesses.

[88] Source: Vivendi Press Release, Vivendi Reports Strong Growth of Adjusted Net Income for the First Nine Months (+16.3%) and the Third Quarter (+28.2%), November 16, 2006, page 8.

[89] Source: Sony Q2 FY 2006 Earnings Presentation Slides, page 10. The exception has been EMI, which recently reported a drop in revenue of 4.1% (at constant currency) and a drop in operating profits from 86.7 million pounds to £ 62.7 million in its first half (ended September 30, 2006) primarily due to the phasing of its planned release schedule that is weighted to the second half of the year, and the impact of a large accounting fraud in Brazil which reduced profits by £ 9 million. The company has reiterated its guidance that it expects to have full year results in line with street expectations after taking into account the accounting fraud in Brazil. Source: EMI Group Plc results for the six months ended September 30, 2006, pages 1 and 2.

2006 results for the U.S. major recorded music operations of the major record companies. As discussed, these results show that, while EMI's performance has been uneven, Warner has experienced an OIBDA margin increase, Universal has shown improved EBITDA margins, and Sony BMG financial forecasts show profit margins increasing going forward.

X. Conclusion

61. The recorded music companies have come through the cyclical downturn and are now on the road to recovery. The industry has responded to the need for reformation as the recorded music majors have consolidated, and significantly reduced their fixed and incremental costs to bring their spending in line and adopt their business model to digital. The digital revolution has brought lower costs, higher margins and a level of accessibility that will lead to higher profits and increased demand for music.

Declaration

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 26, 2007
Irvington, N.Y

Helen Murphy
President
International Media Services, Inc.

EXHIBIT 1: CURRICULUM VITAE FOR HELEN MURPHY

GENERAL INFORMATION:

Name	Helen Murphy
Address	7 Roland Road Irvington, NY 10533
Telephone	(917) 757-1499 Email: menechetti@yahoo.com
Education	1987 Chartered Financial Analyst 1984 University of Western Ontario, Ontario, Canada, Masters in Business Administration 1982 University of Guelph, Ontario, Canada, Honors B.A., Economics

SUMMARY OF BUSINESS EXPERIENCE:

2004- Present	**President** International Media Services, Inc.
2001 - 2004	**Executive Vice President & Chief Financial Officer** Warner Music Group
1999 - 2001	**Executive Vice President & Chief Financial Officer** Martha Stewart Living Omnimedia, Inc.
1999	**Chief Financial & Administrative Officer** Westvaco Corporation
1990 – 1999	**Senior Vice President & Chief Financial Officer** PolyGram Holding
1997 - 1999	**Chief Financial Officer**
1995 – 1997	**Worldwide Senior Vice President, Investor Relations,** **U.S. Senior Vice President Mergers & Acquisitions**
1992 – 1995	**Senior Vice President Corporate Finance & Treasurer**
1990 – 1992	**Vice President of Investor Relations & Treasurer**
1989 – 1990	**Vice President – Research** Richardson Greenshields of Canada Limited
1986 – 1989	**Senior Analyst – Merchandising & Entertainment** Prudential-Bache Securities
1982-1990	**Lecturer** University of Guelph
1984-1986	**Assistant Manager – Securities Research** Confederation Life Insurance Company

CAREER DETAILS:

2004-Present
International Media Services, Inc.

President

International Media Services is a strategic advisory and financial services firm specializing in media and entertainment, and the arts. Clients include global media firms as well as established entrepreneurs and celebrities with global market potential. Advisory work has included the development of business models, assistance with public and private financing, valuation analysis, and investor and public relations.

2001 – 2004
Warner Music Group
Revenues: $ 4.0 billion

Executive Vice President & Chief Financial Officer

Responsible for the finance, human resources, business development, information technology, shared services and real estate functions for the company's vast network of global music assets.

- Instrumental role in the implementation of a $1.2 billion company-wide restructuring in 2001. Reduced global headcount by 30 percent, reduced artist roster by 20%, closed and sold non-strategic joint ventures and minority investments.
- Designed and implemented total compensation program for worldwide executives and employees.
- Successfully orchestrated WMG's exit from global recorded music and DVD manufacturing and distribution. Sold the company's DVD/CD manufacturing and physical distribution businesses for $1.05 billion and negotiated long term supply agreements with a value of $550 million for Time Warner.
- Played a pivotal role in the sale of WMG recorded music and music publishing business segments to an investor group for approximately $2.6 billion. Successfully completed a $1.2 billion bond offering.
- Improved company revenue and profitability from 2001-2004 through a combination of internal growth and acquisitions despite a significant decline in industry value.

1999 – 2001
Martha Stewart Living Omnimedia, Inc.
Revenues: $ 275 million reported ($1.5 billion gross revenues)

Chief Financial & Administrative Officer

Responsible for the finance, human resources, information technology, corporate administration and investor relations functions.

- Led the company's highly successful initial public offering.
- Developed internal infrastructure for public company reporting.
- Established investor relations, tax and treasury functions as well as developing strategy and business development functions within each business segment.
- Negotiated television, merchandising, publishing and Internet deals supporting double-digit growth of the company's top and bottom line.

1999
Westvaco Corporation
Revenues: $ 3.5 billion

Senior Vice President & Chief Financial Officer

- Initiated and completed a $650 million acquisition.
- Reduced the company's capital spending
- Developed the strategic planning function

1990-1999
PolyGram Holding
Revenues: Parent $ 5.0 billion, U.S. CO. $ 1.5 billion

1997 – 1999
Chief Financial Officer

- Played a key role in the $10.4 billion transaction for the Seagram Company to acquire PolyGram in 1998.
- Completed turnaround of the company's U.S. operations from a loss of $50 million to a profit of $150 million.

1995 – 1997
Worldwide Senior Vice President, Investor Relations
U.S. Senior Vice President, Mergers & Acquisitions

1992 – 1995
Senior Vice President, Corporate Finance & Treasurer

1990 – 1992
Vice President of Investor Relations & Treasurer

1989 – 1990
Richardson Greenshields of Canada Limited

Vice President – Research

- Responsible for researching and marketing North American merchandising and entertainment companies with good investment potential for institutional and retail investors.
- Responsible for the generation of corporate finance deals in the merchandising and entertainment sectors of the market

1986-1989
Prudential-Bache Securities

Senior Analyst – Merchandising & Entertainment

- Provided research coverage of the merchandising and entertainment sectors on the Toronto Stock Exchange to institutional and retail equity investors.
- Extensively involved in domestic and international corporate finance activities. Played a key role in securing a mandate for a $300 million equity offering which in turn led to the development of significant merger and acquisition business for the company.

1982 – 1990
University of Guelph

Lecturer

- Prepared and taught the Theory of Corporate Finance, Financial Management and Intermediate Macro-Economics to senior economics and business students.
- Taught senior case study courses in Financial Management.

1984 – 1986
Confederation Life Insurance Company

Assistant Manager – Securities Research

- Responsible for all administrative aspects of operating a large in-house research department including: pension marketing, prioritizing and directing research activities, recruitment and training of eight new analysts and monitoring and evaluating the work of senior analysts.
- Provided analytical research coverage of U.S. merchandising and consumer products companies.

EXHIBIT 2: MATERIALS REVIEWED

In preparing the attached report I reviewed the following materials:

I. International Federation of Phonographic Industry (IFPI) Reports

IFPI First Half Sales 2006
IFPI: 06 Digital Music Report
IFPI The Recording Industry Piracy Report 2006
IFPI The Recording Industry in Numbers 2006
IFPI The Recording Industry in Numbers 2005
IFPI The Recording Industry World Sales 2005
IFPI The Recording Industry in Numbers 2004
IFPI The Recording Industry Interim Sales –September 2004
IFPI The Recording Industry Interim Sales –September 2003
IFPI Digital Music Report 2004
IFPI The Recording Industry in Numbers 2000

II. Recording Industry Association of America

RIAA 2006 Mid-year Statistics
RIAA 2005 Year-End Statistics
RIAA 2004 Year-End Statistics
RIAA 2003 Year-End Statistics
RIAA 2002 Year-End Statistics
RIAA 2000 Year-End Statistics
RIAA Annual Report 2000
RIAA 1999 Year-End Statistics

III. Industry Reports

Arthur Andersen Net Results 2000
Enders Analysis 2005, 2002
Forrester-European Music Download Forecast: 2006 to 2011
Forrester-Mobile Music Needs A Tune-Up 2005
Forrester August 2003 From Discs to Downloads
Pricewaterhouse Coopers-Global Entertainment and Media Outlook 2006-2010
Pricewaterhouse Coopers-Global Entertainment and Media Outlook 2004-2008
IDC-Market Analysis: U.S. Wireless Ringtone 2004-2008 Forecast and Analysis
Jupiter Research-Market Forecast Report 2004 to 2009
Jupiter Research-European Digital Music Value Chain 2005
Jupiter Research-Market Forecast Report Music Industry through 2008-August 6, 2003
Wholeview Tech Strategy Research- 2004 Digital Music Forecast-January 28, 2004

IV. Company Annual Reports and Press Releases

Vivendi-Universal:

Annual Report 2005, 2004, 2003
PolyGram Annual Report December 1997, 1996, 1995, 1992, 1991, 1990, 1989, 1988, 1987, 1986, 1985, 1984, 1981/1980, 1980/1979, 1977, 1976, 1975, 1974, 1973
PolyGram Interim Report 1990, 1992
PolyGram 20F 1990, 1991, 1992
PolyGram Facts and Figures 1998-1993
Vivendi-Universal Group Overview: Key Businesses
Press Release, Vivendi Reports Strong Growth of Adjusted Net Income for the First Nine Months (+16.3%) and the Third Quarter (+28.2%), November 16, 2006
Press Release, Vivendi Reports First Nine Months 2006 Revenues Up 4.1% on a Comparable Basis, November 7, 2006
Press Release, Good Performance for the First Half of 2006 With a 10.9% Increase in Adjusted Net Income, September 7, 2006
Press Release, Vivendi Reports First Half 2006 Revenues Up 5.8% on a Comparable Basis, July 27, 2006
Press Release, Vivendi Revises Upwards 2006 Guidance and Announces 2011 Outlook, May 17, 2006
Press Release, Vivendi Universal Reports First Quarter Revenues up 6.5% on a Comparable Basis, April 20, 2006
Press Release, Vivendi Universal Reports a 55% Growth in 2005 Adjusted Net Income and a 57% Dividend Growth, March 1, 2006
Press Release, Vivendi Universal Reports Strong 2004 Earnings and Improved Cash Flow, March 10, 2005
Press Release, Vivendi Universal Continued to Improve Overall Operating Performance in the Third Quarter of 2003, December 2, 2003
Press Release, Vivendi Universal Reports Operating Results in Strong Progress for the First Half, September 14, 2004
Press Release, 2003 Major Events and 2004 Outlook, March 17, 2004
Press Release, Vivendi Universal Reports First Half 2002 Results, August 14, 2002
Press Release, Vivendi Universal Reports 2001 Results, March 5, 2002
Press Release, Vivendi: UMG to purchase BMG Music Publishing, September 6, 2006
Universal Music Group: UMG Labels, from www.vivendi.com, November 8, 2006
Universal Music Group: "Universal Music Group is the Worlds No. 1 Music Company...", from www.vivendi.com, November 8, 2006

Sony:

Consolidated Financial Statements, March 31, 2006/2005/2004/2003/2002
Quarterly reports: FY 2006 Q2, FY 2006 Q1, FY 2005 Q4, FY 2005 Q3, FY 2005 Q2, FY 2005 Q1, FY 2004 Q4, FY 2004 Q3, FY 2004 Q2, FY 2004 Q1, FY 2003 Q4, FY 2003 Q3, FY 2003 Q2, FY 2003 Q1
Press Release, Consolidated Financial Results for the Fiscal Year, April 27, 2004
Presentation, Fiscal Year 2003
Presentation, Fiscal Year 2006 Q2
Sony Financial Highlights for 2006, 2005, and 2004
Sony Corp. Notice of Ordinary General Meeting of Shareholders June 22, 2006

BMG:

Bertelsmann AG Annual Report 2005, 2004, 2003, 2002, 2000/2001
Bertelsmann Interim Report 2003
Bertelsman Research Report July 16, 2003
Press Release, Company Confirms Forecast for Year, May 5, 2004
Press Release, Bertelsman Reports Significantly Improved Operating Profit Despite Revenue Decline in First Half of 2002, September 3, 2002
BMG Layoffs to Approach 600 Globally, Mostly U.S., Billboard Bulletin, September 28, 2001

EMI:

Annual Report March 31 2006, 2005, 2004, 2003, 2002, 1999
Proposed Combination of EMI Music with Warner Music to Form
EMI Offering Circular, September 20, 2003
Warner EMI Music Circular and Listing Particulars-June 2, 2000
Press Release, November 15, 2006
Press Release, EMI Group PLC preliminary Results for the Six Months Ended 30 September 2006
Press Release, Results for the Six Months Ended September 30, 2005
Press Release, Results for the Financial Year Ended March 31, 2006
Press Release, Results for the Financial Year Ended March 31, 2005
Press Release, Results for the Financial Year Ended March 31, 2004
Press Release, Results for the Financial Year Ended March 31, 2003
Press Release, Results for the Financial Year Ended March 31, 2002
Press Release, EMI Provides Trading Update for the Financial Year Ended 31 March 2006
Chairman's Statement - 2006 Annual General Meeting

Warner Music Group:

Form 10Q February 14, 2006
Form 10Q August 3, 2006
Form 10Q May 5, 2006
Form 8-K August 3, 2006
Earnings Transcript, June 16, 2005
Annual Report, September 30, 2005
Preliminary Prospectus April 22, 2005
Form S-4 December 16, 2004
Amendment 3 to S1 February 9, 2005
S1 Registration Statement March 11, 2005
Amendment 1 to S1 April 7, 2005
Time Warner Annual Report December 2004, 2003, 2002, 2001
Press Release, Warner Music Group WMG Reports Ten Month Results Ended September 2005, dated December 13, 2004
Press Release, Warner Music Group Corp. Reports Fiscal First Quarter Results for the Period Ended December 31, 2005, dated February 14, 2006

Press Release, Warner Music Group Reports Fiscal Third Quarter Results for 2006 August 3, 2006

V. Investor Presentations

Vivendi-Universal- The Industry Leader, Merrill Lynch, September 2006
EMI- EMI Group interim results 2006, EMI Group AGM 2006, EMI Group preliminary results 2006, MidemNet 2006, UBS 33rd Annual Global Media Conference, EMI Group interim results 2005, Merrill Lynch Media & Entertainment Conference, EMI Group AGM 2005, Merrill Lynch TMT Conference, EMI Group preliminary results 2005, Bear Stearns Annual Media Conference, UBS 32nd Annual Media Week Conference, EMI Group interim results 2004, EMI Group AGM 2004, Digital Music Investor Day, July 1, 2004

Warner Music Group
Q4 2006 Warner Music Group Earnings Conference Call, December 1, 1996
Goldman Sachs Communacopia Conference, September 19, 2006
Q3 2006 Warner Music Group Earnings Conference Call, August 3, 2006
Remarks of Edgar Bronfman, Jr. Chairman and CEO, Warner Music Group to the Music Matters – Asia Pacific Music Forum, May 10, 2006
Q2 2006 Warner Music Group Earnings Conference Call, May 5, 2006
Statement of Edgar Bronfman, Jr. Chairman and CEO, Warner Music Group Before the Committee on the Judiciary United States Senate on Parity, Platforms and Protection: The Future of The Music Industry in the Digital Radio Revolution, April 26, 2007
Warner Music Group's Presentation at Bear, Stearns & Co. 19th Annual Media Conference, February 28, 2006
Edgar Bronfman, Jr.'s Interview at CSFB Global Media Week Conference, December 6, 2005
Edgar Bronfman, Jr.'s Presentation at 33rd UBS Global Media Conference, December 5, 2005
Keynote Address at the Progress and Freedom Foundation's Annual Aspen Summit, August 22, 2005

VI. Analyst Reports

Company	Investment Bank	Date	Title
		2002	
EMI	Lehman Brothers	29-May	No Longer Expensive, But No Need to Buy
EMI	Morgan Stanley	4-Sep	Publish or Perish?
EMI	Morgan Stanley	20-Nov	Results in C Minor
		2003	
EMI	Morgan Stanley	10-Feb	Market Share Stabilizing But Industry Decline Continues
EMI	Morgan Stanley	15-May	FY Results Due March 20th
EMI	Morgan Stanley	20-May	Tough Times
EMI	Bear Stearns	4-Jul	Press Pause For Now
EMI	Morgan Stanley	6-Nov	How Much Are Synergies Really Worth?
EMI	Morgan Stanley	19-Nov	H1 Top Line Well Ahead
EMI	Morgan Stanley	25-Nov	WMG Read Across
Entertainment Industry	Citigroup Smith Barney	21-Nov	Piracy in the Entertainment Industry
		2004	
EMI	Morgan Stanley	21-Jan	A Rush of Blood to the Head?
Vivendi Universal	Credit Lyonnais Securities	26-Feb	Top-line growth in media assets: the catalyst
Vivendi Universal	Credit Lyonnais Securities	26-Feb	Finding the Turning Point
Vivendi Universal	Deutsche Bank	30-Apr	Hanging on the telephone
Vivendi Universal	Bernstein Research Call	28-Apr	Quick Take on Meetings with UMG Management
WMG	Credit Suisse	16-Apr	Initiating Coverage
EMI	Morgan Stanley	31-Mar	The First Cut is the Deepest
EMI	Morgan Stanley	25-May	Taking the Bull(s) by the Horns
EMI	Morgan Stanley	2-Jul	Investor Day Abbey Road
Vivendi Universal	Credit Suisse	9-Jul	Cheese and Cake
EMI	Bear Stearns	21-Sep	Turn Up the Volume
EMI	Citigroup	10-Sep	Technology - Something To Sing About
Vivendi Universal	Merrill Lynch	15-Sep	Heavy Lifting Done
Vivendi Universal	UBS Investment Research	15-Sep	Vivendi Universal Interim results
Vivendi Universal	Deutsche Bank	21-Sep	Hip to be square?
EMI	Bear Stearns	21-Sep	Turn Up the Volume
EMI	Morgan Stanley	Oct-06	Moved to Underweight
Vivendi Universal	Deutsche Bank	9-Nov	Vivendi Universal Q304 Results Review
Apple Computer Inc.	J.P. Morgan	15-Nov	iPod Economics
		2005	
3G	Credit Suisse / First Boston	25-Jan	Fat pipe but what will fill it?
Vivendi Universal	Bear Stearns	2-Feb	VU 2004 Revenue – A Solid Result
Vivendi Universal	Merrill Lynch	2-Feb	Outperforming On Revenues And Net

			Debt
Vivendi Universal	Delta Lloyd	3-Feb	Company Alert
Music Industry	Teather & Greenwood	12-Feb	Digital the Cannibal
EMI	Deutsche Bank	4-Apr	Going digital - upgrading to Buy
WMG	Soleil Media Metrics	2-May	Best Questions for Roadshow
WMG	Fulcrum	4-May	Warner Music Group IPO Preview
WMG	Bernstein	9-May	Warner Music IPO: Too Rich For Our Taste
WMG	Soleil Media Metrics	12-May	Initiating Coverage of WMG: Time to BUY
WMG	Fulcrum	23-May	Key Issues That Are Holding Us Back; Initiating at Neutral
Music Industry	Soleil Media Metrics	31-May	Music Industry Review
WMG	Lehman Brothers	1-Jul	Waiting on the Digital Breakout
WMG	Banc of America Securities	20-Jun	The Song Remains The Same (Even if the Industry Does Not)
WMG	Goldman Sachs	20-Jun	Unlocking the value of content through new distribution channels/formats
WMG	Merrill Lynch	20-Jun	Initiating with a Sell; Significant Uncertainty Remains
WMG	Morgan Stanley	20-Jun	Equal-weight-V: Untested Model in Evolving Industry
WMG	Lehman Brothers	28-Jun	Waiting on the Digital Breakout
Music Industry	Fulcrum	17-Oct	Is Digital Music Really Growing That Fast?
		2006	
WMG	Soleil Media Metrics	11-Jan	WMG: The Bull Case
WMG	Morgan Stanley	27-Jan	Lowered Digital Forecasts Don't Justify a Premium: Going to Underweight-V
WMG	Citigroup	14-Feb	WMG: Reported mixed Q106 results
WMG	Merrill Lynch	14-Feb	Cost Cutting Drives in Line Results
EMI	SG Cross Asset Research.	1-Mar	Digital market share contraction for U.S. in Q4
WMG	Pali Capital, Inc.	2-Mar	Reversing Industry View – Initiate with BUY rating & $25 Price Target
EMI	Societe Generale	4-Mar	Poor IFPI data for 2005 sows the music industry slump continuing
Media Industry	Pali Capital, Inc.	10-Mar	Is Download-to-Own/burn Finally Becoming Reality?
Sony BMG	Credit Suisse	28-Mar	Sony BMG: Minimal Impact on Valuation from BMG Selling its Stake
EMI	Deutsche Bank	29-Mar	H206 preview: Expect trading update mid-April
EMI	Morgan Stanley	20-Apr	Price Target Raised on Positive Trading Statement
WMG	Bank of America	6-Apr	Downgrading to Neutral: Maintaining Price Target & Positive Bias
Vivendi Universal	Bear Steams	20-Apr	Music Drives Strong Q1 06 Revenues
EMI	Cazenove	20-Apr	Update: Snap Reaction
WMG	Bank of America	24-Apr	Increasing Target to $27 as Merger Talks with EMI Could Be Heating Up

EMI	Merrill Lynch	26-Apr	Merger upside largely priced in
WMG	Deutsche Bank	26-Apr	Weekly Music Sales
EMI/WMG	Pali Capital, Inc.	16-May	U.S. Digital Track Trends Weakening
WMG	Morgan Stanley	17-May	EMI Bid Makes Long-Term Cost Cuts Look Credible
EMI	Collins Stewart Research	17-May	A Deal Would Make Sweet Music
WMG	Fulcrum Global Partners	23-May	WMG: Key Issues That Are Holding Us Back
Apple Computer Inc.	Credit Suisse	23-May	iPod: How Big Can it Get?
EMI	Lehman Brothers	24-May	Encouraging schedule, though deal key
Global Music Industry	Credit Suisse	19-Jun	Just the Two of Us
EMI	Morgan Stanley	28-Jun	Come Together
EMI	Bear Stearns	29-Jun	EMI and WMG Struggle to Find the Right Note
EMI	Merrill Lynch	29-Jun	Mutual Rejection
WMG	Goldman Sachs	16-Jul	Outlook: Increasing 3QFY06 Revenue & EBITDA by 4% & 6%
WMG	Bank of America	27-Jul	EMI/WMG Merger Shelved: Reducing PT to $25 from $28.50
WMG	Credit Suisse	27-Jul	Still Stuck at the Starting Line
EMI	Merrill Lynch	27-Jul	Back to Fundamentals
WMG	Merrill Lynch	3-Aug	F3Q Still in Tune
WMG	Bank of America	3-Aug	Red Hot 3Q Results
WMG	Goldman Sachs	3-Aug	Thesis intact: Continued better-than-expected strong growth
WMG	Lehman Brothers	3-Aug	Strong F3Q06, Tougher Comps Upcoming
WMG	Credit Suisse	4-Aug	Strong Execution is Encouraging in the Face of Strategic Stalemate
WMG	Morgan Stanley	4-Aug	Analysis of F3Q06 and Revised Model
WMG	Deutsche Bank	22-Sep	Resuming Coverage with Buy Rating
WMG	Soleil Media Metrics	29-Sep	4Q Earnings Preview + Updated Models & Valuations
EMI	Credit Suisse	20-Oct	Clearing the decks
EMI	Morgan Stanley	9-Nov	Upside Case Stretched
Music industry	Pali Research	20-Nov	Can Digital Track Sales Scale a Year-End Mountain, Again? ... Could be Tough
WMG	Credit Suisse	27-Nov	Q4 Faces Tough Comps but Digital Strength Should Support Margins

VII. Other Materials

The Consumer Is King, EMI Music's Alain Levy Tells Delegates at the London Media Summit, October 27, 2006.

Donald S. Passman, All You Need to Know About the Music Business, 1991, pp. 186-191

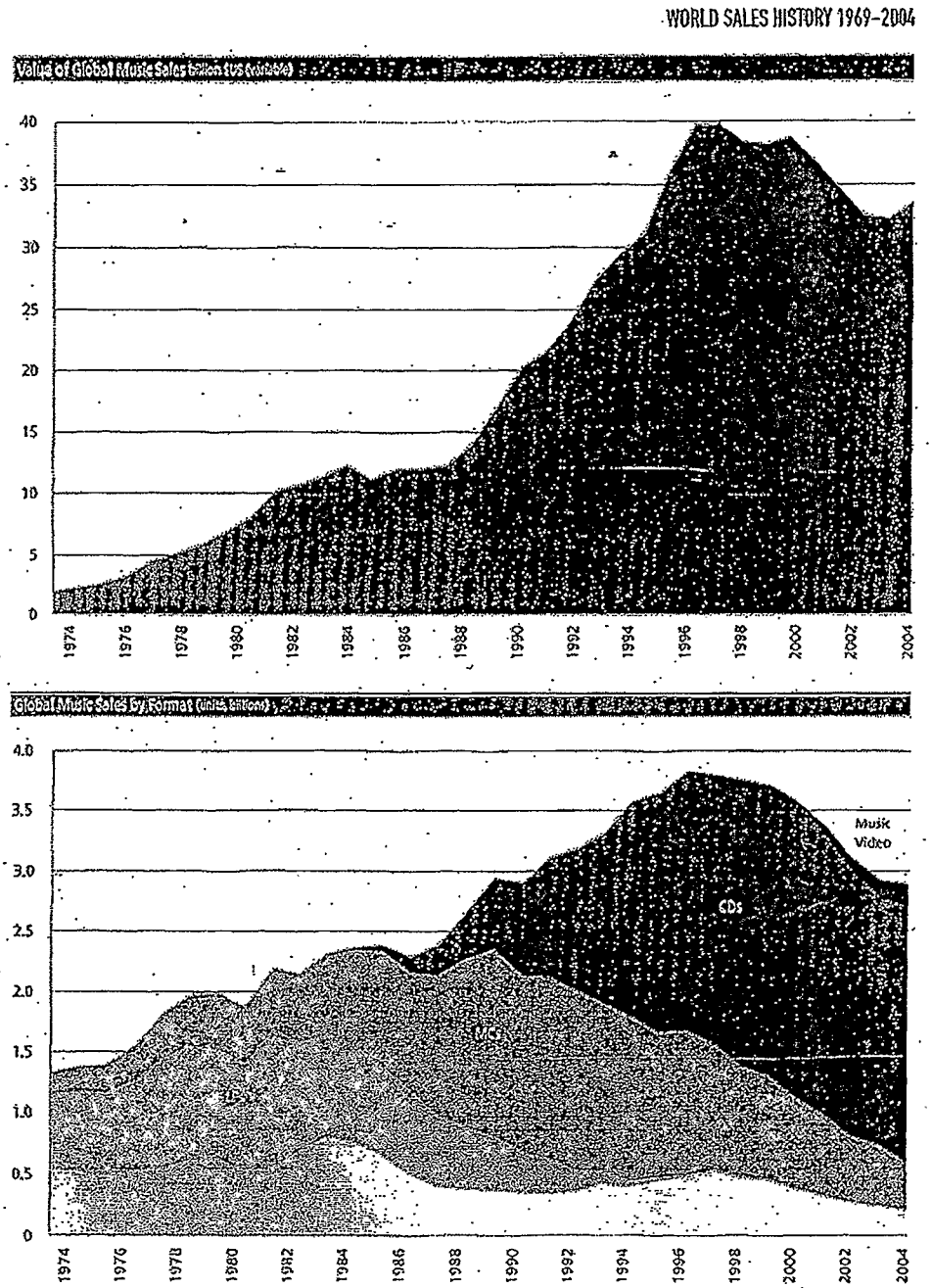
Felix Oberholzer-Gee & Koleman-Strumpf, The Effect of File Sharing on Record Sales: An Empirical Analysis, June 2005

Music & Copyright (numerous articles)

Historical Copyright Royalty Rates, 37 C.F.R. § 255.3

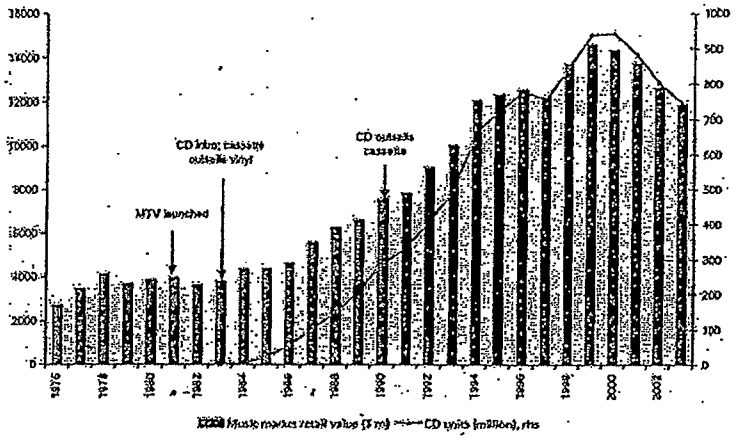
Digital Music News, October 5, 2006, press article
EMI Sound Values 2006, 2005, 2004, 2003, 2002, 2001, from www.emigroup.com/socialresponsibility

EXHIBIT 3: VALUE OF GLOBAL MUSIC SALES & GLOBAL MUSIC SALES BY FORMAT UNITS, BILLIONS



Source: IFPI 2005 Global Recording Industry in Numbers, page 161.

EXHIBIT 4: U.S. RECORDED MUSIC MARKET 1976-2003



Source: Deutsche Bank, EMI, April 4, 2005, page 29.

EXHIBIT 8: MARGIN ON WHOLESALE

	Physical	Digital
Wholesale revenue	100%	100%
Royalties/Publishing	-30%	-38%
Manufacturing	-20%	0%
Marketing/A&R	-25%	-25%
Fixed costs	-13%	-13%
Margin	12%	24%

Source: Company data, Credit Suisse estimates.

Source: Credit Suisse, Global Music Industry, June 19, 2006, page 19.

EXHIBIT 9: RECORD COMPANY COST STRUCTURE AND PROFITABILITY

Percentage of Divisional Recorded Music Sales

	EMI 10/1/04-9/30/05	UMG 7/1/04-6/30/05	WMG 10/1/04-9/30/05	Average
Net revenue	100%	100%	100%	100%
A&R and Royalties	31.5	40.3	29.3	33.7
Administration Costs	26.2	13.6	23.7	21.2
Marketing & Promotion	16.5	17.6	14.0	16.0
Manufacture, Distribution & Associated Costs	16.2	14.2	21.4	17.3
Total Costs	90.4	85.7	88.4	88.2
EBITDA Margin	9.5%	14.4%	11.6%	11.7%

Source: IMS estimates and Morgan Stanley Research Report, January 27, 2006, Exhibit 18, page 25 and 26.

EXHIBIT 1A: MATERIALS REVIEWED IN CONNECTION WITH MY AMENDED REPORT

RIAA 18066-18088	Universal Music Group in 2003 and Today, dated May 2006
RIAA 14988-14991	Sony BMG Music Entertainment Financial Trends 2008-2009
RIAA 39183-39273	WMG 5-Year Digital Revenue Forecast
RIAA 7182	EMI Physical and Digital Revenue Forecast
RIAA 2923-2988	EMI Operating Board, Strategies for Growth at EMI Music – and the Associated Organizational Changes, dated May 16, 2005
RIAA 15271-15331	RIAA Shipment Data
RIAA 15421-15437	RIAA Shipment Data
RIAA 18173-18183	Universal Music Group, New Business Models
RIAA 2119-2173	The EMI Group, New Media & Strategy: A discussion paper
RIAA 17889-17901	Universal Music Group,UMG Digital Business Review: 3-5 Year Plan, dated August 31, 2006
RIAA 13168-13214	Universal Music Group Presentation, Merrill Lynch Media & Entertainment Conference, dated September 14, 2005
RIAA 13273-13302	Sony/BMG Music Entertainment, GDB Staff Meeting, dated December 2006
RIAA 53238	Universal Music Group, Digitization Cost 2005-2007 YTD
RIAA 580	EMI Music – IT Capex Summary
RIAA 24962-24975	WBR Family of Labels, 2007 Budget Round 2,
RIAA 24940-24950	Atlantic Records, 2007 Budget Round 2,
RIAA 26014-26024	Rhino Records, 2007 Budget – Round 1
RIAA 8423-8430	All Labels Combined: BMG, EMI, Polygram, Sony, Sony/BMG, UMG & WMG
RIAA 15212-15216	Record Label Employees Data
RIAA 10506-10507	Sony BMG Income Statement U.S. Only 2000-2002
RIAA 14837-14838	Sony BMG Income Statement U.S. Only 2003-2006
RIAA 22001-22030	WMG/ Income Statements, 2006

RIAA 20435	UMG (U.S. Only) Income Statement, 1999-2005
RIAA 20474-20475	UMG Income Statement U.S. Only, 2006
RIAA 45559-45578	EMI Profit and Loss 06/07 – 98/99
RIAA 14832-14834	Sony BMG 2006 Digital Revenue Projection
RIAA 14914-14917	Digital Revenues U.S.
RIAA 24182-24185	Digital Download Agreement between Apple and Warner
RIAA 10539-10540	Sony BMG Income Statement 2000-2006
RIAA 24084-24086	WMG Income Statement Sept 2006 YTD
RIAA 13246-13272	Sony BMG Global Digital Business – Status Update, dated March 2006
RIAA 28564-28584	WMG Digital Strategy and Business Development
RIAA 757	EMI Profit and Loss U.S. 05/06-98/99
RIAA 758	EMI Music Total Company P&L – 97/98-91/92
RIAA 26496-26498	WMG Income Statement 4th Quarter 2005 YTD
RIAA 26508-26510	WMG Income Statement 4th Quarter 2001 YTD
RIAA 26499-26501	WMG Income Statement 4th Quarter 2004 YTD
RIAA 26502-26504	WMG Income Statement 4th Quarter 2003 YTD
RIAA 20486	UMG U.S. Only Income Statement, 2007 YTD
RIAA 43416-43499	EMI Group Annual Report 2002
RIAA 44073-44100	EMI Group Preliminary Results 2005/2006 Presentation
RIAA 43940-44005	EMI JP Morgan High Yield Conference, dated 02/05/2006
RIAA 45559-45560	EMI Music Total Company P&L – Fiscal Year 06/07
RIAA 45561-45578	EMI Music Total Company P&L – Fiscal Year
RIAA 762-763	EMI Music Total Company P&L – Fiscal Year 05/06
RIAA 757-758	EMI Music Total Company P&L – Fiscal Year 1991-2006
RIAA 814	EMI Music Total Company P&L – Fiscal Year 1991-2006
RIAA 800-803	EMI North America P&L Fiscal Year 1990-1991
RIAA 796-799	EMI North America P&L Fiscal Year 1991-1992
RIAA 792-795	EMI North America P&L Fiscal Year 1992-1993

RIAA 788-791	EMI North America P&L Fiscal Year 1993-1994
RIAA 784-787	EMI North America P&L Fiscal Year 1994-1995
RIAA 782-783	EMI North America P&L Fiscal Year 1995-1996
RIAA 780-781	EMI North America P&L Fiscal Year 1996-1997
RIAA 778-779	EMI North America P&L Fiscal Year 1997-1998
RIAA 764-777	EMI North America P&L Fiscal Year 2004-2005
RIAA 8369-8384	EMI Total Company P&L 1997-2004
RIAA 759-761	EMI Total Company P&L 2006 Forecast
RIAA 46231-46271	EMI Total North America Balance Sheet Fiscal Year 1998-2007
RIAA 46272-46302	EMI Total North America Derived Cash flow
RIAA 808	EMI Digital Mix – Budgeted Costs Fiscal Year 2006/2007
RIAA 45557-45558	EMI Fiscal Year 2005/2006 Top Sellers
RIAA 45555-45556	EMI Fiscal Year 2006/2007 Top Sellers
RIAA 10162-10178	Sony Music Monthly Flash Book, March 1997
RIAA 9650-9737	Sony Music Flash Book, March 1996
RIAA 10106-10122	Sony Music Monthly Flash Book, March 1997
RIAA 9738-9830	Sony Music Monthly Flash Book, March 1997
RIAA 9831-9928	Sony Music Monthly Flash Book, March 1998
RIAA 10124-10141	Sony Music Monthly Flash Book, March 1998
RIAA 9929-10030	Sony Music Monthly Flash Book, March 1999
RIAA 10143-10161	Sony Music Monthly Flash Book, March 1999
RIAA 10031-10033	Sony Music Flash Book, March 2000
RIAA 10036-10100	Sony Summary of Revenue, Period Ending March 2000
RIAA 10064-10067	Columbia Records Group March 2000 Flash Summary
RIAA 10068-10071	Epic Records Group March 2000 Flash Summary
RIAA 8462-8465	Nashville Label March 2000 Flash Summary
RIAA 8298-8300	Loud Records March 2000 Flash Summary
RIAA 10076-10077	Red March 2000 Flash Summary
RIAA 9426-9462	Sony Music Monthly Flash Book, March 2001
RIAA 9491	Sony Music Product Line P&L Cost Analysis 12 Months Ended March 31, 2001
RIAA 9474-9486	Sony Music Sales Summary By Product Line, March 2001

RIAA 9439-9450	A&R Income Analysis Period Ended March 2001
RIAA 545-550	Columbia Records Group March 2001 Flash Summary
RIAA 8291-8294	Epic Records Group March 2001 Flash Summary
RIAA 8458-8461	Nashville Label March 2001 Flash Summary
RIAA 9423-9425	Sony Music Flash Book, March 2001
RIAA 8295-8297	Loud Records March 2001 Flash Summary
RIAA 9463-9473	Studio Operations Period Ended March 2001
RIAA 9346-9422	Sony Music Flash Book, March 2002
RIAA 9492-9568	Sony Music Monthly Flash Book, March 2003
RIAA 9569-9649	Sony Music Monthly Flash Book, March 2004
RIAA 10476-10505	Sony BMG Music Entertainment
RIAA 10510-10525	Sony BMG Music Entertainment
RIAA 10506-10507	Sony BMG U.S. Only 2000-2002
RIAA 10105	Sony Music U.S.- Product Line P&L's Cost Analysis
RIAA 14878-14879	Sony BMG U.S. Only 2000-2006
RIAA 10539-10540	Sony BMG U.S. Only 2000-2006
RIAA 14988-14991	Sony BMG Music Entertainment US Millions
RIAA 13220-13225	Sony BMG Mobile Monthly Accrual based on Weekly Marketing Reports Sony+BMG All REV
RIAA 13226-13231	Sony BMG Online Monthly Label Accrual Based on Weekly Marketing Reports
RIAA 14832-14834	US-2006 Digital Revenue Projections In US Millions
RIAA 14914-14917	Digital Revenues US CY 2005-2006
RIAA 12906-12915	Digital Revenues CY 2005-2006
RIAA 13246-13272	Sony BMG Global Digital Business Status Update March 2006
RIAA 13273-13302	CDB Staff Meeting December 2006
RIAA 22-25	BMG Distribution Income Statement for the 13 Fiscal Years Ended June 30, 2001
RIAA 8431-8435	BMG Records Core, Digital and Provident 2002-2004
RIAA 10537-10538	Company 31582 RLG Currency: USD
RIA 14865-14866	Company 31582 RLG Currency: USD
RIAA 14918	Pro-Forma Balance sheets US Operations
RIAA 15203-15208	Wholesale Dollars, Suggested List Dollars, and Personal

RIAA 15209	Retail, List and Wholesale CD Prices
RIAA 8440-8448	Sony Label Overhead Allocations
RIAA 10230-10231	BMG Distribution Sales by Cal Year
RIAA 10180-10229	Sony Music Summary of Revenue Period Ended March 30, 2001
RIAA 8408-8419	Sony Discos Core Year Ended December 31, 2004
RIAA 8439	Sony-BMG Net Sales Revenue
RIAA 58008-58011	SonyBMG Ancillary Income Summary 2007
RIAA 10232-10233	SonyBMG Ancillary Income Summary 2007
RIAA 14919	Unit Analysis-Physical –US exc Copyright
RIAA 20435	UMG/ Income Statement, 1999-2005
RIAA 20474-20475	UMG/ Income Statement, 1995-2006
RIAA 20486	UMG/ Income Statement, 2007
RIAA 20443-20460	UMG/ Income Statement Plans, 2002-September 2006
RIAA 20489-20495	UMG/ Income Statement Plans, 2002, 2005, 2006
RIAA 8385	UMG/ P&L, 2003-2004
RIAA 53074	UMG/ Balance Sheet/ 1999
RIAA 53075	UMG/ Balance Sheet/ 2000
RIAA 53076	UMG/ Balance Sheet/ 2001
RIAA 20438-20442	UMG/ Balance Sheet/ 2002
RIAA 53077	UMG/ Balance Sheet/ June YTD 2007
RIAA 20128-20212	UMG/ OH Expense/ 2000-2006
RIAA 53268-53274	UMG/ OH by Function/ 2007
RIAA 53277	UMG/ OH Detail/ 2006
RIAA 20436	UMG/ OH by Function, 1999-2005
RIAA 17781-17787	UMG/ OH by Function, 1999-2005
RIAA 20370-20376	UMG/ OH by Function, 2006
RIAA 53239	UMG/ Marketing Detail, 2007
RIAA 17788-17793	UMG/ Marketing Detail, 1999-2005
RIAA17794-17795	UMG/Marketing, 1999-2005
RIAA 20369	UMG/ Marketing Detail, 2006
RIAA 20485	UMG/ Marketing Detail, 2006
RIAA 20103-20127	UMG/ P&L Global Report, 2000-2006

RIAA 20481	UMG/ P&L Global Report, 2006
RIAA 53240-53266	UMG/ P&L Global Report, 2002-06/2007
RIAA 20437	UMG/ Commitment Tracking System Spent, 1999-2005
RIAA 20487	UMG/ A&R Breakdown, 2006
RIAA 20488	UMG/ Gross A&R Breakdown, 2006
RIAA 20423	UMG/ Total Capitalized Recording Costs and Advances, 2002-2006
RIAA 53276	UMG/ Anti-Piracy Costs, 2000-2007
RIAA 20377-20378	UMG/ Royalty Payment Balance, 2000-2006
RIAA 18173-18183	UMG/ New Business Models, 06/23/04
RIAA 17967-17984	UMG/ Digital Music Sales, 02/2005
RIAA 18202-18209	UMG/ Digital Music Business, 05/17/2005
RIAA 18089-18090	UMG/ Digital Revenue, 2004-2005
RIAA 18021-18033	UMG/ Digital Business Review, 08/30/2006
RIAA 18011-18020	UMG/ Digital Business Review: 3-5 Year Plan, 08/31/2006
RIAA 18161-18172	UMG/ Digital Revenue Analysis UMG vs. WMG, 09/2006
RIAA 20433	UMG/ Digital Revenue by Partner & Service, 2004
RIAA 20432	UMG/ Digital Revenue by Partner & Service, 2005
RIAA 20431	UMG/ Digital Detail, 1999-2005
RIAA 20100	UMG/ Digital Detail, 2006
RIAA 20434	UMG/ E-Business/Mobile Income, 2005
RIAA 53238	UMG/ Digitization Costs, 2005-2007
RIAA 8543-8546	UMG/ Financial Statements for Polygram Holding, 1996
RIAA 20466	UMG/ Physical Sales Detail, 2000
RIAA 20467	UMG/ Physical Sales Detail, 2001
RIAA 20428	UMG/ Physical Sales Detail, 2002
RIAA 20469	UMG/ Physical Sales Detail, 2003
RIAA 20470	UMG/ Physical Sales Detail, 2004
RIAA 20425	UMG/ Physical Sales Detail, 2005
RIAA 20424	UMG/ Physical Sales Detail, 1999-2005
RIAA 20101-20102	UMG/ Physical Sales Detail, 2006
RIAA 53275	UMG/ Physical Sales Detail, 2007
RIAA 20674-20675	UMG/ Sales, 1999-2001

RIAA 20678-20679	UMG/ P&L, 1989-2001
RIAA 20676-20677	UMG Sales 2002
RIAA 18066-18088	Universal Music Group in 2003 and Today, dated May 2006
RIAA 17902-17926	Universal Music Group Presentation, dated February 2007
RIAA 26527-26553	WMG/ Income Statements, 12/1999
RIAA 26554-26581	WMG/ Income Statements, 12/2000
RIAA 26582-26611	WMG/ Income Statements, 12/2001
RIAA 26612-26643	WMG/ Income Statements, 12/2002
RIAA 26644-26675	WMG/ Income Statements, 11/2003
RIAA 27940-27972	WMG/ Income Statements, 09/2004
RIAA 20682-20687	WMG/ Income Statements- WEA Distribution, 12/1998
RIAA 26514-26516	WMG/ Income Statements- WMUS Label, 4th Qtr.1999
RIAA 21154-21161	WMG/ Income Statements- U.S. Label Operations, 11/1999
RIAA 20688-20693	WMG/ Income Statements- WEA Distribution, 12/1999
RIAA 26511-26513	WMG/ Income Statements- WMUS Label, 4th Qtr. 2000
RIAA 21146-21153	WMG/ Income Statements- U.S. Label Operations, 11/2000
RIAA 20694-20699	WMG/ Income Statements- WEA Distribution, 12/2000
RIAA 26508-26510	WMG/ Income Statements- WMUS Label, 4th Qtr. 2001
RIAA 21138-21145	WMG/ Income Statements- U.S. Label Operations, 11/2001
RIAA 20700-20701	WMG/ Income Statements- WEA Distribution, 12/2001
RIAA 26505-26507	WMG/ Income Statements- WMUS Label, 4th Qtr. 2002
RIAA 21130-21137	WMG/ Income Statements- U.S. Label Operations, 11/2002
RIAA 39360-39361	WMG/ Income Statements- WEA Distribution, 11/2002
RIAA 22118-22136	WMG/ Income Statements- WMG Country United States, 09/2002
RIAA 26502-26504	WMG/ Income Statements- WMUS Label, 4th Qtr. 2003
RIAA 21122-21129	WMG/ Income Statements- U.S. Label Operations, 11/2003
RIAA 39362-39363	WMG/ Income Statements- WEA Distribution, 11/2003
RIAA 22098-22117	WMG/ Income Statements- WMG Country United States, 09/2003
RIAA 26499-26501	WMG/ Income Statements- WMUS Label, 4th Qtr. 2004
RIAA 39370-39381	WMG/ Income Statements- WMUS Label, 09/2004
RIAA 21110-21121	WMG/ Income Statements- WMUS Label, 09/2004
RIAA 28429-28463	WMG/ Income Statements, 2004

RIAA 39646-39648	WMG/ Income Statements- WMG Parent, 09/2004
RIAA 28526-28543	WMG/ Income Statements- WMG Country United States, 2nd Qtr. 2004
RIAA 8420-8422	WMG/ Income Statements- Total US Labels, 09/2004
RIAA 26496-21109	WMG/ Income Statements- WMUS Label, 4th Qtr. 2005
RIAA 28464-28495	WMG/ Income Statements, 2005
RIAA 39649-39651	WMG/ Income Statements- WMG Parent, 09/2005
RIAA 21975-21980	WMG/ Income Statements- WMG Country United States, 2nd Qtr. 2005
RIAA 24069-24071	WMG/ Income Statements- WMUS Label, 03/2006
RIAA 24075-24077	WMG/ Income Statements-WMUS Label, 06/2006
RIAA 24081-24083	WMG/ Income Statements- WMUS Label, 09/2006
RIAA 24084-24086	WMG/ Income Statements- WMUS Label, 09/2006
RIAA 24057-24059	WMG/ Income Statements- WMUS Label, 12/2006
RIAA 26518-26520	WMG/ Income Statements- WMUS Label, 4th Qtr. 2006
RIAA 23788-23791	WMG/ Income Statements- Summary by Entity Total U.S. Label, 2006 YTD
RIAA 23785-23787	WMG/ Income Statements- Summary by Entity Total U.S. Label, 2006 QTD
RIAA 23781-23784	WMG/ Income Statements- Summary by Entity Total U.S. Label, 2006 QTD
RIA 23778-23780	WMG/ Income Statements- Summary by Entity Total U.S. Label, 2006 QTD
RIAA 23772-23774	WMG/ Income Statements- Summary by Entity Total U.S. Label, 2006 QTD
RIAA 21083-21097	WMG/ Income Statements- WMUS Label, 09/2006
RIAA 22001-22030	WMG/ Income Statements, 2006
RIAA 39652-39655	WMG/ Income Statements, 09/2006
RIAA 21981-21986	WMG/ Income Statements- WMH Country United States, 2nd Qtr. 2006
RIAA 24063-24065	WMG/ Income Statements- WMUS, 12/2007
RIAA 23775-23777	WMG/ Income Statements- Total US Labels, 2007
RIAA 39409-39423	WMG/ Income Statements- WMUS Label, 06/2007
RIAA 39642-39645	WMG/ Income Statements- WMG Parent, 03/2007
RIAA 28403-28408	WMG/ Balance Sheets, 11/2002
RIAA 28399-28402	WMG/ Balance Sheets, 11/2003

RIAA 21990-21994	WMG/ Balance Sheets, 11/2003
RIAA 21989	WMG/ Balance Sheets, 09/2004
RIAA 21988	WMG/ Balance Sheets, 09/2004
RIAA 21987	WMG/ Balance Sheets, 09/2005
RIAA 21986	WMG/ Balance Sheets, 09/2006
RIAA 21050-21067	WMG/ U.S. Label Operations Overhead Summary, November 1999
RIAA 21031-21409	WMG/ U.S. Label Operations Overhead Summary Report, November 2000
RIAA 21009-21030	WMG/ U.S. Label Operations Overhead Summary Report, November 2001
RIAA 20986-21008	WMG/ U.S. Label Operations- Overhead Summary Report, November 2003
RIAA 39424-39442	WMG/ U.S. Label Operations- Overhead Expense by Department,
RIAA 39443-39458	WMG/ U.S. Label Operations- Overhead Expense by Department
RIAA 25435-25436	WMG/Corporate Overhead-Summary
RIAA 23792-23808	WMG/ U.S. Label Operations- Overhead Expense by Department
RIAA 39364-39366	WMG/Expense by Detail Report- U.S. Label Operations, September 2004
RIAA 39367-39369	WMG/Expense by Detail Report- U.S. Label Operations, September 2005
RIAA 20983-20985	WMG/Expense by Detail Report- USOPS- U.S. Label Operations, November 2005
RIAA 24066-24068	WMG/Expense by Detail Report- WMUS Recorded Music Entities, March 2006
RIAA 24072-24074	WMG/Expense by Detail Report-WMUS Recorded Music Entities, June 2006
RIAA 24078-24080	WMG/Expense by Detail Report- WMUS Recorded Music Entities, September 2006
RIAA 24054-24056	WMG/Expense by Detail Report- WMUS Recorded Music Entities, December 2006
RIAA 24060-24062	WMG/Expense by Detail Report- WMUS Recorded Music Entities, December 2007
RIAA 25351-25367	Warner Bros.- September 2005 Forecast
RIAA 25630-25652	Warner Bros. Family of Labels- 2006 Budget
RIAA 24962-24975	WBR Family of Labels- 2007 Budget- Round 2
RIAA 25128-25141	Warner Music UK- 2007 Budget Review Meeting, July 26, 2006
RIAA 25044-25127	Warner/Chappell Music- Budget Presentation, July 26, 2006
RIAA 38583-38630	WMG Digital Strategy & Business Development- 2008 Digital Outlook, May 17, 2007

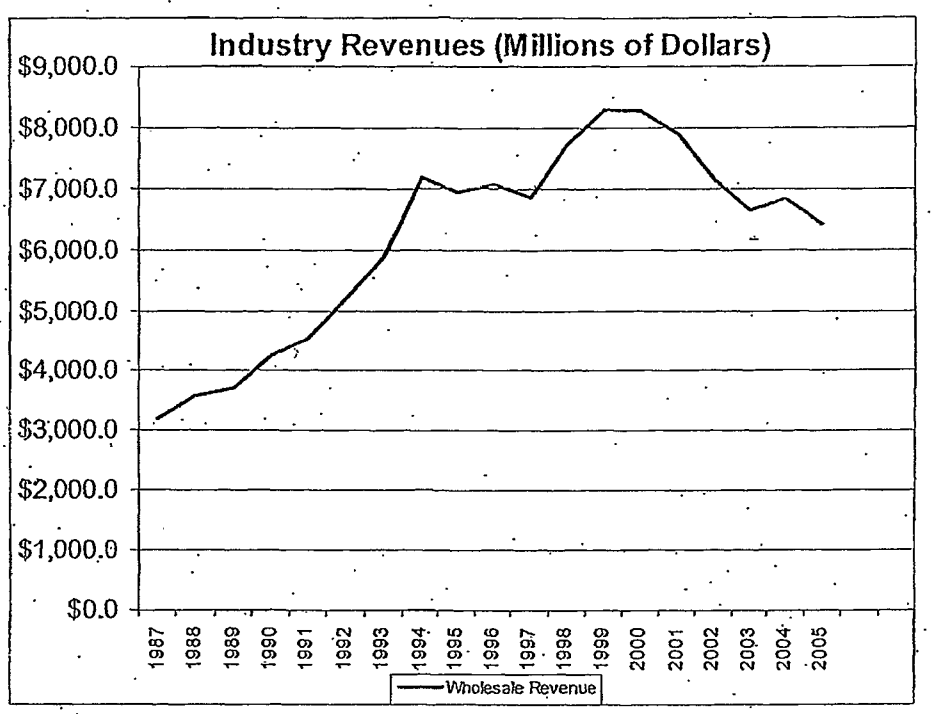
RIAA 28654-28584	WMG Digital Strategy & Business Development- 5-Year Digital Revenue Forecast Review, May 25, 2006
RIAA 22585-22600	WMG Digital Revenues- FY07 Budget Round 1 U.S. Presentation, June 28, 2006
RIAA 38671-38677	WMG U.S. Recorded Music Revenues- FY08 Budget Round 1, June 28, 2007
RIAA 38678-38697	WMG Digital Revenues- FY08 Budget Round 2, July 31, 2007
RIAA 22687-22688	WMG Digital Strategy & Business Development- 5-Year Digital Revenue Forecast, Analyst Report
RIAA 22548-22584	WMG 5-Year Digital Revenue
RIAA 39183-39273	WMG 5-Year Digital Revenue
RIAA 26521	WMG, Digital Revenue Analysis
RIAA 25220-25257	WMG 5-Year Digital Revenue- November FY07 Forecast, November 29, 2006
RIAA 45260	WMG-IT Cost Surrounding Digital
RIAA 22279-22377	WMG Digital Revenues-February Forecast 2006
RIAA 22461-22546	WMG Digital Revenues-Budget 2007
RIAA 22378-22460	WMG Digital Revenues-Budget 2007
RIAA 22690-22733	WMG Digital Revenues-Budget 2007
RIAA 22689	WMG Digital Revenues-Budget 2007
RIAA 22601-22686	WMG Digital Revenues-Budget 2007
RIAA 58081-58083	WMG News Release, WMG Reports First Half Results
RIAA 58079-58080	Email from Corporate Communications re: WMG 1st Half Year End Results
RIAA 26114	WMG, Overhead Marketing
RIAA 25431	Misc. WMG Financial documents
RIAA 25432	Misc. WMG Financial documents
RIAA 20680-20681	Warner Elektra Atlantic Corporation Consolidated Statement of Income and Expenses, Period ending December 20, 1996
RIAA 20935	Misc. WMG Financial documents
RIAA 23211	WMG, Select Financial Information, dated May 31, 2004
RIAA 26517	Misc. WMG Financial documents
RIAA 24987-25043	WMI FYE 2006 Presentation
RIAA 22547	Misc. WMG Financial documents
RIAA 25142	WMI Budget 2007- Top Sellers 2007-2006-Bud 2006

RIAA 25143-25145	WMG Sales Stats, 2007 & 2007
RIAA 26522-26523	WMG Data re: Subscription Service
RIAA 58084	WMG, Select Financial Information, dated May 31, 2004
RIAA 26040	WMG, RTD Thru Period December 2006 (Financial) P&L
RIAA 26036-26037	WMG, RTD Thru Period December 2006 (Financial) P&L
RIAA 26038-26039	WMG, RTD Thru Period December 2006 (Financial) P&L
RIAA 25433	WMG, MUR Calculation for the PV-Over/Under Actuals, 2006 for Budget
RIAA 25434	WMG, MUR Calculation for the PV-Over/Under Actuals, 2006 for September Present View
RIAA 26524-26526	Atlantic Record Group, YTD1999-2005
RIAA 27937	Atlantic Record Group, YTD1999-2005
RIAA 27938	Atlantic Record Group, YTD1999-2005
RIAA 27939	Atlantic Record Group, YTD1999-2005
RIAA 26490-26492	Atlantic Record Group, YTD1999-2005
RIAA 26493-26495	WMG/ Income Statements- WMUS, 1ST Quarter 2006 YTD
RIAA 25809-25828	The Atlantic Group- 2006 Original Budget, 2005 June Forecast, June 15, 2005
RIAA 25653-25674	The Atlantic Group- 2006 Original Budget, 2005 June Forecast, July 18, 2005
RIAA 24940-24950	Atlantic Records- 2007 Budget-Round 2
RIAA 25876-25882	The Atlantic Group-, 2005 June Forecast, June 15, 2005
RIAA 25258-25273	Atlantic Records- September 2005 Forecast
RIAA 25438-25451	Atlantic Records- November 2005 Forecast
RIAA 25939-25975	Atlantic Records- February 2006 Forecast, March 1, 2006
RIAA 25544-25555	Atlantic Records- May 2006 Forecast
RIAA 25147-25159	Atlantic Records- 2007 November Forecast
RIAA 25318-25332	Incubator- September 2005 Forecast
RIAA 25907-25922	Incubator- February 2006 Forecast
RIAA 25194-25205	Incubator- November 2006 Forecast
RIAA 25869-25875	Rhino Entertainment- 2005 June Forecast
RIAA 25333-25350	Rhino Entertainment- September 2005 Forecast
RIAA 25452-25468	Rhino Entertainment- November 2005 Forecast
RIAA 25846-25861	Rhino Entertainment- 2006 Budget

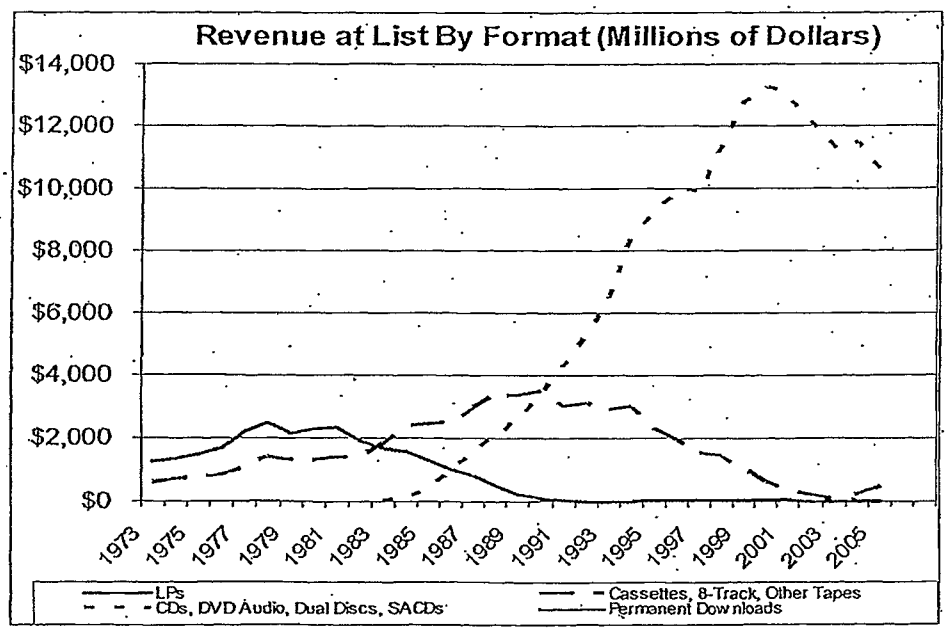
RIAA 25692-25709	Rhino Entertainment- 2006 Budget
RIAA 25923-25938	Rhino Entertainment- February 2006 Forecast
RIAA 25605-25615	Rhino Entertainment- May 2006 Forecast
RIAA 25207-25219	Rhino Entertainment- 2007 November Forecast- 11/27/2006
RIAA 26014-26024	Rhino Entertainment- 2007 Budget- Round 1
RIAA 24976-24986	Rhino Entertainment- 2007 Budget- Round 2
RIAA 25437	Cordless Recordings-Full Year 2006 Current Forecast
RIAA 25206	RYKO- Full Year 2007 November Forecast
RIAA 25998-26013	ADA- 2007 Budget
RIAA 24911-24927	ADA- 2007 Budget
RIAA 25490-25503	ADA- November 2005 Forecast
RIAA 25891-25906	ADA- February 2006 Forecast
RIAA 25577-25591	ADA- May 2006 Forecast
RIAA 25180-25193	ADA- 2007 Forecast
RIAA 24928-24939	Independent Label Group 2007 Budget – Round 2
RIAA 25592-25604	Independent Label Group May 2006 Forecast
RIAA 25829-25845	Bad Boy 2006 Original Budget, 2005 June Forecast, dated June 15, 2005
RIAA 25869-25875	Rhino Entertainment- 2005 June Forecast
RIAA 25675-25691	Bad Boy 2006 Original Budget – Round 2, 2005 June Forecast, dated July 18, 2005
RIAA 25291-25307	Bad Boy Records September 2005 Forecast
RIAA 25274-25290	Bad Boy Records September 2005 Forecast
RIAA 25469-25482	Bad Boy Records November 2005 Forecast
RIAA 25504-25516	Bad Boy Records November 2005 Forecast – Old
RIAA 25976-25991	Bad Boy Records February 2006 Forecast
RIAA 25556-25569	Bad Boy May 2006 Forecast, dated May 17, 2006
RIAA 25160-25172	Bad Boy Records 2007 November Forecast
RIAA 24951-24961	Bad Boy Records 2007 Budget – Round 2
RIAA 20702-20714	WEA Group – Retail Price – Analysis Report (Period Ended 12/19/97)
RIAA 20897-20937	WEA Distribution: Sales by Configuration & Retail Price (Fiscal 2001)
RIAA 20938	Ryko Corp. Physical Sales Breakdown (01/01 through 12/31)
RIAA 25710-25723	WEA Budget 2006 (Round 2) & June 2005 PV

RIAA 25992-25997	WEA Distribution – 2007 Budget – Round 1
RIAA 24892-24910	WEA Distribution – 2007 Budget – Round 2
RIAA 20715-20779	Warner – Retail Price – Analysis Report (Period Ending 12/18/98)
RIAA 20780-20837	Warner – Retail Price – Analysis Report (Period Ending 12/17/99)
RIAA 20838-20896	Warner – Retail Price – Analysis Report (Period Ending 12/15/00)
RIAA 25308-25317	WEA Distribution September 2005 Forecast
RIAA 25483-25489	WEA Distribution November 2005 Forecast
RIAA 25883-25890	WEA Distribution February 2006 Forecast
RIAA 25570-25576	WEA Distribution May 2006 Forecast
RIAA 25173-25179	WEA Distribution November 2007 Forecast
RIAA 25368-25430	Maverick & Word Entertainment – September 2005 Forecast
RIAA 58190	EMI License Income Detail Fiscal Year 2003-2007
RIAA 59283	UMG/ Anti-Piracy Expenses, 2006
RIAA 59636-59641	UMG/ OH by Department/ 2005
RIAA 59628-59635	UMG/ OH by Department/ 2004
RIAA 59642	UMG/ Digital Revenue by Partner, 2004-2007
RIAA 58852-58853	Sony Physical Sales, 2005-2007
RIAA 59644	UMG/ CD Net Sales and Manufacturing Costs, 2002-2006
RIAA 58886-58894	Sony Global Digital Pricing, 10/10/2004
RIAA 20379-20380	UMG CD Pricing, effective December 26, 2005
RIAA 813	EMI Average Pricing Per Unit
RIAA 39891-39893	EMI Mobile Price Card, dated October 2006
RIAA 39885-39888	EMI Price Card, effective October 9, 2006
RIAA 48495-48499	Sony BMG Rate Card, updated on August 13, 2007
RIAA 21098-21109	WMG Income Statement, dated September 2005
RIAA 21984-21986	WMG Income Statement, 2nd Quarter 2006 YTD

EXHIBIT 2A: U.S. RECORDED MUSIC MARKET



Source: RIAA 015433, 015436



Source: RIAA 015432, 015435

EXHIBIT 3A: TOTAL REVENUES, OPERATING PROFITS AND OPERATING MARGINS OF U.S. RECORDED MUSIC MAJORS

Historical, Aggregated U.S. Recorded Music Majors Financial Results

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Sum	Average
Net Sales Revenue	3043	3546	3998	4341	4390	4477	4643	5608	5916	5583	5268	5214	4835	5188	5413	71463	4764
Net License Income	301	348	364	452	549	523	468	627	526	564	564	520	570	624	661	7661	511
Total Revenue	3344	3894	4362	4793	4939	5000	5111	6235	6442	6147	5832	5734	5405	5812	6074	79124	5275
Mechanical Royalties	237	279	322	374	372	367	397	495	512	488	440	471	443	487	550	6234	416
Artist Royalties	555	651	742	792	831	819	912	1120	1228	1148	1078	1209	1061	1218	1270	14634	976
Advances & Recording	259	223	223	252	292	333	335	392	412	331	277	350	459	304	247	4689	313
Direct Marketing	493	514	569	624	710	805	899	1035	1094	1119	1153	997	832	797	892	12533	836
Manufacturing	670	776	787	779	794	761	689	694	686	610	570	541	576	574	579	10086	672
Distribution	414	468	524	552	559	587	615	585	699	637	621	576	541	508	434	8320	555
Overhead	653	785	918	1053	1111	1223	1246	1382	1289	1329	1338	1199	1409	1354	1363	17652	1177
Total Costs	3282	3696	4085	4425	4669	4897	5093	5703	5919	5662	5478	5343	5321	5242	5334	74149	4943
Operating Profit	62	198	277	368	269	103	18	532	522	485	354	392	83	571	740		
Operating Margin	1.6%	5.1%	6.4%	7.7%	5.4%	2.0%	0.4%	8.5%	8.1%	7.9%	6.1%	6.8%	1.5%	9.8%	12.2%		

Percent of Total Revenue																MIN	MAX	AVG
Mechanical Royalties	7.1%	7.2%	7.4%	7.8%	7.5%	7.3%	7.8%	7.9%	7.9%	7.9%	7.5%	8.2%	8.2%	8.4%	9.1%	7.1%	9.1%	7.8%
Artist Royalties	16.6%	16.7%	17.0%	16.5%	16.8%	16.4%	17.8%	18.0%	19.1%	18.7%	18.5%	21.1%	19.6%	21.0%	20.9%	16.4%	21.1%	18.3%
Advances & Recording	7.7%	5.7%	5.1%	5.3%	5.9%	6.7%	6.6%	6.3%	6.4%	5.4%	4.7%	6.1%	8.5%	5.2%	4.1%	4.1%	8.5%	6.0%
Direct Marketing	14.7%	13.2%	13.0%	13.0%	14.4%	16.1%	17.6%	16.6%	17.0%	18.2%	19.8%	17.4%	15.4%	13.7%	14.7%	13.0%	19.8%	15.7%
Manufacturing	20.0%	19.9%	18.0%	16.3%	16.1%	15.2%	13.5%	11.1%	10.6%	9.9%	9.8%	9.4%	10.7%	9.9%	9.5%	9.4%	20.0%	13.3%
Distribution	12.4%	12.0%	12.0%	11.5%	11.3%	11.7%	12.0%	9.4%	10.9%	10.4%	10.6%	10.0%	10.0%	8.7%	7.1%	7.1%	12.4%	10.7%
Overhead	19.5%	20.2%	21.0%	22.0%	22.5%	24.5%	24.4%	22.2%	20.0%	21.6%	22.9%	20.9%	26.1%	23.3%	22.4%	19.5%	26.1%	22.2%
Total Costs	91.0%	87.8%	86.3%	84.5%	87.0%	90.6%	91.9%	83.5%	83.9%	84.2%	86.4%	85.0%	90.2%	81.8%	78.8%	78.8%	91.9%	86.2%

Source: RIAA 008423

EXHIBIT 4A: SUMMARIES OF U.S. RECORDED MUSIC MAJORS' FINANCIALS

Sources: Various financial statements produced in discovery and submitted as Exhibits under my name.

EXHIBIT 4A WITHHELD PURSUANT TO THE PROTECTIVE ORDER

EXHIBIT 5A: U.S. MAJOR RECORD COMPANY HEADCOUNTS

Record Label Employees

	2001	2002	2003	2004	2005	% Change 2005/2001
EMI[1]	2,787	2,239	1,998	1,497	1,485	-46.7%
Sony BMG[2]	4,093	3,829	3,685	3,211	3,072	-24.9%
Universal[3]	3,532	3,600	3,384	3,120	2,060	-41.7%
Warner[4]	7,311	7,138	6,107	2,093	1,862	-74.5%
Total	17,723	16,806	15,175	9,921	8,479	-52.2%

[1] RIAA 015213 (EMI Music including manufacturing)
[2] RIAA 015214 (Combined Company excluding Sony (publishing) employees; unclear if manufacturing included)
[3] RIAA 015215 (Total Headcount Current)
[4] RIAA 015216 (Total excluding Warner/Chappell (publishing).

EXHIBIT 8A: REVENUE AND PROFITABILITY FORECASTS

Sources: RIAA 014988, 014991, 039185, 007182

EXHIBIT 8A WITHHELD PURSUANT TO THE PROTECTIVE ORDER

EXHIBIT 10A: MECHANICAL ROYALTIES AS A PERCENTAGE OF TOTAL U.S. REVENUE

EMI (March)	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	AVG[1]	RANGE
	7.9%	7.1%	7.7%	8.3%	8.8%	8.2%	9.6%	9.8%	10.1%	8.6%	7.1-10.1%

Universal (Dec.)	1999	2000	2001	2002	2003	2004	2005	2006	AVG	RANGE
	5.9%	6.3%	5.1%	5.5%	4.9%	5.8%	5.4%	5.0%	5.5%	4.9-6.3%

Warner (Sept.)	1999	2000	2001	2002	2003	2004	2005	2006	AVG	RANGE
	6.4%	6.2%	6.0%	6.6%	6.7%	7.0%	7.6%	7.7%	6.8%	6.0-7.7%

Sony (March)	1996	1997	1998	1999	2000	2001	2002	2003	2004	AVG	RANGE
	6.9%	7.0%	8.2%	7.8%	8.6%	7.2%	7.2%	7.8%	7.5%	7.6%	6.9-8.6%

BMG (June)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	AVG	RANGE
	8.1%	8.7%	9.7%	9.1%	9.1%	8.1%	9.4%	8.2%	8.7%	9.5%	9.6%	10.2%	10.3%	9.0%	9.1%	8.1-10.3%

Sony BMG (Dec.)	2005	2006	AVG
	9.1%	10.2%	9.7%

1. Returns and discounts have been increasing significantly and spread had declined on other revenue from manufacturing and distribution.

Source: Documents relied upon in preparing Exhibit 4A

UNIVERSAL

UNIVERSAL MUSIC GROUP

New Business Models

David Weinberg

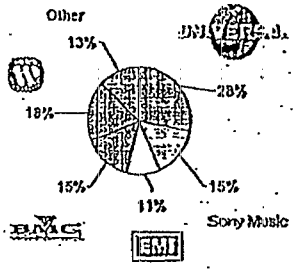
Digital Entertainment Distribution Conference

June 23, 2004

Introduction

Universal Music Group (UMG) is the world's No.1 music company.

2003 U.S. Market Share



Key Financials

(millions of Euros)	2003	2002
Revenue	4,974	6,276
Operating Income	70	556

Select Artists

blink-182	Dr. Dre	Nelly
Andrea Bocelli	Eminem	No Doubt
Bon Jovi	50 Cent	Shania Twain
Mariah Carey	Enrique Iglesias	Sting
Sheryl Crow	Diana Krall	U2

UMG's global operations encompass the production and distribution of recorded music on CDs, videos and DVDs, the licensing of music copyrights, and music publishing.

RIAA 0018174

Structure of UMG

- UMG operates in over 70 countries, and our U.S. operations are primarily located in New York and Los Angeles.

Record Labels - UMG's diverse family of labels sign artists and produce / promote releases

- Principal label groups are Interscope Geffen A&M, Island Def Jam, Universal Motown, MCA Nashville, Verve, Classics, and UMe (manages catalog)

Distribution - Universal Music and Video Distribution (UMVD) handles distribution and sales for UMG's labels as well as associated/distributed labels.

Music Publishing - Owning or administering more than 1 million copyrights, Universal Music Publishing Group (UMPG) is one of the largest music publishing businesses in the world.

RIAA 0018175

What is eLabs?

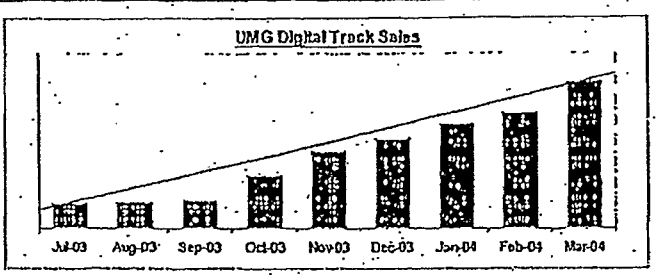
eLabs is the digital music strategy and business development group at UMG.

- eLabs is responsible for negotiating deals with third parties and crafting business models to exploit audio and video assets through new digital platforms. Examples:
  - Download stores
  - Subscription services
  - Tech due diligence for deals
  - New formats (DVD-A, SACD)
  - Mobile
  - Music videos (online & VOD)
  - Anti-piracy
  - Tech standards
- eLabs also deals with the RIAA on cross-industry technical issues, webcasting rates negotiations, and more.
- Additionally, eLabs supports UMG record labels' new media groups with groupwide vendor deals and strategic initiatives such as paid artist fan clubs.

RIAA 0018176

Recent Successes: Downloads

The US digital music market has taken off over the past six months as legitimate offerings proliferated and both legal and technical countermeasures clamped down on P2P.



- Current UMG track sales at 6M per month, worldwide.
- The digital music "Big Bang" began on April 28, 2003 with the launch of Apple iTunes, the current market leader. Over 3M IPODs sold worldwide to date.
- Apple is the leader in downloads, followed by Napster, Rhapsody, Musicmatch, and Wal-Mart.
- Majors and Indies have over 700K tracks for sale as downloads.
- Top selling download to date by Outkast has sold over 250K tracks. Latest #1 download, Hoobastank's "The Reason" has sold 168K tracks to date.
- New entrants in '04 should include Microsoft, MTV, Virgin, Tower, and possibly others.

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Recent Successes: Other

Music is more popular than ever, and technology allows for music to be experienced in new and more flexible ways.

On Demand Subscription Services

- Napster, Real Rhapsody, MusicNet on AOL.
- Quiet success story in the industry with 800K+ subscribers paying $7-$10/month.
- Portability, possibly the "killer app," due by end of year.
- New bundling/access models being explored with Universities and ISPs.

Mobile

- UMG is selling its master recordings as master ringtones on Cingular, Sprint, AT&T, T Mobile, and Virgin, with deals in the works for most of the other major carriers.
- Despite the fact that only a few phones are capable of handling master ringtones, sales figures have been highly encouraging: through 6/15/04, UMG's top five master ringtone sales have exceeded downloads of those same songs by more than 59%.

Other

- Unlike terrestrial radio, record companies get paid for new radio offerings such as statutory Internet radio, interactive Internet radio, and satellite radio.

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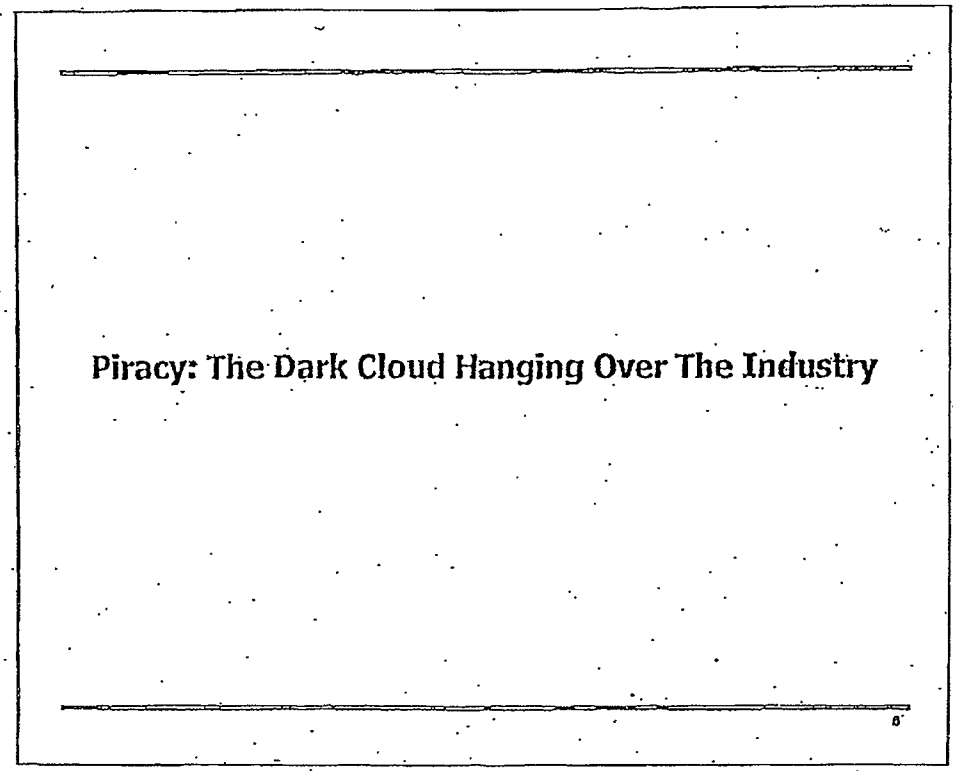
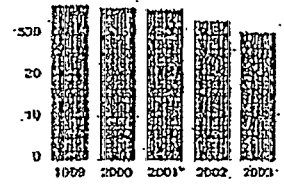

Piracy: The Dark Cloud Hanging Over The Industry
8

Current State of Piracy

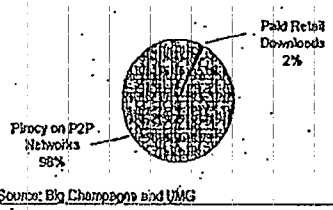
Music piracy has reached epic proportions. Digital piracy dwarfs legitimate downloads; and in many countries, physical piracy dwarfs the legitimate CD business.

Global Recorded Music Sales (billions)



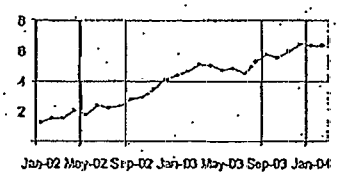
Source: IFPI

Worldwide Music Downloads



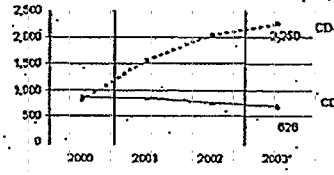
Source: Big Champagne and UMG

Avg. Simultaneous P2P Users (millions)



Source: Media Defender

U.S. CD-R vs. Recorded CD Sales



Source: IFPI

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How Did We Get Here?

Piracy, both personal and commercial, has exploded with the increasing availability and decreasing cost of tools that facilitate copyright infringement on a massive scale.

Technology has made it easy to pirate.

- P2P networks now boasts over 7 million simultaneous users, up from under 2 million users in January 2002.
- Four years ago, only one in seven U.S. music consumers owned CD burners; today they are ubiquitous.
- The highest-selling CD of 2003 was a blank one. There are 3 CD-Rs sold for every legitimate recorded music CD sold in the US.

The record industry was slow to embrace new technologies.

- Designed to sell albums, the industry needed to invest significantly in order to build the technical infrastructure to support increasing the products we are selling tenfold.
- As Napster burst onto the scene, the record industry was still mostly focused on limited subscription-based business models.
- Legitimate services were bogged down with heavy usage restrictions, while free music was plentiful and easy to find.
- The music industry's Byzantine rights issues, which the industry is still working through, have slowed the launch of new businesses.
  - At least 3 key stakeholders – (1) Songwriter, publisher (owner of musical work), (2) record company (owner of sound recording, and (3) artist (contractual rights)

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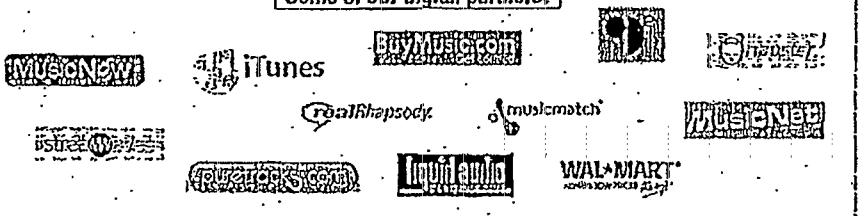
Empowering Legitimate Online Alternatives

We have licensed our content broadly to a number of services in the US, while international services will ramp up considerably in 2004.

Some of our digital partners:



- Through our support of online services' "site licenses" with colleges and universities, we hope to eradicate a large source of pirated digital files.
- Although plans and dates have not been officially confirmed, we expect significant players to enter the download market in 2004.
- The large US services are even now in the midst of pan-Europe rollouts. Meanwhile, many of the incumbent telcos are leading the charge at the country level.

Nascent, on the horizon, and other ideas we discuss every day

UMG is aggressively entering new businesses and leveraging its relationships with artists to generate incremental revenue.

- Mobile - master ring tones, ring backs, wallpaper, images, mobile fan clubs.
- Subscription services - 'tethered' downloads for a flat monthly fee that can be transferred to a secure portable player. The content expires if the subscription lapses.
- NexGen models - a different relationship between the label and the artist with the label supporting and participating in ancillary (non-recording) revenue streams.
- Fan clubs - paid artist fan clubs with access to exclusive content, merchandise and presale tickets.
- Filtering on P2P - some companies are working on business models that would 'filter' copyrighted material on P2P networks, and then present users with a track to purchase. It is unclear if the huge volume on P2P would translate into comparable sales to retailers like iTunes.
- Ad-based models - potential to reach a segment of the population that prefers to hear or view advertising in order to get 'free' content. CPM's remain an issue.
- ISP surcharge for content - some industry pundits have put forth business models where ISPs would collect a monthly fee (e.g., $5) to allow users to freely trade copyrighted content. There are many issues with this proposal -- ceiling on revenues, need to incorporate other IP products, huge catalogs drown out new artists and music (likely to limit new investment). Would the next Chris Blackwell or Clive Calder invest in a record label if this model were the main revenue source?

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