



In the Matter of

**Distribution of 1998 Digital Audio
Recording Royalty Funds**

Docket No. 99-2 CARP DD 98

DISTRIBUTION ORDER

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On April 9, 1999, the Alliance of Artists and Recording Companies ("AARC"), Gospel Music Coalition ("GMC"), Reachout International Records, Inc., VP Record Distributors, Inc., Fifth Avenue Media, Ltd., James Cannings, and Polyphonic Music Inc. (collectively referred to as the "Settling Parties") filed a joint notice informing the Copyright Office that they had reached a universal settlement concerning the distribution of the royalty fees in the 1998 Sound Recordings Fund.

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Station
Washington
D.C. 20024

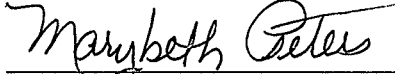
The Gospel Music Coalition, which filed claims for royalty fees from both subfunds (the Featured Recording Artists Subfund and the Copyright Owners Subfund) comprising the 1998 Sound Recordings Fund, has joined the AARC. See Notice of Settlement at 2. Therefore, AARC is representing GMC's interest in the current proceeding and will represent its interest in all future proceedings involving the Sound Recordings Fund established pursuant to the Audio Home Recording Act of 1993, unless and until GMC alters its current arrangement.

According to the notice, the Settling Parties have reached a universal settlement concerning the distribution of the royalty fees in the 1998 Sound Recordings Fund and have agreed that the funds in the Copyright Owners Subfund and the Featured Artists Subfund should be distributed to a single agent, the Alliance of Artists and Recording Companies, for further distribution to the Settling Parties. The terms of the settlement agreement, however, set no precedent for future DART proceedings. Notice at 2-3.

Additionally, on February 17, 1999, the Copyright Office received two letters from Mr. Edward C.A. Peters (dated February 4, 1999), informing the Office that pursuant to 17 U.S.C. 1006(b)(1), he had been appointed to manage and ultimately distribute the Nonfeatured Musicians Subfund and the Nonfeatured Vocalists Subfund. That being so, Mr. Peters is requesting that the Office transfer the 1998 royalties allocated to the Non-Featured Musicians Subfund and the Non-Featured Vocalists Subfund as directed in the February letters.

Accordingly, IT IS SO ORDERED that the royalty fees in the Copyright Owners Subfund and the Featured Artists Subfund of the 1998 Sound Recordings Fund SHALL BE DISTRIBUTED to the Alliance of Artists and Recording Companies on or after June 10, 1999. IT IS FURTHER ORDERED that the Nonfeatured Musicians and Nonfeatured Vocalists Subfunds of the 1998 Sound Recordings Fund SHALL BE DISTRIBUTED to the independent administrator, Mr. Edward C.A. Peters, on or after June 10, 1999. In addition, AARC and Mr. Peters must provide the Copyright Office with all pertinent information to effect the transfer of funds no later than 7 days before the date of distribution.

SO ORDERED.



Marybeth Peters
Register of Copyrights.

Dated: April 28, 1999.