

MEMORANDUM OF UNDERSTANDING- 2

This Memorandum of Understanding- 2 ("MOU 2") is entered into by and between the Recording Industry Association of America, Inc. ("RIAA") and the undersigned recorded music companies, on the one hand, and the National Music Publishers Association, Inc. ("NMPA"), The Harry Fox Agency, Inc. ("HFA"), and the undersigned music publishing companies, on the other hand (all foregoing entities referred to individually as a "Party" and collectively as "Parties").

WHEREAS, RIAA, NMPA and HFA entered into a Memorandum of Understanding ("MOU") effective as of November 10, 2009, as amended;

WHEREAS, the Parties wish to modify the MOU and, as modified, extend the terms of the MOU until December 31, 2017, or such later date that, pursuant to 17 U.S.C. § 803(d)(2)(B), the royalty rates and terms to be set in the mechanical royalty rate-setting proceeding presently pending before the Copyright Royalty Judges (the "2013-2017 Proceeding") are superseded by successor rates and terms determined in the next such proceeding after the 2013-2017 Proceeding (the "End Date");

WHEREAS, in entering into this MOU 2, the Parties wish to reiterate their mutual desire to work together to establish a framework for (i) clearance of and/or issuance of licenses to musical works by Participating Publishers for use in sound recordings, (ii) settlement of disputes affecting the payment of certain royalties and (iii) improvement of industry licensing

practices, so that royalties can be paid to copyright owners in a more timely and efficient manner; and

WHEREAS, the Parties hereby agree to the conditioned waiver of late fees provided in this MOU 2 in connection with the inclusion in the proposed settlement of the 2013-2017 Proceeding of the late fee set forth in 37 C.F.R. § 385.4;

NOW THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereby agree to the following terms and conditions:

1.0. Relationship Between MOU and MOU 2: Term. The MOU shall continue in full force and effect as among the entities participating therein and as to all Releases of Product through December 31, 2012, except as specifically modified or amended by this MOU 2. When the Best Practices Group modifies any Default Rules and Best Practices previously applicable under the MOU, including the applicable forms as described in Section 6.6 of this MOU 2, the Best Practices Group shall set an effective date for, and agree to details concerning the transition to, such modified Default Rules and Best Practices. This MOU 2 shall not go into effect unless a proposed settlement of the 2013-2017 Proceeding is submitted to the Copyright Royalty Judges for approval, which the Parties anticipate happening promptly after this MOU 2 has been entered into by all Parties. The term of this MOU 2 shall commence on the date such a settlement is submitted (the "Effective Date"), and continue until the End Date, subject to the survival provisions of Section 4.9 and 7.3 of this MOU 2. The Parties acknowledge and agree, however, that the termination provisions of Section 4.16 of the MOU shall not apply to this MOU 2. This MOU 2 shall apply among the entities participating herein during such time. Except as otherwise specifically provided herein, this MOU 2 incorporates and applies the

definitions, terms, restrictions and other provisions of the MOU with any necessary changes in detail to reflect the different time periods involved.

2.0. Late Fee Waivers. Upon the Effective Date of this MOU 2 as to the Parties, or upon opting-in in the case of any Publisher opt-in as provided herein, the Participating Publishers hereby grant to the Participating Record Companies a conditioned Late Fee Waiver as provided in Article 7 of the MOU and/or other applicable Sections of the MOU. For the avoidance of doubt, such Late Fee Waiver is subject to the Participating Record Companies' continued adherence to applicable terms and conditions of this MOU 2 and the MOU upon which such a Late Fee Waiver is conditioned under the MOU, as modified herein, and particularly to the Default Rules and Best Practices heretofore and herein agreed to by the Parties.

3.0. Participation.

3.1. Signatory Parties. The signatory Parties to this MOU 2 shall be RIAA, NMPA, HFA, the individual Publishers who have executed this MOU 2 below in their individual capacities, and EMI Music North America, Sony Music Entertainment, UMG Recordings, Inc. and Warner Music, Inc.

3.2. Opt-in Parties and Process. Upon the Effective Date and completion of all necessary opt-in materials as contemplated by Section 4.15 of the MOU, NMPA will notify Publishers in substantially the same manner as Publishers were notified in the MOU Group I and Group II registration process, that they have ninety (90) days from the date of such notice to opt-in to MOU 2. The Parties shall use all commercially reasonable efforts to complete all necessary opt-in materials and commence such notification within four (4) months after the signing of this MOU 2, to have the opt-in period closed as to all Publishers within seven

(7) months after the signing of this MOU 2, and to have the full extent of Publisher Market Shares for Group III finally determined as described in Section 4.4 of this MOU 2 by no later than December 31,2012. The Parties acknowledge and agree that those Publishers that have executed MOU 2 are deemed to have opted-in to its terms and conditions. The Parties understand, acknowledge and agree that unlike the MOU, the Participating Publishers shall opt-in to this MOU 2 prior to a determination of the total amount of the Group III P&U Royalties and, as a result thereof, each Participating Publisher's share of such P&U Royalties. For bulk distributions after Group III-A (as described in Article 4), the Administrator shall conduct further opt-in processes to enroll additional Participating Publishers, in substantially the same manner as Section 5.6 of the MOU.

3.3. Releases. For the avoidance of doubt, each Participating Publisher that opts into this MOU 2 as described in Section 3.2 shall be required to provide a release in substantially the same form as approved by RIAA and NMPA and used under the MOU, based on Exhibit H to the MOU and subject to RIAA review and confirmation as provided in Section 4.15 of the MOU. Each Participating Publisher that is a signatory Party hereby binds itself to the form of release finally used in the MOU 2 opt-in process.

4.0. Bulk Distributions of P&U Royalties for Groups III and IV.

4.1. In General. Under this MOU 2, the Parties shall effectuate market share-based distributions of P&U Royalties for Group III Product and Group IV Product using essentially the same process as was used under the MOU for Group I Product and Group II Product, as further described in the remainder of this Article 4 and in the schedule attached as Exhibit A. Group III Product shall have the same meaning as set forth in Section 1.24 of the MOU. "Group IV Product" means Product distributed in the United States with a Release Date

in a year between 2013 and 2017. These Groups shall be divided into Phases, and initial bulk distributions for each Phase shall be based on Product Distributions of the relevant Products through Cut-off Dates, as follows:

Group	Phase	Release Years	Cut-off Date
III	A	2009-2010	December 31, 2012
	B	2011-2012	June 30, 2014
IV	A	2013-2014	December 31, 2016
	B	2015-2017	December 31, 2019

Each applicable Cut-off Date shall be the deadline for Participating Publishers to provide ownership and split information for musical works for which payment will be made directly to the relevant Participating Publisher (and that will be excluded from the relevant initial bulk distribution, taking into account payments of such P&U Royalties to Publishers between such Cut-off Date and the date of the attestation, as described in Sections 4.3 and 4.9 of the MOU). For the avoidance of doubt, the Parties acknowledge and agree that for each Phase, Product Distributions after the relevant Cut-off Date shall be handled in the same manner as provided in Section 4.22 and 5.11 of the MOU, so that the Participating Record Companies shall have a continuing sales payment obligation with respect to Group III and Group IV as provided in Section 4.22 and 5.11 of the MOU.

4.2. Administrator. NMPA hereby appoints HFA as "Administrator." HFA will continue as the Group I and Group II Administrator, and shall also perform the same functions under this MOU 2 with respect to Group III and Group IV (as described below). The Administrator shall have the same rights, obligations, powers and authority, and comply with all applicable procedures, as set forth in Article 4 of the MOU. Should NMPA wish to replace HFA as Administrator, Section 4.1 of the MOU shall apply.

4.3. Licensing Procedures. Except as set forth in this Article 4, the procedures set forth in Article 6 of the MOU for the clearance and/or issuance of licenses with respect to musical works embodied in Group III Products shall remain in full force and effect and shall apply to Group IV Products as well. Accordingly, for each of Groups III-A and -B and IV-A and -B, prior to the applicable Cut-off Date, the Participating Record Companies and Participating Publishers shall continue to seek to clear and/or have licenses issued with respect to relevant works that are the subject matter of the P&U Royalties, using the Best Practices and Default Rules as applicable. The Parties acknowledge that clearance and/or licensing of such works shall reduce the amount of the P&U Royalties subject to bulk distribution to the Administrator.

4.4. Publisher Payment Data. Within two (2) months after the Effective Date of this MOU 2, each Participating Record Company shall submit to the Administrator Publisher Payment Data covering payments made by the Participating Record Company between January 1, 2009 and December 31, 2011, in the same manner as required by Section 4.7 and 5.4 of the MOU. This Publisher Payment Data shall provide the basis for the Group III-A and -B bulk distributions. By no later than December 31, 2016, each Participating Record Company shall submit to the Administrator Publisher Payment Data covering payments made by the Participating Record Company between January 1, 2012 and December 31, 2015, in the same manner as required by Section 4.7 and 5.4 of the MOU. This Publisher Payment Data shall provide the basis for the Group IV-A and -B bulk distributions.

4.5. Matching of Publisher Payment Data. The Administrator, or its designee, will aggregate and match the Publisher Payment Data and will identify the respective market share percentages for each of the Publishers who have opted-in to this MOU 2.

4.6. Participating Record Company Attestations. Each Participating Record Company shall engage an outside auditor of a "big four" accounting firm to attest in writing to (i) its Publisher Payment Data, as may be supplemented or otherwise modified, as described in Sections 4.8 and 5.4 of the MOU and in substantially the applicable form annexed as Exhibit D to the MOU, and (ii) its Aggregate P&U Royalties and P&U Royalties for the relevant Phase, as applicable as of the relevant Cut-off Date, taking into account payments of such P&U Royalties to Publishers between such Cut-off Date and the date of the attestation, as described in Sections 4.9 and 5.5 of the MOU and in substantially the applicable form annexed as Exhibit C to the MOU, based upon its conducting an agreed upon procedures engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. For each Participating Record Company, in connection with the Groups III and IV, the Administrator shall select one year from each Group's Phase A and Phase B, with respect to which the agreed upon procedures shall be performed for purposes of supplying the attestation.

4.7. Payment of P&U Royalties. Provided that the Administrator has concluded the opt-in process and determined Participating Publisher Market Shares as described in Section 3.2 and 4.5, and provided notice of such Publisher Market Shares and the relevant payment amounts in the same manner as in Section 4.18 of the MOU after receiving the relevant attestations, then within fourteen (14) days after receiving notice of payment amount, each Participating Record Company shall pay the Administrator the accrued P&U Royalties for Releases in the relevant Phase corresponding to its Publisher Market Share of Participating Publishers. NMPA shall keep RIAA reasonably advised concerning the likely timing of notice of payment amounts.

4.8. Distribution. The Administrator will distribute the P&U Royalties paid by Participating Record Companies on a market share basis, less the actual costs of administration and any legal fees incurred in connection with the program, as provided in Section 4.20 and Article 10 of the MOU. For the avoidance of doubt, as provided in Section 10.3 of the MOU, it shall not be a breach of this MOU 2 if NMPA chooses to seek a donation from Participating Publishers as part of the enrollment process. In the event that after the Administrator's final accounting and resolution of any disputes, Participating Publisher claims are for less than the payments made by the Participating Record Companies, the Administrator shall return any unclaimed monies to the Participating Record Company, and Section 4.21 of the MOU shall apply unless RIAA and NMPA agree to simplified procedures for the refund process.

4.9. Survival. Notwithstanding Section 12.10 of the MOU, all applicable provisions of this MOU 2 shall continue to apply to Group III and Group IV Product even after the End Date. Thus, for example, and not by way of limitation, Group IV-B Product shall remain subject to clearance and/or licensing efforts under this MOU 2 using the Best Practices and Default Rules between the End Date and the Group IV-B Cut-off Date; Late Fee Waivers shall continue to apply; the bulk distribution process described in Article 4 of this MOU 2 shall be carried on even though it extends past the End Date; continuing sales payments shall be made indefinitely; and the releases described in Section 3.3 of this MOU 2 shall apply to Group III and Group IV Product for which P&U Royalties are paid under this MOU 2.

4.10. Superseded Provisions. Sections 4.13 and 5.8 of the MOU are superseded and shall have no force and effect under this MOU 2. Participating Record Companies and HFA will adjust any applicable HFA P&U Advances in accordance with existing agreements separate and apart from this MOU 2 and/or MOU, where applicable. Sections 4.12

and 4.17 of the MOU are superseded and shall have no force and effect under this MOU 2. Payments for the bulk distributions contemplated by this MOU 2 shall be made as and when specified in Section 4.7. Sections 4.4 and 4.10 of the MOU are superseded and shall have no force and effect under this MOU 2. Provision of further information concerning legal holds shall be addressed as described in Section 6.4.

5.0. Publisher Audits. This MOU 2 confirms and reiterates Article 8 of the MOU relating to Publisher Audits, which are hereby also made applicable to Group III and Group IV continuing sales and initial bulk distributions. In the case of Group III and Group IV continuing sales, Article 8 of the MOU shall apply to Group III and Group IV in the same manner as to Group I and Group II. In the case of Group III and Group IV initial bulk distributions, the Administrator shall be permitted to examine the cumulative Product Distributions of Group III Product and Group IV Product as of the relevant Cut-off Dates notwithstanding Article 8 of the MOU, and for the avoidance of doubt, such audit may address only the following: (i) whether all relevant Product Distributions were fully and accurately accounted for in the applicable attestation for the Group and Phase subject to audit; (ii) P&U accrual rates applied by the Participating Record Company, except that in the case of Physical Product such P&U accrual rates shall not be the subject of an audit claim or challenge; (iii) whether the P&U Royalty amounts provided in an attestation of the same Group and Phase provided pursuant to Section 4.6, as adjusted per the reconciliations prepared in connection with the attestation provided pursuant to Section 4.6 for the relevant Group and Phase (generally, "Reconciliation Reports"), are in agreement with the Participating Record Company's copyright liability balance on its general ledger or relevant sub-ledger; and (iv) whether items identified on a Reconciliation Report as excluded from the attested P&U Royalties for the applicable Group

and Phase were properly excluded. In order to perform any such audit regarding Group III and IV initial bulk distributions, as described above, the Administrator must provide written notice of intent to perform such audit within three (3) years of the date of the applicable attestation subject to audit. For the avoidance of doubt, the foregoing notice provision applies only to audit(s) (if any) of initial bulk distributions, and shall not apply to any audit(s) of continuing sales, which audit(s) (if any) shall continue to be governed by Article 8 of the MOU.

6.0. Best Practices.

6.1. In General. Except as specifically modified or amended by this MOU 2, the Default Rules and Best Practices shall continue in full force and effect and be applicable under this MOU 2. The Best Practices Group as constituted under the MOU shall continue, as shall the HFA/Label Advisory Group and all sub-committees established by the Best Practices Group. The Best Practices Group will meet promptly after the Effective Date of this MOU 2 to consider further amendments to the MOU and this MOU 2, with the goal of finalizing such amendments within three (3) months after the Effective Date of this MOU 2, in the same manner as described in Section 7.3 of the MOU.

6.2. Pass-Through Audits. In order to implement Section B.2.5 of the MOU regarding on-going third party distributor review, the Parties will create a working group within one (1) month of the Effective Date of this MOU 2, which shall meet not less frequently than every six (6) months, unless NMPA and RIAA agree otherwise, to carry out in good faith the functions set forth in Section B.2.5 of the MOU. In this connection, the Parties reaffirm their adherence to Section 7.5.2 of the MOU, whereby, as set forth more fully in MOU 7.5.2, in the event a Participating Record Company audits a third-party service provider in connection with its use of sound recordings embodying musical compositions used under a Pass-Through

Arrangement, such Participating Record Company will assert claims for musical composition uses as well as master uses, as appropriate (and pay the appropriate share of any resulting settlement to HFA and Participating Publishers, as applicable). In addition, RIAA shall provide to the Administrator by March 1 of each year during the term of this MOU 2 an update of aggregated information concerning the status of new, ongoing or recently-completed royalty examinations of third party services using musical compositions under Pass-Through Arrangements.

6.3. Entitlement to Pass-Through Advances. The provisions of Section 7.5 of the MOU shall remain in full force and effect, except that the percentage set forth in Section 7.5.1 of the MOU shall be reduced to five percent (5%), and eligibility based on such percentage shall be re-determined based upon the most recent market share calculation under MOU 2. After each such market share calculation, the Administrator shall notify each Participating Record Company of the Participating Publishers eligible for pass-through advances if it makes late payments under Pass-Through Arrangements, and such advances shall be implemented based on the notice as of the next semiannual true-up under Section 7.5.1 of the MOU that is more than one (1) month after receipt of such notice.

6.4. Legal Holds. The legal hold rules as set forth in Section 7.7 of the MOU shall remain in full force and effect and shall now include Group IV. The Best Practices Group shall discuss whether there are additional procedures that it would be practicable for Participating Record Companies to implement to provide Participating Publishers greater access to information concerning the status of material legal holds affecting them where they do not already have access to reasonable information concerning such status (e.g., by being a party to a relevant litigation).

6.5. Meetings with Publishers. In accordance with Section B.2.2 of the MOU, the Participating Record Companies shall meet with Participating Publishers not affiliated with a Participating Record Company on a one-on-one basis when they do a high volume of business together, as determined by the Best Practices Group.

6.6. Forms. The Best Practices Working Group shall revise its current forms to create a single form to be designated the "Split Status Report". As a condition precedent to a Late Fee Waiver, a report providing the same information as contemplated by Section A.2.2 of the MOU shall be provided by Participating Record Companies to Relevant Parties within two (2) to four (4) weeks after the Release of a New Release and, if clearance has not been completed or subsequent communications concerning the status of the relevant Release already provided, approximately twelve (12) weeks after Release. Prior to Release, the Participating Record Companies will provide Relevant Parties by email, telephone or other means of communication with available label copy, including but not limited to, album title, song title, catalogue number, artist, songwriter(s), publishers and release date, to the extent known. In the event that material information is missing from the foregoing when provided to Participating Publishers pursuant to this Section 6.6, Participating Record Companies shall provide updates upon specific reasonable request by Participating Publishers as to specific Releases.

6.7. Posting of P&U Lists. The Best Practices Group shall continue its good faith discussions concerning development of an on-line, secure website on which each Participating Record Company can list current P&U items, including a determination of which such items it may be appropriate to post.

6.8. HFA Issues. The HFA/Label Advisory Group shall continue to address issues affecting the working relationship between HFA and the Participating Record Companies. Within two (2) months of the Effective Date of this MOU 2, the Participating Record Companies shall notify HFA and NMPA of the individuals who will participate as members of the HFA/Label Advisory Group.

6.9. Low Volume Issues. The Best Practices Group and/or HFA/Label Advisory Group shall continue to discuss whether there are categories of royalty accruals amounting to less than one hundred dollars (\$100) that may not qualify for bulk distribution of P&U Royalties under the MOU or this MOU 2, but that nonetheless should be paid on some kind of bulk basis to enable both Participating Record Companies and Participating Publishers efficiently to process payments for certain items that otherwise may not be readily payable.

6.10. Clearance and Licensing of Group I, Group II, Group III and Group IV Product. This MOU 2 confirms the Parties' understanding pursuant to the MOU that, in accordance with Sections 1.33, 4.22, 5.11 and 6.1 of the MOU, works identified as part of Groups I, II, III and IV will be coded for direct payment to the appropriate Participating Publisher or its agent upon resolution of all issues resulting in the accrual of P&U Royalties.

6.11. Additional Changes to Best Practices and Default Rules. The Best Practices and Default Rules set forth in the MOU and this MOU 2 shall not be deemed to be the exclusive list of matters subject for discussion, which can be revised and expanded by mutual agreement at the discretion of the Group's members.

6.12 Outreach. The Parties shall engage in reasonable outreach to the writer/publisher community concerning Best Practices, including the posting of Best Practices on-line.

7.0. Miscellaneous.

7.1. Notices. All notices shall be in writing and shall be transmitted in the manner set forth in Section 12.11 of the MOU to the person identified therein.

7.2. Governing Law. The governing law shall continue to be the law of the State of New York.

7.3. Entire Agreement: Survival. Subject to Section 1.0, this MOU 2 shall constitute the entire understanding between the Parties with respect to its subject matter and the period between January 1, 2013 and the End Date. Any provisions that survive the MOU under Section 12.10 thereof shall survive this MOU 2, and additional provisions of this MOU 2 shall survive as provided in Section 4.9 hereof. This MOU 2 may not be altered or amended except by a written instrument executed by representatives of all the Parties.

7.4. Counterparts. This MOU 2 may be executed in counterparts. This MOU 2 shall not become effective until it has been entered into by all Parties and the condition specified in Section 1.0 is satisfied.

7.5. No Waiver; Use in Proceedings. This MOU 2 represents a settlement of certain disputed issues relating to Late Fees and industry licensing processes. The Parties agree and acknowledge that in entering into and/or participating in this MOU 2, no Party, Participating Record Company or Participating Publisher shall be considered to be waiving any legal right or position concerning Late Fees (except to the extent a Late Fee Waiver applies as specifically provided herein or in the MOU). The Parties, Participating Record Companies and Participating Publishers shall not use this MOU2 in any proceeding before the Copyright Royalty Judges (including in any review of a determination in such a proceeding by the Register of Copyrights or the appeal of such a determination before a court) as the basis for arguing that Late

Fees should, or should not, be included as a term under the Section 115 compulsory license.

Notwithstanding the foregoing, the Parties agree that the statement attached hereto as Exhibit B shall be jointly submitted to the Copyright Royalty Judges contemporaneously with submission of a proposed settlement of the 2013-2017 Proceeding to the Copyright Royalty Judges on the Effective Date, for the sole purpose of informing the judges of the MOU and MOU 2 and briefly describing their purpose.

IN WITNESS WHEREOF, the Parties have caused this MOU 2 to be executed by their duly authorized representatives as of the date set forth below.

RECORDING INDUSTRY ASSOCIATION OF AMERICA, INC.

By: Steven M. Marks

Name: Steven M. Marks

Date: 4-5-12

NATIONAL MUSIC PUBLISHERS ASSOCIATION, INC.

By: _____

Name: _____

Date: _____

THE HARRY FOX AGENCY, INC.

By: _____

Name: _____

Date: _____

SONY/ATV MUSIC PUBLISHING

By: _____

Name: _____

Date: _____

CARLIN AMERICA, INC.

By: _____

Name: _____

Date: _____

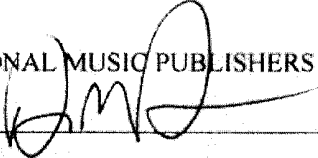
RECORDING INDUSTRY ASSOCIATION OF AMERICA, INC.

By: _____

Name: Cary H. Sherman

Date: _____

NATIONAL MUSIC PUBLISHERS ASSOCIATION, INC.

By:  _____

Name: David Israelite

Date: 4/2/12

THE HARRY FOX AGENCY, INC.

By: _____

Name: Gary Churgin

Date: _____

SONY/ATV MUSIC PUBLISHING

By: _____

Name: Martin N. Bandier

Date: _____

CARLIN AMERICA, INC.

By: _____

Name: Caroline Bienstock

Date: _____

RECORDING INDUSTRY ASSOCIATION OF AMERICA, INC.

By: _____

Name: Cary H. Sherman

Date: _____


NATIONAL MUSIC PUBLISHERS ASSOCIATION, INC.

By: _____

Name: David Israelite

Date: _____

THE HARRY FOX AGENCY, INC.

By: 

Name: Gary Churgin

Date: 4/2/12

SONY/ATV MUSIC PUBLISHING

By: _____

Name: Martin N. Bandier

Date: _____

CARLIN AMERICA, INC.

By: _____

Name: Caroline Bienstock

Date: _____

RECORDING INDUSTRY ASSOCIATION OF AMERICA, INC.

By: _____

Name: Cary H. Sherman

Date: _____

NATIONAL MUSIC PUBLISHERS ASSOCIATION, INC.

By: _____

Name: David Israelite

Date: _____

THE HARRY FOX AGENCY, INC.

By: _____

Name: Gary Churgin

Date: _____

SONY/ATV/MUSIC PUBLISHING

By: 

Name: Martin N. Bandier

Date: 4/2/12

CARLIN AMERICA, INC.

By: _____

Name: Caroline Bienstock

Date: _____

RECORDING INDUSTRY ASSOCIATION OF AMERICA, INC.

By: _____

Name: Cary H. Sherman

Date: _____

NATIONAL MUSIC PUBLISHERS ASSOCIATION, INC.

By: _____

Name: David Israelite

Date: _____

THE HARRY FOX AGENCY, INC.

By: _____

Name: Gary Churgin

Date: _____


SONY/ATV MUSIC PUBLISHING

By: _____

Name: Martin N. Bandier

Date: _____

CARLIN AMERICA, INC.

By:  _____

Name: Caroline Bienstock

Date: 4-2-12

HELENE BLUE MUSIC, INC.

By: Helene Blue

Name: Helene Blue

Date: 30 March 2012

MAJOR BOB MUSIC, INC.

By: _____

Name: Robert Doyle

Date: _____

MPL COMMUNICATIONS, INC.

By: _____

Name: John L. Eastman

Date: _____

EMI MUSIC PUBLISHING

By: _____

Name: Roger Faxon

Date: _____

ROUND HILL MUSIC

By: _____

Name: Neil Gillis

Date: _____

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HELENE BLUE MUSIQUE, INC.

By: _____

Name: Helene Blue

Date: _____

MAJOR BOB MUSIC, INC

By: Robert W Doyle

Name: Robert Doyle

Date: 2 Apr 12

MPL COMMUNICATIONS, INC.

By: _____

Name: John L. Eastman

Date: _____

EMI MUSIC PUBLISHING

By: _____

Name: Roger Faxon

Date: _____

ROUND HILL MUSIC

By: _____

Name: Neil Gillis

Date: _____

HELENE BLUE MUSIQUE, INC.

By: _____

Name: Helene Blue

Date: _____

MAJOR BOB MUSIC, INC.

By: _____

Name: Robert Doyle

Date: _____

MPL COMMUNICATIONS, INC.

By: JA

Name: John L. Eastman

Date: 4/1/12

EMI MUSIC PUBLISHING

By: _____

Name: Roger Faxon

Date: _____

ROUND HILL MUSIC

By: _____

Name: Neil Gillis

Date: _____

HELENE BLUE MUSIQUE, INC.

By: _____

Name: Helene Blue

Date: _____

MAJOR BOB MUSIC, INC.

By: _____

Name: Robert Doyle

Date: _____

MPL COMMUNICATIONS, INC.

By: _____

Name: John L. Eastman

Date: _____

EMI MUSIC PUBLISHING

By:  _____

Name: Roger Faxon

Date: April 2, 2012

ROUND HILL MUSIC

By: _____

Name: Neil Gillis

Date: _____

HELENE BLUE MUSIQUE, INC.

By: _____

Name: Helene Blue

Date: _____

MAJOR BOB MUSIC, INC.

By: _____

Name: Robert Doyle

Date: _____

MPL COMMUNICATIONS, INC.

By: _____

Name: John L. Eastman

Date: _____

EMI MUSIC PUBLISHING

By: _____

Name: Roger Faxon

Date: _____

ROUND HILL MUSIC

By:  _____

Name: Neil Gillis

Date: 03/31/12

BMG CHRYSALIS

By: _____

Name: Laurent Hubert

Date: 3/30/2012

DEMI MUSIC CORP.

By: _____

Name: Dean Kay

Date: _____

LEEDS MUSIC

By: _____

Name: Leeds Levy

Date: _____

SECRET SAUCE MUSIC

By: _____

Name: Evan Medow

Date: _____

PEERMUSIC

By: _____

Name: Ralph Peer II

Date: _____

BMG CHRYSALIS

By: _____

Name: Laurent Hubert

Date: _____

DEMI MUSIC CORP.

By: 

Name: Dean Kay

Date: 4-2-2012

LEEDS MUSIC

By: _____

Name: Leeds Levy

Date: _____

SECRET SAUCE MUSIC

By: _____

Name: Evan Medow

Date: _____

PEERMUSIC

By: _____

Name: Ralph Peer II

Date: _____

BMG CHRYSALIS

By: _____

Name: Laurent Hubert

Date: _____

DEMI MUSIC CORP.

By: _____

Name: Dean Kay

Date: _____

LEEDS MUSIC

By: Leeds Levy

Name: Leeds Levy

Date: March 30, 2012

SECRET SAUCE MUSIC

By: _____

Name: Evan Medow

Date: _____

PEERMUSIC

By: _____

Name: Ralph Peer II

Date: _____

BMG CHRYSALIS

By: _____

Name: Laurent Hubert

Date: _____

DEMI MUSIC CORP.

By: _____

Name: Dean Kay

Date: _____

LEEDS MUSIC

By: _____

Name: Leeds Levy

Date: _____

SECRET SAUCE MUSIC

By: 

Name: Eyan Medow

Date: March 31, 2012

PEERMUSIC

By: _____

Name: Ralph Peer II

Date: _____

BMG CHRYSALIS

By: _____

Name: Laurent Hubert

Date: _____

DEMI MUSIC CORP.

By: _____

Name: Dean Kay

Date: _____

LEEDS MUSIC

By: _____

Name: Leeds Levy

Date: _____

SECRET SAUCE MUSIC

By: _____

Name: Evan Medow

Date: _____

PEERMUSIC

By: Ralph Peer II

Name: Ralph Peer II

Date: 4/2/2012

SONGS MUSIC PUBLISHING

By: 

Name: Matt Pincus

Date: 4/2/12

THE RICHMOND ORGANIZATION

By: _____

Name: Irwin Z. Robinson

Date: _____

UNIVERSAL MUSIC PUBLISHING GROUP

By: _____

Name: Michael Sammis

Date: _____

WARNER/CHAPPEL MUSIC, INC.

By: _____

Name: Cameron Strang

Date: _____

IMAGEM MUSIC

By: _____

Name: Richard Stumpf

Date: _____

SONGS MUSIC PUBLISHING

By: _____

Name: Matt Pincus

Date: _____

THE RICHMOND ORGANIZATION

By: *Irwin Z. Robinson*

Name: Irwin Z. Robinson

Date: MARCH 30 2017

UNIVERSAL MUSIC PUBLISHING GROUP

By: _____

Name: Michael Sammis

Date: _____

WARNER/CHAPPEL MUSIC, INC.

By: _____

Name: Cameron Strang

Date: _____

IMAGEM MUSIC

By: _____

Name: Richard Stumpf

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SONGS MUSIC PUBLISHING

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Date: _____

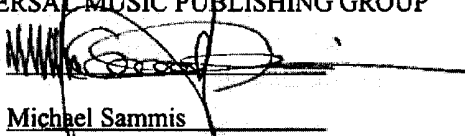
THE RICHMOND ORGANIZATION

By: _____

Name: Irwin Z. Robinson

Date: _____

UNIVERSAL MUSIC PUBLISHING GROUP

By: 

Name: Michael Sammis

Date: 4/1/12

WARNER/CHAPPEL MUSIC, INC.

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SONGS MUSIC PUBLISHING

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THE RICHMOND ORGANIZATION

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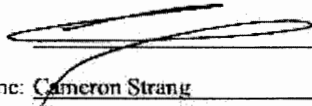
UNIVERSAL MUSIC PUBLISHING GROUP

By: _____

Name: Michael Sammis

Date: _____

WARNER/CHAPPEL MUSIC, INC.

By: 

Name: Cameron Strang

Date: April 2, 2012

IMAGE MUSIC

By: _____

Name: Richard Stumpf

Date: _____

SONGS MUSIC PUBLISHING

By: _____

Name: Matt Pincus

Date: _____

THE RICHMOND ORGANIZATION

By: _____

Name: Irwin Z. Robinson

Date: _____

UNIVERSAL MUSIC PUBLISHING GROUP

By: _____

Name: Michael Sammis

Date: _____

WARNER/CHAPPEL MUSIC, INC.

By: _____

Name: Cameron Strang

Date: _____

IMAGEM MUSIC

By:  _____

Name: Richard Stumpf

Date: 4/2/12

WIXEN MUSIC PUBLISHING, INC.

By:  (MOU 2)

Name: Randall Wixen

Date: 4-2-12

EMI MUSIC NORTH AMERICA

By: _____

Name: _____

Date: _____

SONY MUSIC ENTERTAINMENT

By: _____

Name: _____

Date: _____

UMG RECORDINGS, INC.

By: _____

Name: _____

Date: _____

WARNER MUSIC, INC.

By: _____

Name: _____

Date: _____

WIXEN MUSIC PUBLISHING, INC.

By: _____

Name: Randall Wixen

Date: _____

EMI MUSIC NORTH AMERICA

By: *Paul Kaitz*

Name: PAUL KAITZ

Date: APRIL 5, 2012

SONY MUSIC ENTERTAINMENT

By: _____

Name: _____

Date: _____

UMG RECORDINGS, INC.

By: _____

Name: _____

Date: _____

WARNER MUSIC, INC.

By: _____

Name: _____

Date: _____

WIXEN MUSIC PUBLISHING, INC.

By: _____

Name: Randall Wixen

Date: _____

EMI MUSIC NORTH AMERICA

By: _____

Name: _____

Date: _____

SONY MUSIC ENTERTAINMENT

By: *Julia Swidler*

Name: Julia Swidler

Date: 4-4-12

UMG RECORDINGS, INC.

By: _____

Name: _____

Date: _____

WARNER MUSIC, INC.

By: _____

Name: _____

Date: _____

WIXEN MUSIC PUBLISHING, INC.

By: _____

Name: Randall Wixen

Date: _____

EMI MUSIC NORTH AMERICA

By: _____

Name: _____

Date: _____


SONY MUSIC ENTERTAINMENT

By: _____

Name: _____

Date: _____

UMG RECORDINGS, INC.

By:  _____

Name: Jeffrey S. Harleston

General Counsel, Executive Vice President N. America

Date: _____

WARNER MUSIC, INC.

By: _____

Name: _____

Date: _____

WIXEN MUSIC PUBLISHING, INC.

By: _____

Name: Randall Wixen

Date: _____

EMI MUSIC NORTH AMERICA

By: _____

Name: _____

Date: _____

SONY MUSIC ENTERTAINMENT

By: _____

Name: _____

Date: _____

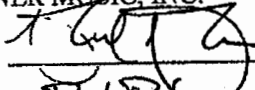
UMG RECORDINGS, INC.

By: _____

Name: _____

Date: _____

WARNER MUSIC, INC.

By: 

Name: Paul Robinson

Date: 4/4/12

MOU 2
EXHIBIT A

**NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT
FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY**

**EXHIBIT A
MOU2 TIMELINE**

MOU2 Section	MOU Section	Date	Action	Responsible Party
Execution and Initial Process				
3.1	n/a	~April 1, 2012	MOU2 Effective Date	All Parties
4.3	5.1, 6.1	~April 1, 2012 (MOU2 Effective Date)	Each Participating Record Company to continue good faith efforts to clear Group III Product	Participating Record Companies
1.0, 6.1, 6.4, 6.6, 6.9		~April 1, 2012 (MOU2 Effective Date) to ~July 1, 2012 Target first meeting ~May 1, 2012	Best Practices Group to consider Best Practices modifications, including legal hold procedures, forms, low-volume issues	Best Practices Group
4.6	4.8, 5.4	~April 1, 2012 (MOU2 Effective Date)	HFA to notify Participating Record Companies of the years to be attested to as follows: For Group III-A, 2009; for Group III-B, Group IV-A and Group IV-B, such years as HFA will identify	HFA
6.2	B.2.5	~May 1, 2012	Parties to create working group concerning pass-through audits	Parties

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
	3.1	May 11, 2012	Each Participating Record Company to deliver an updated list of constituent entities, distributed labels, and joint ventures	Participating Record Companies
	4.5	~June 1, 2012 (MOU2 Effective Date + 2 months)	Each Participating Record Company to provide updated Publisher mailing information to HFA (data to cover payments made 2009-2011)	Participating Record Companies
4.4	4.7	~June 1, 2012	Each Participating Record Company submits to HFA its Publisher Payment Data for Group III (data to cover payments made 2009-2011)	Participating Record Companies
4.6	4.8, 5.4	~June 1, 2012	Each Participating Record Company to provide attestation of Publisher Payment Data to HFA	Participating Record Companies
6.8	B.2.3	~June 1, 2012	Participating Record Companies to notify HFA/NMPA concerning participants in HFA/Label Advisory Group	
6.1		~July 1, 2012	Target for Best Practices Group to complete Best Practices amendments	Best Practices Group

**NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT
FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY**

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
3.2	4.15	July 9, 2012	NMPA provides RIAA with proposed opt-in materials for Groups III and IV (such opt-in materials to reflect any agreed-upon Best Practices modifications)	NMPA
6.3	7.5.1	July 15, 2012	Deadline for HFA to notify each Participating Record Company of Participating Publishers entitled to advances for Pass-Through Arrangements at August 15 based on reducing the percentage set forth in Section 7.5.1 of the MOU from 10% to 5% and new market share determinations	HFA
3.2	4.15	~July 19, 2012 (NMPA's circulation + 10 days)	RIAA returns any comments on proposed opt-in materials	RIAA
3.2	4.15	On or about August 1, 2012	NMPA will notify Publishers that they have 90 days to opt-in to MOU2	NMPA
6.3	7.5.1	August 15, 2012	First true-up of advances for Pass-Through Arrangements (semiannual true-ups thereafter, as below) with the percentage set forth in Section 7.5.1 of the MOU reduced from 10% to 5%	Participating Record Companies

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
3.2, 3.3		November 1, 2012	Target close of opt-in period as to all Publishers; Publishers must provide releases	HFA, Participating Publishers
4.5, 6.3	4.14, 5.4	When practicable (may be after November 1, 2012)	HFA to calculate Publisher Market Shares for Groups III-A and III-B and notify Participating Record Companies of eligibility for Pass-Through Advances	HFA
	4.15	~November 15, 2012 (close of opt-in + 14 days)	HFA to supply RIAA with a list of Participating Publishers (in form of Excel spreadsheet) and copies of Opt-In Forms	HFA
Group III-A Bulk Distribution				
4.1		December 31, 2012	Group III-A Cut-off Date	n/a
4.1		December 31, 2012	Deadline for Participating Publishers to provide ownership and split information for musical works used in Group III-A Products for which payment will be made directly rather than through the initial bulk distribution	Participating Publishers

**NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT
FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY**

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
1.0, 2.0, 4.3	6.1	Beginning January 1, 2013	Participating Record Companies make good faith, reasonable efforts to clear Group IV Product	Participating Record Companies
6.3	7.5.1	February 15, 2013	True-up of advances for Pass-Through Arrangements	Participating Record Companies
6.2		March 1, 2013	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
4.6	4.9, 5.5	April 1, 2013	Each Participating Record Company to provide attestation of Aggregate P&U Royalties and Group III-A P&U Royalties to HFA	Participating Record Companies
4.1, 4.5	4.18, 4.19, 5.7	After April 1, 2013	HFA will calculate and notify each Participating Record Company of its Group III-A payment amount	HFA
4.7	4.19	April 15, 2013 (or within 14 days of receiving notice from HFA, if later)	Participating Record Companies pay HFA accrued Group III-A royalties	Participating Record Companies
4.8	4.20, 5.9	To be identified and	HFA to distribute Group III-A fund	HFA

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
		described in proposed opt-in materials		
6.3	7.5.1	August 15, 2013	True-up of advances for Pass-Through Arrangements	Participating Record Companies
6.3	7.5.1	February 15, 2014	True-up of advances for Pass-Through Arrangements	Participating Record Companies
6.2		March 1, 2014	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
Group III-B Bulk Distribution				
3.2	4.15, 5.6	On or about March 1, 2014	HFA to conduct further opt-in process to enroll additional Participating Publishers for Group III-B (and subsequent) bulk distributions, and at its conclusion supply RIAA with an updated list of Participating Publishers (in form of Excel spreadsheet) and copies of Opt-In Forms	HFA
4.4		June 30, 2014	Group III-B Cut-off Date	n/a

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
4.1		June 30, 2014	Deadline for Participating Publishers to provide ownership and split information for musical works used in Group III-B Products for which payment will be made directly rather than through the initial bulk distribution	Participating Publishers
6.3	7.5.1	August 15, 2014	True-up of advances for Pass-Through Arrangements	Participating Record Companies
4.6	4.9, 5.5	October 1, 2014	Each Participating Record Company to provide attestation of Aggregate P&U Royalties and Group III-B P&U Royalties to HFA	Participating Record Companies
4.1, 4.5	4.18, 4.19, 5.7	After October 1, 2014	HFA will calculate and notify each Participating Record Company of its Group III-B payment amount	HFA
4.7	4.19	October 15, 2014 (or within 14 days of receiving notice from HFA, if later)	Participating Record Companies pay HFA accrued Group III-B royalties	Participating Record Companies
4.8	4.20, 5.9	To be identified and described in proposed	HFA to distribute Group III-B fund	HFA

**NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT
FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY**

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
		opt-in materials		
6.3	7.5.1	February 15, 2015	True-up of advances for Pass-Through Arrangements	Participating Record Companies
6.2		March 1, 2015	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
6.3	7.5.1	August 15, 2015	True-up of advances for Pass-Through Arrangements	Participating Record Companies
6.3	7.5.1	February 15, 2016	True-up of advances for Pass-Through Arrangements	Participating Record Companies
6.2		March 1, 2016	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
6.3	7.5.1	August 15, 2016	True-up of advances for Pass-Through Arrangements	Participating Record Companies
Group IV-A Bulk Distribution				
3.2	4.15, 5.6	On or about August 15, 2016	HFA to conduct further opt-in process to enroll additional Participating	HFA

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
			Publishers for Group IV-A (and subsequent) bulk distributions, and at its conclusion supply RIAA with an updated list of Participating Publishers (in form of Excel spreadsheet) and copies of Opt-In Forms	
4.1		December 31, 2016	Group IV-A Cut-off Date	n/a
4.4	4.7	December 31, 2016	Each Participating Record Company submits to HFA its Publisher Payment Data for Group IV (data to cover payments made 2012-2015)	Participating Record Companies
4.6	4.8, 5.4	December 31, 2016	Each Participating Record Company to provide attestation of Publisher Payment Data to HFA	Participating Record Companies
4.1		December 31, 2016	Deadline for Participating Publishers to provide ownership and split information for musical works used in Group IV-A Products for which payment will be made directly rather than through the initial bulk distribution	Participating Publishers
6.3	7.5.1	February 15, 2017	True-up of advances for Pass-	Participating Record

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
			Through Arrangements	Companies
6.2		March 1, 2017	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
4.6	4.9, 5.5	April 1, 2017	Each Participating Record Company to provide attestation of Aggregate P&U Royalties and Group IV-A P&U Royalties to HFA	Participating Record Companies
4.1, 4.5	4.18, 4.19, 5.7	After April 1, 2017	HFA will calculate and notify each Participating Record Company of its Group IV-A payment amount	HFA
4.7	4.19	April 15, 2017 (or within 14 days of receiving notice from HFA, if later)	Participating Record Companies pay HFA accrued Group IV-A royalties	Participating Record Companies
4.8	4.20, 5.9	To be identified and described in proposed opt-in materials	HFA to distribute Group IV-A fund	HFA
6.3	7.5.1	August 15, 2017	True-up of advances for Pass-Through Arrangements	Participating Record Companies

**NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT
FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY**

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
6.2		March 1, 2018	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
6.2		March 1, 2019	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
Group IV-B Bulk Distribution				
3.2	4.15, 5.6	On or about August 15, 2019	HFA to conduct further opt-in process to enroll additional Participating Publishers for Group IV-B bulk distribution, and at its conclusion supply RIAA with an updated list of Participating Publishers (in form of Excel spreadsheet) and copies of Opt-In Forms	HFA
4.1		December 31, 2019	Group IV-B Cut-off Date	n/a
4.1		December 31, 2019	Deadline for Participating Publishers to provide ownership and split information for musical works used in Group IV-B Products for which	Participating Publishers

NOTE: THIS IS A SUMMARY DOCUMENT THAT DOES NOT FULLY DESCRIBE ALL OBLIGATIONS OF EVERY PARTY

MOU2 TIMELINE

MOU2 Section	MOU Section	Date	Action	Responsible Party
			payment will be made directly rather than through the initial bulk distribution	
6.2		March 1, 2020	RIAA to update aggregated information concerning royalty examinations under Pass-Through Arrangements	RIAA/Participating Record Companies
4.6	4.9, 5.5	April 1, 2020	Each Participating Record Company to provide attestation of Aggregate P&U Royalties and Group IV-B P&U Royalties to HFA	Participating Record Companies
4.1, 4.5	4.18, 4.19, 5.7	After April 1, 2020	HFA will calculate and notify each Participating Record Company of its Group IV-B payment amount	HFA
4.7		April 15, 2020 (or within 14 days of receiving notice from HFA, if later)	Participating Record Companies pay HFA accrued Group IV-B royalties	Participating Record Companies
4.8	4.20	To be identified and described in proposed opt-in materials	HFA to distribute Group IV-B fund	HFA

MOU 2
EXHIBIT B

**Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
Washington, D.C.**

In the Matter of:

Adjustment or Determination of
Compulsory License Rates for Making
and Distributing Phonorecords

Docket No. 2011-3 CRB Phonorecords II

SUPPLEMENTAL STATEMENT OF RIAA AND NMPA

The Recording Industry Association of America, Inc. (“RIAA”) and the National Music Publishers’ Association, Inc. (“NMPA”) respectfully submit this Supplemental Statement in connection with the Motion to Adopt Settlement (“Motion”) filed by them and other participants in this proceeding. This Supplemental Statement is submitted in connection with Section 385.4 of the proposed regulations appended to the Motion, to describe a Memorandum of Understanding entered into by RIAA, NMPA and The Harry Fox Agency, Inc. (“HFA”) in connection with the Judges’ adoption of current Section 385.4 and a similar Memorandum of Understanding entered into by those parties and others as a package with the settlement addressed by the Motion (the “2013-2017 Settlement”).

In the last Section 115 rate-setting proceeding, the Copyright Royalty Judges adopted for the first time a late fee applicable under Section 115. As a result, RIAA and NMPA began discussions to improve industry licensing processes and resolve certain disputed issues relating to late payments. These discussions led to a Memorandum of Understanding (the “MOU”) between RIAA, NMPA and HFA dated November 10, 2009. The MOU created a comprehensive program for the major record companies and participating music publishers to work together to improve mechanical licensing practices and encourage prompt dispute resolution, and for publishers to waive certain late fees during the current statutory mechanical

royalty period for major record companies who complied with the licensing and clearance rules and practices set forth in the MOU. Over 97% of the music publishing industry on a market share basis ultimately opted to participate in the MOU. In connection with the 2013-2017 Settlement, the parties have simultaneously agreed to the continuation in the proposed regulations of the late fee term of Section 385.4 and a new Memorandum of Understanding (“MOU 2”) providing for the continuation for the next rate period of improved processes for the clearance and/or licensing of product and late fee waivers similar to those applicable under the original MOU.

The original MOU addressed three primary aspects of payments by record companies to music publishers, (i) the bulk distribution of pending and unmatched (“P&U”) royalties, (ii) the implementation of processes for record companies and music publishers to work cooperatively on clearance and/or licensing of new releases, and in the absence of agreement concerning ownership and rates, a path to resolution of disputes and payment where possible, and (iii) waiver of the late fee in certain instances where record companies were in compliance with the practices set forth in the MOU.

The processes in the original MOU have worked well for the parties. The MOU2 will continue, and expand in some instances, the practices and processes set forth in the original MOU. The parties to the MOU and MOU 2 are pleased that they were able to agree concerning these matters in connection with the proposed 2013-2017 Settlement.

Respectfully submitted,

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America, Inc.*

_____, 2012

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Association, Inc.*