

MMF-US – E-NEWSLETTER (April 2014) - *Extra MMF-US FEATURE*

MEMBER/MANAGER ANNOUNCEMENTS

**MMF-US PRESIDENT BARRY BERGMAN
AT GRAMMYS ON THE HILL AWARDS AND THE CEO RETREAT
WASHINGTON, DC – APRIL 2014**



Above: MMF-US President Barry Bergman with Representative Nancy Pelosi, House Democratic Leader at the 2014 Grammys On The Hill Awards



photo by Ron Johnson, www.videoculture1.com

Above: MMF-US President Barry Bergman with Lady Antebellum at the 2014 Grammys On The Hill Awards

MMF-US President Barry Bergman traveled to Washington DC to represent Music Managers Forum-US at the CEO Retreat and GRAMMYS on the Hill Awards. GRAMMYS on the Hill Awards is where music and politics united at Hamilton Live on April 2, 2014. The event was hosted by Joy Williams of the band Civil Wars on behalf of the Recording Academy, and sponsored by SESAC along with Greenberg Traurig, NMPA, RIAA, SAG-AFTRA and SoundExchange.

Awards are given to artists and congressional representatives who have helped benefit the entertainment industry as well as educators dedicated to music education. Pictured above is MMF-US President Barry Bergman with Representative Nancy Pelosi, the Democratic Leader of the U.S. House of Representatives for the 113th Congress, who was honored for her support and understanding of music creators’ unique role in American life. Also pictured above is Mr. Bergman with the seven-time GRAMMY winners Lady Antebellum who received the Recording Artists’ Coalition Award. Awards were also given to Representative Kevin McCarthy, House Majority Whip and Kent Knappenberger, recipient of the Inaugural Music Educator Award™.

Mr. Bergman also represented MMF-US at the CEO Retreat where music business leaders focus on issues confronting the industry as well as strategies to ensure a healthy future for the U.S. music community. The retreat brought together the top leaders of virtually every component of the music industry to engage and share information and perspectives on issues of the day. Mr. Bergman reported that a broad range of topics were discussed, from music licensing issues to copyright developments.

+++++

The **IMMF** www.immf.com held its annual General Assembly on February 2, 2014 at **MIDEM** www.midem.com in Cannes, France. Elections were held for Executive Director, Chairman, & Vice-Chairman. MMF-US's Stephen Bond Garvan announces that he has a new IMMF position: Global Director for Folk/Roots /Americana music. Mr. Garvan has already started representing managers and our organizations in that role (per his clientele) at Folk Alliance, Durango Songwriters Expo, SXSW, and the forthcoming Canadian Music Week (May 6-10). IMMF now consists of up to 20 country chapters globally and a funding & programming relationship with Google Europe has been established. IMMF continues to explore various partnerships to increase our education, staffing and other projects.

The International Music Manager's Forum (IMMF) represents featured artist music managers and through them the featured artists (performers and authors) themselves. These featured artists are those that are the source of over 95% of the economic activity in the global music industry. Featured artist music managers are uniquely placed to comment on music industry issues, as they are the only group of professionals that deal with every aspect of the music industry and the copyright system as it applies to music on a daily basis. www.immf.com



2014-15 IMMF (roles as officers or committee chairs/ country chapter listed)

Front- Brian Hetherman- IMMF Chair

First Row: Daria Wabnitz- IMMF Project Manager/Admin, Nathan Brenner IMMF Scholarship & Fundraising Committee, MMF Australia, Natalia Talayero-MMF Spain, Volker May- IMMF Vice Chair/IMUC Germany, Patricia Hermida-MMF Spain,

Second Row: Steve Garvan, IMMF Director of Folk /Americana / Roots, MMF US, Olivier Toth- IMMF General Secretary, MMF Luxembourg, Kari Karjalainen- IMMF Copyright Committee, MMF Finland , Christoph Storbeck- IMMF Marketing & Promotion Committee, MMF Italy

Back Row: Jake Beaumont-Nesbitt IMMF Google Europe liaison, Nuno Saraiva MMF Portugal, Keith Harris- MMF UK Advisory Board, former Chair jhim

Didier Zerath- IMMF Treasurer/European Committee, MMF France, Toomas Olljum- MMF Estonia

Absent from photo:

Denmark, S Africa, Ireland, Netherlands, Norway, Sweden, Belgium, UK, AAM, Canada

+++++



SXSW Music Manager Forum-US / Managers Peer Group Meeting in Austin, Texas

The **SXSW MMFUS Peer Group Managers** meeting was held on Friday, March 14, 2014. Steve Garvan –MMF-US & IMMF & Steve Scharf MMF-US co-hosted. Attendees present were from the United States, United Kingdom (including Keith Harris-PPL, former MMF-UK Chairman, longtime Stevie Wonder European manager), Mexico, Brazil, and Canada. Topics of discussion included streaming & rates, copyright, California Talent Act, terrestrial radio performance right legislation, breaking into international markets, evolution & educational programs for our profession. MMF-US extends appreciation to Mr. Scharf and Mr. Garvan for hosting the peer group meeting at SXSW. Separately IMMF held an off-site reception on March 12, 2014, hosted by Brian Hetherman & IMMF at Zax. Managers were represented from the following countries: Canada, United States, Italy, Germany, and Finland. <http://www.sxsw.com>.

+++++



MMF US & MMF Canada presented a management mentoring/roundtable session at International Folk Alliance Conference in Kansas City on Friday, February 21, 2014 for a blend of high-level & developing managers, as well as self-managed artists. This highly successful double event had MMF-US's Steve Garvan and MMF-Canada's Jordan Safer co-presenting a 2 hour pre-matched up session for US, Canadian managers and self-managed artists. Attendees were paired up and had interactive 1-on-1

meetings/mentoring. The session concluded in the afternoon with a 1 hour joint reception open to all Folk Alliance attendees. This brought in 60-70 participants and was a solid success, especially with multiple Folk Alliance activities taking place simultaneously.

<http://www.folkalliance.org/conference>

+++++

The following is an URGENT LETTER from RICK SIEGEL of MARATHON ENTERTAINMENT REQUESTING EVERYONE TO HELP THE NCOPM-TA LEGAL FUND. President Barry Bergman cites that this is an issue that affects all of us.

30 DAYS, 300 MANAGERS, \$30,000

April has thirty days; 30 days for 300 managers (or the economic equivalent) to contribute \$100 -- just \$100 -- resulting in a needed \$30,000 for the legal fund working to change the professional lives of personal managers for the better. Friday's email summarized how personal managers have been disrespected by the Union that represents the majority of our clients and how we have been wrongly targeted by the CA Labor Commission, which 45 years ago created prohibitions and penalties that do not exist in the [Talent Agencies Act](#); compromising us for working for the benefit of our clients.

Happily, those hells may be nearing an end, thanks to the [National Conference of Personal Managers](#) (NCOPM) [lawsuit](#) currently in the Ninth Circuit Court of Appeals. While getting a court to find that 4½ decades of accepted enforcement is unconstitutional isn't an easy task, we know that all the legal arguments favor us. Nothing better solidifies our thoughts more than the headline of an [Los Angeles Daily Journal](#) I wrote explaining how in 1967 a CA. Appellate Court accepted the Labor Commissioner's misinterpretation of four CA Supreme Court precedents to find that personal managers who procure employment for an artist without a license can lose their contractual rights. The publication was so sure of the validity of my facts, (presented in a more complete form here) that they entitled the article, "A Generation of Incorrect Talent Agencies Act Decisions."

All of the briefs are now in, including an [Amicus Brief](#) submitted by SAG-AFTRA asking for the enforcement to continue, regardless of how it compromises personal managers; and an [Amicus Brief](#) submitted by the [Talent Managers Association](#) and the [Music Managers Forum](#) (along with leading entertainment attorneys and law school professors) clearly articulating how the enforcement has no rational basis with the he last, very important step is getting our appellate attorney prepared for the Oral Argument, which might be scheduled anytime between now and the end of the year. Only one problem... if our legal bills aren't at least close to up to date, we can't be sure he'll show up to help complete our mission. And I don't blame him: we can't do to our attorneys what we're complaining some artists (Thomas Haydn Church, Ke\$ha, Jewel, Macy Gray, Cher, Michael Chiklis (four times), Jennifer Lopez (3x), Arsenio Hall, Anita Baker, Lisa Kudrow, Matt Lablanc, Richard Pryor and Elizabeth Taylor, among the hundreds who have used it) have done: not paying for the benefit of their labors.

Many of you have already been generous; to date the legal fund has received over \$47,000 in contributions. But sadly, and if you've ever had a legal issue to deal I'm sure you understand, that's not enough to pay for attorneys guiding the NCOPM through two levels of the justice system. And we do want justice.

Even if you've contributed before, please consider contributing again. We hope that every individual manager will send \$100 and every management company will send \$100 per manager in their firm. We've got 30 days to get \$30,000. We can do this; we will do this.

Send your check, made out to:

NCOPM-TAA Legal Fund,

PO Box 50008

Henderson, NV 89016,

or process your [online contribution](#) today with a credit/debit card or PayPal account

If you have any questions, please reach out to anyone below at your first convenience. And I'm contributing, so now we only need \$29,900.

Thanks,

Rick Siegel

Clinton Billups (NCOPM President, 702.837.1170)

Barry Bergman (Music Managers Forum President, 212.213.8787)

Annet McCroskey (Talent Managers Assoc. President, 310.427.5001)

Rick Siegel (323.864.7474)

Some Reasons Mr. Siegel writes:

Who Should Be Contributing To The Legal Fund To Strike Down The Talent Agencies Act ???

- (1) You are a personal manager with clients who are on or may at some point be on long-running television series.
- (2) You are a personal managers with music clients.
- (3) Any manager whose client works with agents that aren't in California.
- (4) You are a talent representative -- agent, manager or attorney -- that does not live in California.

++++
++++

MMF-US DUES

MMF-US Members:

MMF-US membership dues for 2014 are due. If you have already paid your dues in 2014, please disregard this notice. Please take care of your payment today so the MMF can continue the vital work it has done for the past 20 years on behalf of managers and artists worldwide. We really need your support to continue our work.

To renew your MMF-US membership, please fill out all fields of the Membership Application online.

Please pay by credit card using PayPal (PayPal account is not necessary, you can just use a major credit card).

Please use the following link from the MMF-US website to renew:

<http://www.mmfus.com/join-and-renew/application>

In addition, please fill out the Membership Submission Form with your PayPal or credit payment.

Alternatively you can send a check for \$75 payable to “Music Managers Forum-US” and mail it to:

MMF-US

PO Box 419

New York, NY 10156

If you have any questions regarding payment of dues, please contact President Barry Bergman at barrybergman@earthlink.net

The MMF-US is an all-volunteer organization with no paid employees, so your prompt payment of membership dues is vital for us to continue this important work. Please [contact us](#) if you would like to get more involved in MMF-US activities. Thank you for your support.

+++++

MUSIC INDUSTRY NEWS OF INTEREST TO MMF-US MEMBERS:

Twitter Teams Up With Billboard For Twitter Music Chart

Posted: April 3, 2014

NEW YORK (CelebrityAccess) -- Twitter has announced that they are teaming up with Billboard to create a chart that tracks music related tweets on the popular micro-blogging service. The chart, which will appear on Billboard.com, will track conversations about music on the Twitter service, similar to how Twitter ranks for Nielsen with television shows. The deal will also see Twitter helping to distribute the chart through custom in-tweet charts and in-tweet videos that show trending music from the week. The Billboard deal comes as a larger strategy by Twitter to integrate more closely with digital music and the company is reported to be in talks with streaming music companies such as Beats Music and Soundcloud. As well, music video service Vevo is working with Twitter to offer small music videos that could be sent via Twitter. Twitter also announced plans to shut down their standalone Twitter #Music app, which launched last year but failed to gain traction. - Staff Writers

++++
+



Major Shakeup At Island Def Jam

Posted: April 1, 2014

NEW YORK (AP) -- Universal Music Group has announced a major restructuring, splitting Island Def Jam into three standalone labels as Barry Weiss resigns as chairman and CEO of the label's East Coast group.

A Tuesday news release says historic labels Def Jam Recordings, Island Records and Motown Records will once again become independent operations, effective immediately, while Weiss explores starting another venture with Universal. Lucian Grange, UMG chairman and CEO, says "we're positioning them to recapture the uniqueness of their brands" in the news release. The move comes 15 years after the three influential labels were consolidated in 1999 and as hip-hop pioneer Def Jam celebrates its 30th anniversary. Island Def Jam has been home to some of music's top stars, including Kanye West and Justin Bieber.

+++++

Walmart to Cut Its CD Stock By Nearly Half

By Ed Christman

Published: April 8, 2014

New York (Billboard Magazine)

Walmart, the largest retailer of CDs in the United States, plans to downsize the amount of space it devotes to discs by 40 percent and could reduce selection proportionately, say label sources. The company hopes to offset the potential sales loss by prominently displaying hit titles at the front of the entertainment department.



Illustration by Peter Oumanski

This strategy reflects a reversal of the chain's approach to selling music. Previously, Walmart, which Billboard estimates sold \$600 million worth of CDs in 2013, relied on an assortment of hot titles, new releases from established artists, Latin music, and rock, R&B and country catalog albums to satisfy its customers. With the 40 percent cutback scheduled to take place in May and June, developing artists, already scarcely represented by the chain, will have a harder time getting carried, and a senior label executive says that even new releases might not make the cut "if your title does not have the strength to place [at the front of an aisle]. You might need a radio hit." "Walmart's message is, 'Our customer wants new hits, recent hits and catalog at lower prices, \$5 or \$7,'" says another. (Walmart was unavailable to comment).

If CD selection declines as much as the space, label sources estimate that Walmart's average inventory will drop from around 3,500 titles to about 2,100. The chain will compensate by unveiling the new displays, now in 2,400 stores, in all 3,600 that sell CDs. Billboard estimates Walmart's U.S. market share for recorded music at 9 percent to 10 percent, making it the second-largest music account by dollar volume in the country. (iTunes, at an estimated 42 percent, is first). "It sounds like Walmart is going to become more like Target," says one label

president. Target stores carry the smallest CD selection of any big-box chain -- 1,000 to 1,500 titles -- with a concentration on hits.

+++++

Nielsen's Q1 Numbers: Sales Down, Streams Up

By Ed Christman

Published by Billboard on April 7, 2014

New York - The transition to the streaming ecosystem in the U.S. is picking up steam. The decline in download sales accelerated in the first quarter to nearly match historic drops in CD sales from 2007-2010.

Q1 At-A-Glance	
sales (albums +	13.3%
ctive streaming	billion streams (vs. 25.44 in Q1 2013)
ctive streaming rate	5 (vs. \$0.00375 in 2013)
ning equivalent s	million
les	hillion scanned (vs. 40.1 million in Q1 2013)
er of tracks > 1M	. 15 in Q1 2013)
onica	ncrease in sales
cal	decrease in sales
	decrease in sales

At the end of the quarter, digital tracks were down 12.5%, to 312 million units from 356.5 million units. Digital albums were down 14.2%, to 27.8 million from 32.4 million in the U.S., according to Nielsen SoundScan. Looked

at another way, taking into account digital albums plus track equivalent albums (whereby 10 tracks equal one album), U.S. digital sales were down 13.3% in the first quarter of 2014. In contrast, even though U.S. digital sales over all of 2013 were down 3.1%, at the end of the first quarter of last year, digital sales were actually up 3.9% at the end for the first quarter.

For the first time since the advent of digital sales, the format's declines resemble the now-routine annual percentage declines for the CD in the new millennium, when drops in CD sales ranged from 18.2% to 19.7% each year from 2007-11. However, digital interactive streaming -- not including passive streams from services like Pandora, iTunes Radio and Sirius -- appears to be making up the slack, on a revenue basis at least. According to Nielsen BDS data, interactive music and video streaming totaled 34.28 billion streams in the first quarter of the year, versus 25.44 billion streams in 2013's corresponding period. Not only have streams grown by nearly 9 billion, but per-stream payout has improved this year versus last year, according to label sales executives.

Last year, interactive streams paid an average of \$0.00375 per stream, meaning 2,000 streams equaled the average \$7.50 wholesale -- the average price when you consider the \$9.99 list price for most albums and \$11.99 for some superstar albums -- for a digital album download. This year the industry average is more like \$0.005, which means that 1,500 streams equal the wholesale cost of an album.

Figuring 2,000 streams per stream equivalent album last year, and 1,500 streams per stream equivalent album this year, that means that SEA totaled 22.85 million in the first quarter of this year, while last year totaled 12.72 million, a difference of 10.1 million album units. So, while digital albums and track equivalent albums were down 9.06 million units, streaming revenue growth is outpacing digital sales decline. But the industry is still not out of the woods. Again, the CD's decline has accelerated. After dropping 14.5% over the last year, the CD album format is down 20.5% so far this year, to 31.9 million units from the 40.1 million units scanned in the first quarter of 2013.

Analyzing the 16.6% decline in album sales -- to 61.7 million units from the 74 million scanned in 2013's first quarter -- current albums (sales of albums released in the last 18 months, plus sales of albums out longer that remain in the top half of the Billboard 200) are down 18.5%, to 30 million, and are doing slightly worse than catalog albums which are down nearly 15%, to 31 million units. Looking at the year's top selling albums thus far, last year, 31 albums had scanned more than 200,000 units by the end of the first quarter; while this year so far only 17 have done so. The "Frozen" soundtrack leads the way with scans of 1.5 million units.

Moving over to track sales, Pharrell Williams' "Happy" is the top-selling digital song, with 3.6 million scans. So far this year 16 tracks have scanned more than 1 million units. Last year, 15 tracks hit that milestone, led by Macklemore & Ryan Lewis' "Thrift Shop," featuring Wanz, with 4.2 million units by the end of the first quarter of 2013. "Overall, there is still strong demand for people buying and streaming hits," says Nielsen Entertainment senior VP Dave Bakula. "It's the catalog and the bottom levels of the charts, where weakness is occurring."

Looking at genre sales, electronica was the only large genre -- which for this story Billboard defines as a genre with more than one million unit album scans -- to post a gain, with a 2.7% increase, to 1.45 million units from 1.32 million units. Jazz didn't decline as much as the overall U.S. album market, as the genre posted an 8.5% decrease. Classical -- with a 33.3% decline to 1.4 million units -- and pop -- with a 28.6% decline to 4.6 million units -- both had the weakest showing so far this year. The other large genres -- rock, R&B, country, and gospel/Christian -- were all down, ranging from 16%-19%. Latin was down nearly 21%. On the flip side, when looking at tracks, Latin had the best showing of the genres tracked by Billboard for this story, suffering only a 2.5% decline to 1.8 million song downloads, followed by R&B, which declined 8.6% to nearly 63 million downloads. Rock, pop and country were each down, respectively 15.8%, 8.5% and 16.9%.

Moving over to music merchandisers, the Universal Music Group posted 38.8% in albums plus TEA, versus the 37% it had in the first quarter of 2013. That gives UMG a commanding lead over the 28.4% chalked up by Sony Music Entertainment, from the 29.9% it had at the end of 2013's first quarter. But within Sony Music, Columbia remains the No. 1 U.S. label with 8.05% in album plus TEA marketing share, including ChristianScan album counts.

Finally, for the first time in recent memory, all different store types posted declines, with chains and mass merchants suffering the biggest hits with 24.4% and 24.5% declines respectively, to 7.5 million units and 14.1 million units for the first quarter. But download stores also had a big decline, 14.2% to 27.8 million units, suffering a reversal in fortune after a decade of gains. Also, non-traditional CD merchants also posted a slight decline of 2.9% to 8 million units while indie stores were down 16.6% to 4.1 million units.

Special thanks for contributions by:

Barry Bergman, Steve Garvan, Steven Scharf, and compiler/editor Jack Bookbinder.

WWW.MMFUS.COM