

MMF-US – E-NEWSLETTER (February 2016) - - *Extra MMF-US FEATURE*

MMF-US MEMBER/MANAGER NEWS:

MMF-US at AIMP Music Technology Summit



MMF-US board member **Jerry Lembo** attended the AIMP.org sponsored Music Technology Summit in NYC on February 10, 2016. The Association of Independent Music Publishers (AIMP) hosted its inaugural Music Technology Summit - a unique opportunity for Music Publishers, Record Labels and all industry professionals. The speed networking event provided attendees with an opportunity to meet with technology companies demonstrating their businesses and technologies in 10 -15 minute intervals.

The Technology companies represented were:

- Synch Tank* (synchtank.com)
- Songtrust* (songtrust.com)
- Royalty Solutions* (royaltysolutionscorp.com)
- Nielsen* (nielsen.com)
- Vistex (f/k/a Counterpoint)* (visited.com)
- Tuneteams* (tuneteams.com)
- Rumblefish* (rumblefish.com)

#IRESPECTMUSIC



Blake Morgan, Karoline Kramer-Gould, the Honorable John J. Conyers, Jr.

Karoline-Kramer Gould and Blake Morgan had the honor of discussing the importance of the [Fair Play Fair Pay Act](#) with Representative John J. Conyers, Jr., Dean of the House of Representatives and Ranking Member of the House Judiciary Committee. Blake posted this about their meeting with Ranking Member Conyers:

When you stand with [Congressman John Conyers, Jr.](#), you stand with American history itself. When he stands with you, it is beyond moving, and beyond powerful. He is the only member of Congress ever endorsed by the Rev. Martin Luther King Jr.

Rep. Conyers told us "It's a pleasure to meet you, Blake and Karoline. Thank you for what you're doing for music."

He is courage, personified. I'm completely shaken. [#IRespectMusic](#)

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MEMBER/MANAGER ANNOUNCEMENTS:

MMF-US DUES

MMF-US membership dues for 2016 are due. Please take care of your payment today so the MMF can continue the vital work it has done for the past 23 years on behalf of managers and artists worldwide. We really need your support to continue our work. If you have already paid your dues in 2016, please disregard this notice.

To renew your MMF-US membership, please fill out all fields of the Membership Application online. <http://www.mmfus.com/join-and-renew/application>

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 card payment](#).

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

MMF-US

Attn: Barry Bergman

P.O. Box 419

New York, NY 10156

If you have any questions regarding payment of dues, please contact President Barry Bergman at barry@mmfus.com

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.

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MESSAGE FROM OUR FRIENDS at FOLK ALLIANCE:

We are again asking for your help with an issue that has been at the forefront of Folk Alliance International's mission in recent months—the passage of H.R. 1733, the Fair Play Fair Pay Act, that is now before the U.S. Congress. We believe this bipartisan bill, introduced last spring by Representatives Jerrold Nadler (D-NY) and Marsha Blackburn (R-TN) and co-sponsored by Congressmen John Conyers, Jr. (D-MI) and Ted Deutch (D-FL), requiring all forms of radio, digital, satellite and AM/FM pay fair market value for music performances is both needed and long overdue. As stated in our April email to membership, after careful consideration the FAI Board of Directors voted to endorse The Fair Play Fair Pay Act and now that this bill is likely to come to a vote this year, we encourage you to get involved and speak out, too.

Why is this Bill important? It brings consistency to the laws governing royalty payments for airplay. Today, the U.S. doesn't pay artists or the copyright holders of a recording when their songs are played on commercial AM/FM radio stations - the only ones getting paid for those broadcasts are songwriters and publishers. However, satellite and other forms of digital radio have been paying performers and master owners for years. **The Fair Play Fair Pay Act will compensate performers and master owners fairly for their work and pay them every time their music is played on every radio format.** In addition, this legislation also requires the payment of royalties for sound recordings made before February 15, 1972 and protects songwriters and publishers by clearly stating that nothing in it can be used to lower songwriting royalties. The legislation also includes provisions to protect small, local, and public broadcasters from undue hardship by capping the royalty rates for stations with less than \$1 million in revenue at \$500 a year. Noncommercial stations will pay even less in yearly royalty payments.

Despite Congressional gridlock, conversations about this historic legislation to reform musician's pay are heating up in Washington and members from both sides of the aisle are paying close attention. It is crucial that we voice our support for this bill and let Congress know that H.R. 1733, The Fair Play Fair Pay Act of 2015, must be passed. Activism and social change are in the DNA of folk music and it is time that we unite and mobilize to create reforms to better the lives of all musicians.

Folk Alliance International considers this legislation a top priority and has joined with the MusicFIRST Coalition, Rosanne Cash, Tom Paxton, Bonnie Raitt, Harry Belafonte, Dar Williams and other music creators to show our support for the bill. **We urge you to learn more about H.R. 1733** and write your member of Congress today to let them know why the Fair Play Fair Pay Act of 2015 needs to become law.

- Read our synopsis of the bill on our [website](#).
- Learn more about the bill through the [MusicFIRST Coalition](#) and write your local representative.
- Join the conversation online – check out MusicFIRST's [Facebook](#) page and [Twitter](#) handle and use the #FairPlayFairPay hashtag to sound your support.
- Most importantly, ask your friends and fans to show their support through social media, email, and old-fashioned word of mouth.

We believe it is vital for all music creators to be compensated for their work. We hope you will add your voice to this conversation and help us support H.R. 1733, The Fair Play Fair Pay Act.

Please Note: Ted Kalo (Executive Director of MusicFIRST) will be in attendance at the 28th annual FAI Conference and will speak about the FPPF Act as part of a panel presentation entitled Navigating DC on **Friday Feb. 19th at 1pm in the Washington Park Ballroom.**

Thank you!

Board of Directors

Folk Alliance International

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MUSIC MANAGERS FORUM-US CLIENT NEWS:

MMF-US MEMBERS: PLEASE SUBMIT YOUR CLIENT NEWS

(for consideration to share via our trade association)

TO: INFO@MMFUS.COM

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MMF-US President **Barry Bergman** submitted this link and Youtube video of his client **Billy Harvey** who released a new lyric video called "Party House" from his record DEAR DANGER – over 15,000 views at [Billy Harvey Facebook!](#)

<https://youtu.be/WQFS1TMBqNI>



Party House Billy Harvey Lyric Video

This song can be found on my record DEAR DANGER, available here...
<https://itunes.apple.com/us/album/dear-danger/id999691585>

YOUTUBE.COM

CLICK IMAGE TO WATCH VIDEO VIA YOUTUBE

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MMF-US Board member **Jack Bookbinder** shares that his client [OURS](#) will release the song “*Stronger*” on the new **Transformers** Soundtrack, as [reported in Billboard Magazine](#) on February 9, 2016. Bookbinder’s company Fun Palace Entertainment started representing OURS back in 1997 with a working relationships lasting over 20 years.

Release Info: Hasbro Studios and Sony Music Entertainment will release a new album of music entirely inspired by the *Transformers* franchise [Transformers Roll Out](#) will be released April 15 with pre-order starting Tuesday (Feb. 9). Fittingly, upon its release, limited edition CD and vinyl will be offered exclusively through FYE stores.

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REMEMBERING DAVID BOWIE and his MUSIC BUSINESS PRACTICES:

David Bowie's Financial Legacy: Bowie Bonds Pioneered An Exotic Investment Option

Posted by [The Street](#) on January 11, 2016

David Bowie’s musical legacy is unquantifiable and profound, but his most daring financial experiment had fewer ripple effects. The “celebrity bond” industry remains a somewhat exotic option nearly two decades after the creation of “Bowie Bonds.”

In 1997, Bowie, born David Robert Jones, securitized revenue from 25 albums (287 songs) released before 1990. At the same time, he swapped distribution rights on his back catalogue for a \$30 million advance on future royalties in a deal with EMI. The 10-year “Bowie Bond” he created with banker David Pullman promised a 7.9% return and raised \$55 million, along with a media frenzy. A flurry of other artists followed, but the Bowie Bonds skidded toward junk status by 2004, downgraded by Moody’s from A3 to Baa3.

The Bowie Bonds were purchased by Prudential Insurance Company of America in 1997, and Prudential sold off the Bowie Bonds with its 2003 sale of Prudential Securities to Wachovia Securities, which in turn was merged with Wells Fargo on Dec 31, 2008. A company spokesperson for Wells Fargo couldn’t immediately confirm what happened to the asset after that.

“I think these celebrity bonds totally lost favor,” said Barry Bergman, president of the U.S. chapter of the Music Managers Forum, an organization that advocates for artists’ and managers’ business interests. “I haven’t heard much about any of these things in years. I heard from people in the industry that these deals were not what they appeared to be. They seemed to have all kinds of things attached to them, provisions to take care of the recoupment, that ultimately hurt the acts.”

Other novel approaches to monetizing music have also come to be eyed cautiously. Parviz Omidvar of Royalty Advance Funding makes loans based on artists' catalogues and criticizes bonds are too rigid for the unpredictable revenue streams of music. "Music is an intangible asset, so there's no good recording system like there is in real estate to know who has what claim to the collateral," he said. But Omidvar conceded that complexity means "I wouldn't say our loans are straightforward and traditional, because 99.99% of lenders wouldn't touch the loans we make."

There are other benefits in terms of flexibility, and Royalty Advance Funding does its due-diligence by talking to the music industry players to look at the income stream and see what they're trying to accomplish before structuring around their needs. Of course, that hasn't stopped some artists from suing, but he's dismissed those suits in media as "buyer's remorse."

Anyone introducing a new financial service in the music industry will encounter tripwires of distrust. The music industry has long been notorious for profiting financiers far more greatly than artists; African American pioneers of rock and jazz in particular often died in poverty or after litigation over exploitative contracts. But in the Bowie case, celebrity bonds don't seem to have failed the artist as much as investors. The financial product might have been swiftly overtaken by technology. The ink had barely dried before online music sharing rose to threaten recording revenue.

Pullman told *TheStreet* that he remains bullish on celebrity bonds. "The Bowie Bonds never missed a payment," said David Pullman. He declined to comment on the current status of the bonds, comparing it to revealing details about a person's mortgage. He admits that introduction of this new form of securitization was "a roller coaster." "This is the most complex area in the business I've ever seen," Pullman said. He's been repeatedly in court suing Prudential Insurance, Royal Advance, and former partners over the years with financial and intellectual property claims. Lessons learned, according to Pullman. "This is not cookie cutter process," he said. "Doing one doesn't make the next easier. They take six months to a year to do, and then people will attempt to copycat."

He now views artist catalogues "like redwood trees," he said, given how long they take to grow and are irreplaceable. But the maturing of online music sales has restored his faith in the mechanism. While Youtube and other platforms for consuming music don't carry fees, they aren't free. Artists, representatives, and publishers can factor in payments from subscription radio, advertiser-supported streaming services, and other outlets, and likely losses from piracy, before issuing bonds, he said. "Everything you hear, someone paid for that," he said "It's just a matter of tapping into that." Artists can also narrowly specify a revenue stream, like radio broadcast, to securitize, he said. "Music interest has never waned; it's only increased," Pullman said. "What changed is that people got nervous."

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MANAGER / MUSIC INDUSTRY NEWS



Amazon Readies Full Service Music Streaming Service To Take On Spotify, Apple Music

Posted by Encore: Celebrity Access News: February 1, 2016

SEATTLE, WA – Despite Amazon's aggressive push into video and ongoing efforts to serve as the hub of anything consumers want, their moves in music have been guarded. Amazon's music streaming service, available free with a Prime subscription, though building momentum, offers a fraction of most competitors' 30 million tracks. That appears about to change.

Amazon's Vice President of Digital Music, Steve Boom, is reportedly meeting with music executives to obtain the rights to launch a subscription music service that goes well beyond Amazon's current Prime Music offering. The new Amazon streaming music service would launch in the Fall and carry a \$9.99 per month charge, sources tell the New York Post. A \$2-\$4 per month discount bundled with Amazon's Echo is reportedly under discussion.

Like Apple's move into streaming, Amazon's entry comes with multiple advantages over Spotify including existing consumer trust, bundled billing and millions of credit cards on file. *"The music industry wants to see all the tech giants fighting it out to try and really take streaming to the mainstream,"* an industry insider told the Post.

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Music festival promoter SFX files for bankruptcy protection

Posted by [The Washington Times](#) - Monday, February 1, 2016

NEW YORK (AP) - The company behind the Electric Zoo and Tomorrowland music festivals has filed for Chapter 11 bankruptcy protection. New York-based SFX Entertainment Inc. says, however, that its festivals and events will continue as planned. Filing for Chapter 11 bankruptcy protection allows companies to reorganize their debt while they keep their businesses operating. As part of its agreement with bondholders, SFX will eliminate more than \$300 million in debt from its balance sheets and be turned into a private company.

Shares in SFX had fallen steadily since they debuted on the Nasdaq market at \$13 apiece in 2013. The company promotes electronic dance music events around the world, including Mysteryland and Life in Color. It also operates Beatport, an online music store for electronic dance songs. In the past year, SFX's chairman and CEO Robert Sillerman tried unsuccessfully to buy the company and take it private. Sillerman said Monday that he will remain as chairman of SFX, but said the search is on for a new CEO.

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Warner Music Group Corp. Reports Results for Fiscal First Quarter Ended December 31, 2015

- [reported by Warner Music Group](#) on February 4, 2016
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- **Total revenue grew 2.4%, up 11.1% on a constant-currency basis**
- **Digital revenue grew 18.0%, up 25.2% on a constant-currency basis**
- **OIBDA was \$137 million versus \$102 million in the prior-year quarter**
- **Net income was \$28 million versus a net loss of \$41 million in the prior-year quarter**
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Warner Music Group Corp. today announced its first-quarter financial results for the period ended December 31, 2015.

"We delivered another strong quarter, thanks to great music from our artists and excellent execution from our worldwide team," said Stephen Cooper, Warner Music Group's CEO. *"Subscription streaming is a major driver of*

our growth and streaming revenue remains on a trajectory to become our largest revenue source.” “We achieved robust growth in revenue, OIBDA, margin and cash flow,” added Eric Levin, Warner Music Group’s Executive Vice President and CFO. “I am also pleased with our recently announced plans to redeem \$50 million of our senior notes with cash on hand, which will further strengthen our balance sheet.”

Total WMG

Total WMG Summary Results (dollars in millions)

	For the Three Months Ended December 31, 2015 (unaudited)	For the Three Months Ended December 31, 2014 (unaudited)	% Change
Revenue	\$ 849	\$ 829	2%
Digital revenue	348	295	18%
Operating income	62	23	-
Adjusted operating income ⁽¹⁾	62	37	68%
OIBDA ⁽¹⁾	137	102	34%
Adjusted OIBDA ⁽¹⁾	137	116	18%
Net income (loss)	28	(41)	-
Adjusted net income (loss) ⁽¹⁾	28	(27)	-
Net cash provided by operating activities	61	35	74%

(1) See "Supplemental Disclosures Regarding Non-GAAP Financial Measures" at the end of this release for details regarding these measures.

Revenue grew 2.4% (or 11.1% in constant currency). Growth in Recorded Music digital, licensing and artist services and expanded-rights revenue as well as growth in Music Publishing digital revenue was partially offset by declines in Recorded Music physical revenue and Music Publishing mechanical, performance and synchronization revenue. On a regional basis, as-reported revenue grew in the U.S., Latin America and Asia, offset by currency-related declines across Europe. Digital revenue grew 18.0% (or 25.2% in constant currency), and represented 41.0% of total revenue, compared to 35.6% in the prior-year quarter. Streaming revenue growth more than offset declines in download revenue.

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Details of ‘Happy Birthday’ Copyright Settlement Revealed

Posted by BEN SISARIO of the [New York Times](#) on February 9, 2016

In a coda to one of the most notable music copyright lawsuits in years, the Warner Music Group has agreed to pay \$14 million to settle claims over “Happy Birthday to You,” after a judge ruled last year that the company’s long-claimed copyright to the famous song was invalid. Warner Music, through its publishing subsidiary Warner/Chappell, agreed after mediation to pay the settlement to a class of “thousands of people and entities” who had paid licensing fees to use the song since 1949, according to filings in federal court on Monday.

The terms of the settlement, which are subject to approval by the judge in the case, George H. King of United States District Court in Los Angeles, call for the judge to declare “Happy Birthday” part of the public domain.

The settlement would also grant \$4.6 million in fees to the lawyers for the plaintiffs, a group of independent artists and filmmakers who filed separate suits in 2013 that were later combined.

“Happy Birthday,” which the suit calls “the world’s most popular song,” can be traced to another tune with the same melody but different lyrics: “Good Morning to All,” written by Mildred Hill and her sister Patty, a kindergarten teacher in Kentucky, which was published in 1893. Variations with the familiar birthday lyrics began to appear in the early 20th century, but their authorship was uncertain. Warner/Chappell had controlled the song since 1988, when it acquired the song’s last publisher.

The “Happy Birthday” case was closely followed in the music industry and among copyright specialists in part because of the song’s popularity and the value of its royalties, which have been estimated at about \$2 million a year. The suit included developments like the last-minute discovery of a yellowed songbook from 1922, which the plaintiffs’ lawyers called “a proverbial smoking gun” because it included a version of the popular birthday song without proper copyright notice.

After the judge determined in September that Warner’s copyright was invalid, the parties were to go to trial. They announced in December that they had reached an agreement, the terms of which were confidential until the filing on Monday.

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Special thanks for contributions by:

Barry Bergman, Steve Garvan, Jerry Lembo and compiler/editor Jack Bookbinder.

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