

MMF-US - E-NEWSLETTER (March 2011) - Extra MMF-US FEATURE

MEMBER/MANAGER ANNOUNCEMENTS



Music Manager Forum-US presents the SXSW Managers Peer Meeting

To All Registered Managers Attending South By Southwest:

You are cordially invited to a special, closed-door Managers Peer Group Meeting at South By Southwest 2011, to be held Saturday, March 19th from 3:30PM-4:30PM in Room 10C of the Austin Convention Center. Like last year, this meeting is an opportunity for like- minded professionals to meet and exchange ideas and suggestions on a variety of issues. We hope you will take advantage of this unique opportunity. Please be advised you must be registered at SXSW to gain admission to the Convention Center, and you will need the enclosed invitation in order to gain admission to the peer group meeting. For additional conference events, check our web site, http://www.sxsw.com. We look forward to seeing you in Austin.

Best regards,

Steven Scharf President, Steven Scharf Entertainment/ Sr VP Creative, Carlin America Inc. VP, Music Managers Forum - affiliated with The International Music Managers Forum

Andy Flynn, Music Panels Chief South By Southwest Music Conference

Brief recap from SXSW-2010:

In 2010, the managers peer group meeting was filled with managers from eleven different countries including Italy, Germany, Mexico, United Kingdom, New Zealand, Malaysia, Australia, Canada, Netherlands, Barbados and the United States. The international flavor of the group however reinforced that managers everywhere are dealing with the same issues amidst the profound changes in the music business, and the great need for our managers trade group to come together for support, all under the umbrella of IMMF (www.immf.com).



If you're learning about FM for the first time, FM is a music industry networking night. FM Stands for First Monday so everyone knows exactly when in the month the event is (although people do sometimes still ask when the next one is!).

It's not stuffy in any way; no badges or bossy organisers - if it was like that, we wouldn't come !!

FM is a very relaxed get together with people from the industry, in a bar, all there to meet other people in the industry and possibly do business. And it's totally free. So much business is now done by email and online, we wanted to do things on a more personal level.

People who come are; MANAGEMENT – LABELS – ARTISTS – PROMOTORS – PUBLISHERS – PRODUCERS – LAWYERS – ACCOUNTANTS – PHOTOGRAPHERS – VIDEO PRODUCERS – CHARITIES – TRADE BODIES SUCH AS MMF, BPI, AIM, MPA ETC, UKI TRADE AND INVESTMENT AS WELL AS STUDENTS LOOKING FOR INTERNSHIPS

THE NEW <u>WWW.MMFUS.COM</u> IS COMING!!!

www.mmfus.com will be new and improved in 2011 with updated sections including:
*NEWS (with linked feeds)
*INDUSTRY SPOTLIGHT
*ABOUT THE MMF
*RESOURCES
*MEMBERS ONLY AREA (including a Discussion Form)

This new and interactive website for the Music Managers Forum-US will request your input, member news and content, and you can submit to <u>info@mmfus.com</u>

Special thanks to President Barry Bergman and Board Member Justin Seidenberg for their hard work and oversight of a completely new website.

Berklee College of Music and MIDEM present the



Examining the business and rights challenges facing the music industry in the digital era. Formulating solutions to promote the creation and distribution of new music and other creative works.

To register and for more information, visit www.rethink-music.com.

Register Early and Save (and mention you are an MMF-US member)!

- \$795 Standard Rate until April 15, 2011
- \$995 On-site

IN ASSOCIATION WITH

KEY OUTCOMES YOU CAN EXPECT FROM THE CONFERENCE

• Meet the Creators – Artists are at the center of the Rethink Music event, not only as engaging speakers but also as true entertainers during high-level showcases. From artists exploring most relevant models to connect with fans to special artist's case-studies and internationally renowned headliners, a unique occasion to hear them on stage!

• Learn from the Academy – Highly respected researchers, professors, and thought-leaders from Berklee College of Music, Harvard Law School, and Harvard Business School will share their vision about new business and rights models for tomorrow's music industry.

• Win Awards – The conference is soliciting white papers from educators, students, and the public, dealing with the economic systems and business models for music copyright and copyright policy. Berklee College of Music will award \$50,000 to the best new music business model. Berkman Center will manage a call for papers seeking policy proposals that recommend changes to existing U.S. law.

AMONG THE SPEAKERS*

Rio D. Caraeff, President and CEO, Vevo Don Gorder, Chair, Music Business/Management Dept, Berklee College of Music Richard Gottehrer, Founder and Chief Creative Officer, The Orchard David Israelite, President and CEO, NMPA Mark Kates, Owner, Fenway Recordings Joe Kennedy, President and CEO, Pandora Dave Kusek, VP, berkleemusic.com Lawrence Lessig, Professor of Law, Harvard Law School Zahavah Levine, Director of Content Partnerships, Android Jim Lucchese, CEO, Echonest Amanda Marks, EVP/General Manager, Universal Music Distribution Charles Nesson, Professor, Harvard Law School Felix Oberholzer, Professor, Harvard Business School MaryBeth Peters, U.S. Register of Copyrights (Former) Ralph Peer, CEO, Peermusic Mark Piibe, Executive Vice President, Digital Business Development, EMI Tom Rubin, Chief Counsel for Intellectual Property Strategy, Microsoft Steve Schnur, Worldwide Executive/Music, Electronic Arts Cary Sherman, President, RIAA Tom Silverman, CEO, Tommy Boy Entertainment *For a full list of speakers, visit www.rethink-music.com

eakers confirmed! Look who's coming to Rethink Music:

30



araeff, Vevo





Marks, Universal



IN Conyers, Jr., ressman & Ranking the Judiciary Committee



ave a question, please contact:

ation - alex.mallett@reedmidem.com or +1 (212) 284 5132

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SXSW Panel including MMF-US's Perry Resnick

Panel: Are You Owed International Music Licensing Revenues?

Day: March 17, 2011 Place: Austin Convention Center Room: Room 13AB Time: 12:30 PM

Moderator: Keith Harris - Director of Performer Affairs PPL UK (former MMF UK President)

Panelists: Perry Resnick – RZO Laurence Oxenbury – Director of International PPL UK Gemma Kenyon – Membership Development PRS For Music Chris Carey – Economist PRS For Music

MUSIC INDUSTRY NEWS & ANNOUNCEMENTS OF INTEREST TO MMF-US MEMBERS:

SoundExchange Names Huppe President



Michael Huppe

SoundExchange's Board of Directors announced today that longtime Executive Vice President and General Counsel **Michael Huppe** will be the nonprofit's new President.

Huppe succeeds former head **John Simson**, who announced his intention in July to return to creative work, ending his ten-year stewardship of the non-profit he had led since its inception.

In recent years, Huppe directed SoundExchange's approach to rate-setting proceedings and a series of business-positive agreements with industry services, including much-publicized accords with webcasters.

Previously, he served as Senior Vice President for Business & Legal Affairs and Deputy General Counsel with the RIAA.

SoundExchange had record-high distributions in 2010; evidence of the group's expanding role and importance in the industry.

Live Nation Wheelin' And Dealin'

Posted: March 8, 2011

LOS ANGELES (VIP NEWS) -- In addition to its merger with Ticketmaster in January 2010, Live Nation Entertainment aggressively expanded its footprint through 14 other deals last year, according to details listed in the company's 2010 annual report. Not all of the deals were publicized, and some details of others were not known until the report was issued on Monday.

In the months following the merger, Live Nation invested in management companies, promotion companies, a ticketing company, a venue owner and operator, and a company that sells photographs. Involving companies on three continents, the deals range from Gellman Management, which handles country act Sugarland, to Haymon Ventures, with which Live Nation is co-producing Lil Wayne's "I Am Still Music Tour 2011." The deals vary by level of ownership. In five of the deals, the company acquired a stake in the company for the first time. In two of them, Live Nation acquired the remaining stake. It

upped its existing ownership stake in four of the deals and bought 100% of the company in three of the deals.

According to Billboard Live Nation completed deals with the following management companies in 2010:

-- A 50% stake in U.S.-based Gellman Management, manager of country act Sugarland.

-- The remaining 50% stake in Career Artist Management, which manages Maroon 5, Sara Bareilles, Barenaked Ladies, Collective Soul, Taylor Hicks, Breaking Benjamin, Megadeth, Vanessa Carlton, Stone Temple Pilots and Anthrax.

-- A 50% stake in SME Entertainment Group, a Los Angeles-based agency that provides talent and production for corporate events and private parties. The joint venture was announced in October. Live Nation chairman Irving Azoff is the CEO of the joint venture. SME founder and president Corey E. Shapoff is its president.

-- A 40% stake in B.A.D. Management. Announced in October, B.A.D. Management is a venture between Front Line Management, Scott Borchetta (Big Machine president and CEO) and Virginia Davis, manager of the artist Jewel. Based in Nashville, B.A.D. manages Jewel, Steel Magnolia and Edens Edge.

-- A 50%, non-controlling stake in Three Six Zero Group Limited. In January, UK-based Three Six Zero and Roc Nation, Live Nation's joint venture with Jay-Z, announced they have a deal to represent each other's acts in their home countries. Three Six Zero artists include DeadMau5 and Calvin Harris. -- 100% of U.S.-based Marcy Musik Management

On the promotion and live events side of the business, Live Nation also did the following six deals: -- Acquired the remaining 49% stake in Live Nation-Haymon Ventures, which is producing Lil Wayne's 2011 North American tour

-- Acquired a 24.5% stake in Live Nation France Festivals, the producer of Main Square Festival in France, raising its ownership to 75%

-- Acquired 100% of Live in Italy, an Italian company that promotes and sells hard rock and metal events and promotes the largest heavy metal festival in the country, the Gods of Metal -- Acquired a 30% stake in Amsterdam Music Dome Exploitatie B.V., raising its total to 81%. The venue is expected to open this year in the Netherlands.

-- Acquired a 17.3% stake in Live Nation Middle East FZ-LLC, raising its total to 82.3%. The Dubaibased promotion company was formerly named Mirage. Live Nation acquired a 65% stake in the company in February 2008.

-- Acquired an 83% stake in Get Live 2, raising its total to 93%. This joint venture owns Parcolimpico, which manages venues in Turin, Italy.

There were two other acquisition deals in 2010. One was a 50% non-controlling interest in Rock, Paper, Photo. A job posting at LinkedIn describes the company as "a soon-to-be-launched e-commerce platform dedicated to the world's finest fine arts photography" that is "backed by powerful industry partnerships."

In addition, Ticketmaster acquired Ticketnet, the second largest ticket retailer in France, in a deal that was announced in November.

Finally, the company gave details on three divestitures in 2010: Paciolan, which was sold at a \$5.2 million loss to Comcast-Spectator as a condition to gain regulatory approval of its January 2010 merger with Ticketmaster; Cirkus, a music theater in Sweden, for a \$3.1 million gain; and Pleasure PAAS Party, an indoor Latin/salsa event in Sweden, and the associated Pleasure Magazine.

*According to Billboard



Fred Fellowes To Bring New Festival To New York

Posted: March 10, 2011

SOUTHAMPTON, NY (CelebrityAccess MediaWire) -- One of the UK's top festival producers, Fred Fellowes is teaming up with the

Cake Group, Dave Lory Productions, Workman Entertainment, Serious Business PR & Silkstone NYC to stage a festival in New York this summer. The festival, named "Escape to New York", will be held at the The Shinnecock Reservation in Southampton on the southern coast of Long Island, New York from August 5th through 7th.

While no lineup has yet been announced, organizers are promising "some of the best break out and emerging music" along with a high level of production with amenities that include high-end camping, experimental theater and interactive art installations, traditional Shinnecock arts and crafts as well as Sunday brunch

Fellowes, AKA the 'Head Gardner' is well-known for his UK festival, The Secret Garden Party. Considered to be one of the UK's top festivals, the event has been held since 2004 on the grounds of an estate in Huntingon, England. The highly-rated festival was headlined in 2010 by Gorillaz Sound System, The Whip, Infadels, Fenech-Soler and the Mystery Jets.

Tickets for the event will go onsale April 1st so expect a lineup and more information to be forthcoming in the near future.

- CelebrityAccess Staff Writers

Warner Tests Renting Film on Facebook for Web Cash

By MIGUEL HELFT and BROOKS BARNES

Published: March 8, 2011

<u>Warner Brothers</u> became the first major media company to offer a movie for rent on <u>Facebook</u>, a move that could position the social network to become a force in the digital distribution of movies, rivaling services like <u>Netflix</u> and iTunes.



Warner Brothers Pictures

Heath Ledger as the Joker in "The Dark Knight," which Warner Brothers will rent to American users over Facebook for the equivalent of \$3 in Facebook's currency.

Warner said on Tuesday that it would allow Facebook users in the United States to rent the film "The Dark Knight" directly on the social networking site, and pay for it using Credits, Facebook's virtual currency. If other studios make similar moves, Facebook could tap a significant revenue stream, bolstering its Credits currency as it seeks to create a rival to PayPal and other payment systems. Warner said it might make other movies available on Facebook over time.

"This is definitely a test," said Thomas Gewecke, president of Warner Brothers Digital Distribution, in a telephone interview.

While some analysts saw the move as a danger to Netflix — a threat investors seemed to take seriously as shares of Netflix dropped more than 5 percent on Tuesday — others said that for Facebook, which is already one of the most popular places to watch videos online, the payoff from Warner's move might be more in the expansion of its online currency.

"I think this is much more about payments than about movies," said Alex Rampell, the chief executive of TrialPay, an advertising company that offers free Facebook Credits to people who buy certain products. Mr. Rampell said that millions of Facebook users were using Credits to pay for virtual goods inside games like FarmVille and Mafia Wars. "It seems like a logical step to use the currency to pay for movies," he said. Facebook began testing Credits in virtual games nearly two years ago. But the company, which keeps 30 percent of all transactions conducted through Credits, has <u>made it clear</u> that it wants to turn its virtual currency into a payment mechanism for all sorts of digital goods.

To expand the use of the currency, Facebook last year began selling Credits through prepaid gift cards at <u>Wal-Mart</u>, <u>Target</u> and <u>Best Buy</u>. Earlier this year, it opened up Credits to all application developers on Facebook. Warner appears to be the first major media company to take advantage of the service to charge for content. Facebook said that more than 400 developers were already using Credits. "We're looking forward to seeing the new and interesting ways that developers and partners use Credits to offer virtual and digital goods in the future," Jonathan Thaw, a Facebook spokesman, said in a statement. Like other Hollywood studios, Warner is racing to figure out how to deal with two significant problems: piracy and plummeting DVD sales, both of which are growing worse as broadband access spreads across the globe. The industry's best hope for a solution is to make more content available for digital purchase on more platforms.

But Hollywood is also fretting that certain delivery systems — particularly Netflix, with its rapidly growing streaming service — are becoming too powerful. If Warner's go-straight-to-the-fans Facebook experiment is successful, it could be a way of skirting those middleman distributors.

It chose the "The Dark Knight" in part because a related Facebook page run by the studio has a robust four million fans. The rental costs \$3, or 30 Facebook Credits. For now, Facebook is hardly a rival to online movie rental services, and it is not clear if the company plans to become one. It did not specifically help Warner and has not signed a licensing or distribution deal with the studio. And even if other studios follow Warner's lead, Facebook lacks a feature for users to find movies. But some analysts said that Facebook could eventually inch its way more aggressively into the movie rental business. "On a longer-term basis, we think that Facebook could become a credible threat" to Netflix, Ingrid Chung, an analyst with <u>Goldman Sachs</u>, wrote in a note to investors. Ms. Chung noted that for now, however, Facebook "lacks content, does not have wide distribution across devices that connect to the living room TV, has few people on the payments platform."

Warner's Mr. Gewecke is bullish on another experiment, this one involving the sale of movies through a newly introduced <u>iPad</u> app. Warner now offers "App Editions" for two films, "The Dark Knight" and "Inception." Rather than gaining access to the films through iTunes, consumers instead download a free app, which lets them buy the movies for unlimited streaming. The app route is significant because it allows Warner to sell "Inception" and "The Dark Knight" in 23 countries where iTunes does not currently operate a video store — including fast-growing and highly pirated markets like China and Russia. "This platform allows us to experiment with an early version of what you might call a 'connected movie' — the ability for us to offer new extras over time as updates," Mr. Gewecke said. "We think that is a great way to add more value to the digital ownership experience," he added.

Mog, the Digital Music Service, Takes Aim at the TV and the Car

By <u>BEN SISARIO</u> Published: March 7, 2011

The next frontier for digital music is not a tablet or a smartphone, but two items that have been part of everyday life for decades: the car and the television set.



Jim Wilson/The New York Times

Drivers of BMW Mini cars will be able to access Mog through their smartphones.



Jim Wilson/The New York Times

Mog's TV app on a flat-screen at the company's Berkeley, Calif. headquarters.



Jim Wilson/The New York Times

David Hyman, Mog's founder, said "the car is the holy grail" for digital music companies because it was where people did most of their listening.

Enlarge This Image



Jim Wilson/The New York Times

Mog's cellphone app.

For years, digital music has been confined mostly to traditional computers and phones. But that limitation is slowly disappearing as the market shifts toward cloud services, which stream content from remote servers, allowing anything with an Internet connection — like smart TVs or Blu-ray players — to become portals for vast libraries of entertainment.

One music streaming service, Mog, is counting on this change to draw new subscribers and help it stand out in a crowded field. On Tuesday, the company will announce a string of deals that could introduce it to millions of potential new customers. LG, Samsung and Vizio will incorporate Mog into their Internetready televisions and other devices, and the service will become available on Sonos, a wireless system for managing music throughout the house.

And in what the company calls the first integration of an on-demand music service into a car, Mog will also become part of <u>BMW</u>'s Mini line. (On-demand streaming, unlike radio, lets you pick the songs you listen to.) More such deals are on the way, said David Hyman, Mog's founder. "When you are thinking about buying into a cloud-based music service," Mr. Hyman said, "I imagine you asking yourself, 'Can I use this on my phone? Can I use it in my car? Will it work in my new TV?' The value of these services goes up the more places consumers can access you."

Mog, based in Berkeley, Calif., was founded in 2005 as a social networking site. It changed in late 2009 into a subscription streaming service, offering 10 million songs at rates of \$5 a month for music on PCs alone, or \$10 for additional access through mobile devices. On new TVs and home theater systems, Mog will be a preinstalled feature, and in the Mini it can be activated by plugging in a smartphone. (Mog users paying \$5 will get access through their TVs, but the \$10 subscription is needed for Sonos and the Mini.)

Unlike MP3s, which a customer buys once and then possesses, music accessed through the cloud needs constant contact with the service that provides it, which means the service must be available everywhere its customers spend their time. And if you're looking for ubiquity, the first places to go are the living room and the car — both of which, analysts say, represent huge untapped markets for digital music. "I don't think anybody in the music industry quite grasps how much of an important opportunity lies in the living room," said Mark Mulligan, an analyst at <u>Forrester Research</u>. "And the window for that opportunity is closing ever more as every year goes by." In many homes, the Internet-ready television, preloaded with streaming services like <u>Netflix</u> and Pandora, is fast becoming a multipurpose entertainment hub. <u>Sony</u> has recently introduced its Qriocity service, which offers streaming music and movie subscriptions through Sony's connected devices like televisions and PlayStations.

"Home theaters and Blu-ray get a lot of attention when it comes to playing movies or TV shows, but music is a critical feature for those devices too," said Matthew Durgin, the head of smart TV for LG Electronics in the United States. "In a lot of cases we put the highest-quality speakers in the living room."

For subscription music services, the competition is intense and the rewards so far have been small. In addition to Mog, the field includes Rhapsody, Rdio and the remade Napster. Spotify, a European service, is expected to enter the American market this year. But relatively few customers have been willing to pay for streaming music. Rhapsody, online since 2001, has 750,000 users; Mog does not report its subscription numbers, but analysts estimate that they are much lower.

<u>Apple</u> and <u>Google</u> are also working on cloud-based music services, but they have been mum about their exact plans.

Mr. Hyman says he believes that the car, where people do a majority of their listening, could be digital music's biggest opportunity by far, capable of attracting millions of new subscribers. Pandora, the Internet radio service, is already in many cars, including the Mini, and 20 million subscribers pay for satellite radio from Sirius XM. But so far on-demand music has been unavailable. "The car is the holy grail," said Mr. Hyman. "I look at the satellite-radio market in America, with 20 million subscribers, and I don't see why we shouldn't be 20 million subscribers."

Mog's controls on the Mini are integrated into the dashboard's digital display, and activated by hooking up a smartphone through the car's Mini Connected system. The program connects to the Internet through the phone, but otherwise it is handled entirely through the standard dashboard controls. Only recently have car manufacturers been able to incorporate such new features, said Rob Passaro, a senior project manager at the BMW Group. "We interact with lots of cool technology companies, and the conversations we've always had over the years is: 'Hey, awesome service, we want to get it into the car. When can it happen?' 'Oh, in about five years,' "Mr. Passaro said. "Now we can move as quickly as the consumer tech industry on these things." To attract listeners who enjoy the sense of serendipity they get with Pandora, which creates custom music streams based on users' tastes, Mog has developed a feature that combines on-demand and radiolike service; when a digital slider is moved to one side, a stream of one artist's music will gradually filter in similar music.

"We want to be in all these places where consumers listen to music," Mr. Hyman said.



Atrinsic Doubles-Up Post Apple Annoucement

Posted: March 8, 2011

NEW YORK (AP) -- Shares of Atrinsic Inc. nearly doubled Monday after the company said subscribers to its Kazaa music service can stream music on the iPhone and iPad and by going to the Kazaa website — without downloading a special application and thus avoiding having to pay a cut of its monthly fees to Apple.

This, the company said, is "especially significant" in light of Apple Inc.'s recent announcement that it will keep 30 percent of revenue generated by new subscriptions or media purchases made by an iPhone or iPad app through the App Store. The Kazaa service is also available on Android devices without an app. A monthly subscription to Kazaa costs \$19.95. Thomas Plotts, Atrinsic's finance chief, said Kazaa has about 75,000 subscribers. Atrinsic also offers Internet search marketing services and offers other types of subscription-based content, such as online games.

Shares of New York-based Atrinsic surged \$2.71, or 91 percent, to close at \$5.69 on Monday. The stock hit a 52-week high of \$6.90 earlier Monday.

NOTE TO MMF-US MEMBERS:

For consideration of your news posts at <u>www.mmfus.com</u> and MMF-US's official social network pages established at Facebook & Myspace, MMF-US members are always welcome to submit press releases and news announcements concerning their management companies, special events, and artist achievements by sending an email to <u>info@mmfus.com</u>

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