

Music Publishing Questions

- What does Sony ATV do:
 - For their own business
 - Own underlying music (Michael Jackson)
 - Actively sell / administer (how many sales people)
 - For others
 - Actively sell and administer for a fee (Neil Diamond)
 - For us??
 - “Administer” – does this include a sales effort? Is SPE selling today as well?
- Is it possible to split-up responsibilities / assets in a sale
 - Sell income stream but still have ATV do sales and administration?
 - Does that mean you sold the underlying songs or just the publishing rights?
- How can a PE deal be structured to give them a tax advantage
 - They deduct the initial sale price but pay taxes on future income

Sony ATV registers the songs and cue sheets and collects funds in all territories. "Administering" our library does also include marketing the songs for use in other media (e.g., advertisements). He does not believe that SPE has any active sales effort against this.

That said, he believes the bulk of our revenues come from public performance fees - owed to us any time our movies and TV shows are played in movie theaters (outside the U.S. only) or on TV (globally) - which I expect requires little to no sales effort by Sony ATV. He could not think of an iconic film-based song that drives significant revenue outside public performance (as the Mission Impossible theme does from the Paramount library). But he did believe the WOF and Jeopardy themes generate revenue outside public performance.

As a film company, we acquire copyrights to musical compositions, largely score, some songs

We get a copyright interest in songs composed for our films, but don't own outright

Bulk of revenue from performance in theaters or on television

- WOF and Jeopardy may get some re-purpose revenue
- But generally

Most income from scores is public performance (right to show the movie in a theater or on TV, theater performance only get paid for outside the U.S.; TV paid in the U.S. as well)

- Sony ATV
 - Registers the songs and gets the cue sheets; shows who to pay
 - Collects all the money in all territories
 - Does pitch on our behalf, Peter not aware of Shelly selling anything (thinks ATV is exclusive administrator – collect, grant licenses, market, promote, look for oppty's)
 - Recoups advance, takes 10%
- Sony ATV
 - Bought Famous music
 - Owns paramount catalog that does get some re-use sales (like theme from Mission Impossible)

Deal renews every year, Sony ATV pays us a large advance every year

Music co – records music

Music pubs – own the music itself