

1 ***PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT***
2 ***INFORMATION THAT MAY AFFECT YOU***

3
4 **TO: ALL PERSONS WHO ARE MUSIC PUBLISHER-PRINCIPALS OF**
5 **THE HARRY FOX AGENCY, INC. (“HFA”) OR WERE MUSIC**
6 **PUBLISHER-PRINCIPALS OF HFA BETWEEN MAY 14, 2002 AND**
7 **JANUARY 29, 2007.**

8
9 Pursuant to Rule 23 of the Federal Rules of Civil Procedure, you are hereby
10 notified:

11 1. A class action lawsuit, Jerry Leiber, et al. v. Consumer
12 Empowerment BV a/k/a FastTrack, et al., Case No. CV 01-09923-SVW (FMOx), is
13 pending in the United States District Court for the Central District of California (the
14 “Leiber action”). It was brought on behalf of the class consisting of all persons who
15 are music publishers represented by The Harry Fox Agency, Inc. (“HFA”) that own
16 or control at least one copyrighted musical work that has been made available,
17 without their permission, through the online services of defendants MusicCity.com,
18 Inc. (now know as StreamCast Networks, Inc.) and MusicCity Networks, Inc.
19 (collectively “StreamCast”), Grokster, Ltd. (“Grokster”), and Kazaa BV f/k/a/
20 Consumer Empowerment BV (“Kazaa”) (collectively, the “Original Defendants”).
21 In July 2002, the lawsuit was amended to add Sharman Networks Limited, LEF
22 Interactive Pty Ltd., Niklas Zennstrom (“Zennstrom”), La Galiote BV, Janus Friis
23 Degnbol (“Degnbol”), and Indigo Investment BV as party defendants (collectively
24 with Kazaa the “Kazaa Defendants”), based on their operation and support of or
25 involvement with the Kazaa software and Internet service. The plaintiffs in the
26 Leiber Action seek injunctive relief and damages for copyright infringement.

27 2. Various record companies and motion picture studios also sued
28 the Original Defendants and the Kazaa Defendants in the United States District Court

1 for the Central District of California, in the action Metro-Goldwyn-Mayer Studios,
2 Inc., et al. v. Grokster, Ltd., et al., Case No. CV 01-08541 SVW (FMOx) (the “MGM
3 action”). The Leiber action and the MGM action were consolidated for discovery
4 and pre-trial purposes. The plaintiffs in the Leiber action and the plaintiffs in the
5 MGM action are sometimes referred to collectively herein as “Plaintiffs.”

6 3. On May 14, 2002, the District Court granted the Leiber plaintiffs’
7 motion for class certification. The class was defined as “all music publisher-
8 principals of HFA [The Harry Fox Agency, Inc.] that own and/or control at least one
9 copyrighted musical composition that has been made available without their
10 permission through” the services of the defendants.

11 4. Jerry Leiber, individually and d/b/a Jerry Leiber Music, Mike
12 Stoller, individually and d/b/a Mike Stoller Music, Peer International Corporation,
13 PeerMusic Ltd., Songs of Peer, Ltd., Criterion Music Corporation, Famous Music
14 Corporation, Bruin Music Company, Ensign Music Corporation, and Let’s Talk
15 Shop, Inc. d/b/a Beau-Di-O-Do Music were certified as representatives of the
16 certified class (collectively, the “Class Representatives”), and their counsel of record,
17 Paul Weiss, Rifkind, Wharton & Garrison LLP (“PWRW&G”) and Davis Wright
18 Tremaine LLP (“DWT”), were certified as counsel for the class (collectively, “Class
19 Counsel”). The addresses of PWRW&G and DWT are:

20 Paul, Weiss, Rifkind, Wharton & Garrison LLP

21 Carey R. Ramos, Esq.

22 1285 Avenue of the Americas

23 New York, New York 10019-6064

24 Telephone: (212) 373-3000

25 Facsimile: (212) 757-3900

26
27 Davis Wright Tremaine LLP

28 Kelli L. Sager, Esq.

1 865 S. Figueroa Street, Suite 2400
2 Los Angeles, California 90017-2566
3 Telephone: (213) 633-6800
4 Facsimile: (213) 633-6899
5

6 5. You have received this Notice because the records of HFA
7 indicate that you are currently one of its music publisher-principals, or were a music
8 publisher-principal of HFA between May 14, 2002 and January 29, 2007. The
9 purpose of this Notice is to inform you of the terms of a proposed settlement that has
10 been reached with the following defendants and other parties concerning the
11 operation of the Kazaa software and Internet service: Sharman License Holdings
12 Limited, Sharman Networks Limited, LEF Interactive Pty Ltd., Kazaa BV (f/k/a
13 Consumer Empowerment BV), La Galiote BV, Indigo Investment BV, Brilliant
14 Digital Entertainment, Inc., Brilliant Digital Entertainment Pty Ltd., Altnet, Inc.,
15 Joltid Ltd., Niklas Zennstrom, Janus Friis Degnbol, Kevin Glen Bermeister, and
16 Nicola Anne Hemming (collectively, the “Kazaa Parties”).

17 **SUMMARY OF THE ACTION AND PROCEEDINGS TO DATE**

18 6. The Amended Complaint in the Leiber action alleges, among
19 other things, that the Kazaa Defendants have violated the Copyright Act of the
20 United States by inducing, encouraging, materially contributing to, and profiting
21 from the unauthorized reproduction and distribution of copyrighted musical
22 compositions owned and/or controlled by the Class Representatives and members of
23 the class. The Kazaa Defendants denied the allegations of the Amended Complaint
24 and raised various affirmative defenses.

25 7. The Kazaa Parties have distributed software under the names
26 “Kazaa,” “Kazaa Media Desktop,” “KMD,” and “Kazaa Plus” (the “Kazaa
27 Software”), operated computer servers, and engaged in other activities, including
28 operating the “Kazaa.com” Internet website, to allow users of the Kazaa Software to

1 connect to and use computer networks to reproduce and distribute digital files
2 utilizing technology known as “FastTrack” (the “Kazaa System and Software”). The
3 Kazaa System and Software, among other things, enables and facilitates the exchange
4 of digital files, including copyrighted musical works owned by the plaintiff class.

5 8. In 2002, after engaging in extensive discovery, Plaintiffs and
6 defendants Grokster and StreamCast filed cross-motions for summary judgment.
7 Summary judgment is a legal device requesting the District Court to enter judgment
8 for one party as a matter of law based on the existence of facts that are undisputed.

9 9. On April 25, 2003, the District Court issued an order granting
10 Grokster’s and StreamCast’s motions for summary judgment and denying Plaintiffs’
11 motions for summary judgment. On June 18, 2003, the District Court issued an order
12 directing entry of partial final judgment in favor of Grokster and StreamCast and,
13 alternatively, certifying the April 25, 2003 order for immediate appeal. Plaintiffs
14 appealed the April 25 Order on May 23, 2003, and appealed the April 25 and June 18
15 orders on July 10, 2003.

16 10. On August 14, 2004, the United States Court of Appeals for the
17 Ninth Circuit recognized that the Grokster and StreamCast services “enable[] the user
18 to participate in the respective peer-to-peer file-sharing networks”; that “the vast
19 majority of the files are exchanged illegally in violation of the copyright law”; that
20 Grokster and StreamCast know their systems are being used for infringement; and
21 that they profit from, and in direct proportion to, the level of infringement. Despite
22 these undisputed facts, the Ninth Circuit, relying on the United States Supreme
23 Court’s decision in Sony Corp. of America v. Universal Studios, Inc., 464 U.S. 417,
24 104 S. Ct. 774 (1984), rejected liability on both recognized theories of secondary
25 liability – contributory infringement and vicarious liability. It thus affirmed the
26 orders of the District Court. See MGM v. Grokster, 380 F.3d 1154 (9th Cir. 2004).

27 11. In October 2004, Plaintiffs petitioned for a writ of certiorari from
28 the Supreme Court of the United States, which the Supreme Court granted in

1 December 2004. On June 27, 2005, the Supreme Court, in an unanimous opinion
2 authored by Associate Justice David H. Souter, reversed the Ninth Circuit’s decision
3 and ruled that Grokster and StreamCast could be held responsible for distributing
4 their software if they intended their users to use the software to exchange music and
5 motion pictures illegally. The Supreme Court’s decision sent the case back to the
6 lower courts, with an instruction that the District Court revisit the summary judgment
7 motion that had been filed by Plaintiffs. Specifically, the Supreme Court held that
8 “one who distributes a device with the object of promoting its use to infringe
9 copyright, as shown by clear expression or other affirmative steps taken to foster
10 infringement, is liable for the resulting acts of infringement by third parties.” See
11 Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913, 125 S. Ct. 2764,
12 2780 (2005).

13 12. Thereafter, the case was remanded to the United States District
14 Court for the Central District of California for further proceedings. On remand,
15 Plaintiffs filed a motion for summary judgment against Sharman Networks Limited
16 and LEF Interactive Pty Ltd. on February 8, 2006. In their motion, Plaintiffs
17 contended that the undisputed facts demonstrated that the Kazaa Defendants were
18 liable for contributory copyright infringement because they had knowledge of
19 massive copyright infringement taking place on the Kazaa System and Software and
20 materially contributed to and induced such infringement, under the standards set
21 forth by the Supreme Court in MGM v. Grokster.

22 13. After Plaintiffs’ motion for summary judgment was fully briefed,
23 but before the hearing, Class Counsel engaged in extensive negotiations with counsel
24 for the Kazaa Parties to settle this matter. The principal terms of this settlement are
25 reflected in the Proposed Class Action Judgment and Permanent Injunction and in the
26 Settlement Agreement and are summarized below.

27 14. The Settlement Agreement proposes that the District Court
28 approve a settlement class consisting of the class certified by the Court on May 14,

1 2002 as well as all music publishers represented by HFA during the time period from
2 May 14, 2002 through the date of the Court’s preliminary approval of the Settlement
3 (the “Kazaa Settlement Class” or “Class”). The Kazaa Settlement Class clarifies that
4 the class certified by the Court on May 14, 2002, includes music publishers who
5 were represented by HFA on May 14, 2002 but are no longer so represented, as well
6 as music publishers who joined HFA after May 14, 2002, and are currently
7 represented.

8 **DO I NEED TO DO ANYTHING TO REMAIN A CLASS MEMBER?**

9 15. If you fit within the description of the Kazaa Settlement Class set
10 forth above, you automatically will remain a member of the Class unless you take the
11 steps to exclude yourself as described below. If you remain a member of the Class,
12 then Class Counsel will act as your representatives and counsel for purposes of this
13 Settlement.

14 **HOW CAN I EXCLUDE MYSELF FROM THE CLASS?**

15 16. If you do not want to remain a member of the Class and
16 participate in the Settlement (if approved), then you must sign and send, by first-class
17 mail, a written exclusion request to Paul, Weiss, Rifkind, Wharton & Garrison LLP,
18 1285 Avenue of the Americas, New York, New York, 10019-6064, Attn: Carey R.
19 Ramos, Esq., postmarked no later than **April 12, 2007**, which date shall be at least 45
20 days after mailing of the Notice (the “Exclusion Request”). You may enter an
21 appearance through counsel if you so desire.

22 17. The Exclusion Request must include a clear statement that the
23 publisher is opting out of participation in the Kazaa Settlement Class in Jerry Leiber,
24 et al. v. Consumer Empowerment BV a/k/a FastTrack, et al., Case No. CV 01-09923
25 SVW (FMOx), and is excluding itself from participation in any Settlement approved
26 in that action. The Exclusion Request also must include the publisher’s name (and
27 former names, if any), HFA publisher number, current address and telephone
28 number, and current tax identification (or Social Security) number, and must be

1 signed by someone authorized to act on such publisher's behalf. Class Counsel also
2 asks that the publisher include in any Exclusion Request an optional explanation as to
3 why the publisher is opting out of the Settlement.

4 18. The District Court will exclude from the Class any member who
5 requests exclusion. By electing to be excluded from the Class, (1) you will not
6 receive any money, even if you otherwise would be entitled to some under the
7 Settlement; (2) you will not be bound by any further orders or judgments entered for
8 or against the Class; (3) you will have no right to object to the Settlement or be heard
9 at any hearing scheduled for the Court's consideration of the Settlement; and (4) you
10 may present any claims you have against the Kazaa Parties by filing your own
11 lawsuit at your own expense, or by seeking to intervene in this lawsuit as an
12 individual plaintiff at your own expense.

13 19. If you do not elect to be excluded from the Class, (1) you will
14 receive the benefits of the Settlement (if approved); (2) you will be bound by any
15 further orders or judgment entered for or against the Class; and (3) you will have the
16 right to object to the Settlement or be heard at any hearing scheduled for the Court's
17 consideration of the Settlement as described below.

18 **WHAT ARE THE TERMS OF THE SETTLEMENT?**

19 20. The main terms and conditions of the Settlement Agreement are
20 summarized below.

21 **Injunctive Relief**

22 21. Under the Settlement, the Kazaa Parties agree that a Class Action
23 Judgment and Permanent Injunction will be entered against them and in favor of
24 plaintiffs in the Leiber action (the "Class Action Judgment") and agree to waive any
25 and all rights to appeal or otherwise challenge the Class Action Judgment.¹
26

27
28 ¹ Under the Class Action Judgment, the operative Amended Complaint in the
Leiber action will be further amended to add Sharman License Holdings Limited,
Nicola Anne Hemming, Joltid Ltd., Altnet Inc., Brilliant Digital Entertainment, Inc.,

1 22. The Kazaa Parties, as well as their respective officers, agents,
2 servants, employees, and attorneys, and those persons in active concert or
3 participation with them who receive actual notice of the Class Action Judgment,
4 agree to be permanently enjoined and restrained, on a worldwide basis, from directly
5 or indirectly infringing in any manner any right in any and all musical works (or
6 portions thereof) in which any member of the Class owns or controls an exclusive
7 right under Section 106 of the United States Copyright Act (17 U.S.C. § 106) (the
8 “Copyrighted Works”).

9 23. The Kazaa Parties, as well as their respective officers, agents,
10 servants, employees, and attorneys, and those persons in active concert or
11 participation with them who receive actual notice of the Class Action Judgment,
12 agree to cease and desist from engaging anywhere in the world in any of the
13 following conduct, without appropriate written authority or license from the
14 appropriate member of the Class or agent acting of behalf of such Class member:

15 (a) copying, reproducing, downloading, distributing, communicating
16 to the public, uploading, linking to, transmitting, publicly performing, or
17 otherwise exploiting any of the Copyrighted Works (including without
18 limitation any sound recording embodying any of the Copyrighted Works);
19 and

20 (b) directly or indirectly enabling, facilitating, permitting, assisting,
21 soliciting, encouraging, authorizing, or inducing any user to use the Kazaa
22 System and Software, or any comparable system and software, (i) to copy,
23 reproduce, download, distribute, communicate to the public, upload, link to,
24 transmit, publicly perform, or otherwise exploit any of the Copyrighted Works
25 (including without limitation any sound recording embodying any of the
26 Copyrighted Works), or (ii) to make any of the Copyright Works (including

27
28 Brilliant Digital Entertainment Pty Ltd., and Kevin Glen Bermeister as party
defendants.

1 without limitation any sound recording embodying any of the Copyrighted
2 Works)available for copying, reproduction, downloading, distributing,
3 communicating to the public, uploading, linking to, transmitting, public
4 performance, or other exploitation.

5 24. The Kazaa Parties, as well as their respective officers, agents,
6 servants, employees, and attorneys, and those persons in active concert or
7 participation with them who receive actual notice of the Class Action Judgment,
8 further agree to be permanently enjoined and restrained, on a worldwide basis, from
9 operating, or assisting in the operation of, promoting, maintaining, or in any way
10 supporting the operation of any computer server or website, or licensing, distributing
11 or supporting any software, including without limitation related to the Kazaa System
12 and Software or any substantially comparable system and software, that solicits,
13 encourages, authorizes, or induces the unauthorized or unlicensed copying,
14 reproduction, downloading, distributing, communication to the public, uploading,
15 linking to, transmitting, public performance, or other exploitation of any of the
16 Copyrighted Works (including without limitation any sound recording embodying
17 any of the Copyrighted Works).

18 25. The Kazaa Parties further agree to cease distributing, licensing or
19 providing anywhere in the world support to any Kazaa Software or comparable
20 software that does not contain a robust and secure means to exhaustively prevents
21 users of the Kazaa System and Software, and users of any comparable system and
22 software, as applicable, to copy, reproduce, download, distribute, communicate to the
23 public, upload, link to, transmit, publicly perform or otherwise exploit without
24 authorization or license any Copyrighted Work (including without limitation any
25 sound recording embodying any of the Copyrighted Works) (hereinafter, a
26 “Qualifying Copyright Filter”).

27 26. The Kazaa Parties further agree to use all reasonable means
28 (technical and otherwise), to the extent lawfully and technically possible, to prevent

1 or inhibit infringement worldwide of the Copyrighted Works by existing users of all
2 versions of the Kazaa Software, including without limitation by disabling the
3 searching, downloading, uploading, file trading and/or file distribution functionality
4 of such software, by communicating anti-piracy messages to existing users, and by
5 encouraging, persuading or compelling existing users to upgrade to a version of the
6 Kazaa Software that incorporates a Qualifying Copyright Filter.

7 27. The Kazaa Parties further agree to be permanently enjoined and
8 restrained from directly or indirectly releasing publicly, distributing, transferring, or
9 giving away any software, other technology, domain names, trademarks, brands, or
10 goodwill in any way related to the Kazaa System and Software.

11 28. Under the Settlement Agreement, the Kazaa Parties that have
12 (a) any involvement in or control over the development, distribution, maintenance, or
13 support of the Kazaa System and Software, or any comparable system and software,
14 or (b) any ability to control or direct the management or operations of any entity
15 through which the Kazaa System and Software, or any comparable system and
16 software, is owned or operated, shall undertake to implement a Qualifying Copyright
17 Filter. Members of the Settlement Class, or their agents, shall have the right to add to
18 or supplement the list of sound recordings that are subject to the Qualifying
19 Copyright Filter by (i) providing written notice of a recording embodying a musical
20 work (including the title of the work and other identifying information, such as
21 whether the recording to be added is a cover or a live recording) to the Kazaa Parties
22 along with a statement that it owns, administers or controls the copyright in the
23 musical work, and (ii) providing to Audible Magic, or such other vendor supplying
24 copyright filter technology, a copy of the recording of the applicable works in order
25 for Audible Magic to create an acoustic fingerprint of the work to be added to the
26 Qualifying Copyright Filter.

27 29. Finally, the Kazaa Parties agree that if they sell, lease, convey,
28 transfer, or assign all or any significant part of the business, equity, operations, or

1 assets of the Kazaa System and Software, they agree to require, as a condition of any
2 such transaction, that the purchaser, lessee, or other transferee or assignee (a) submit
3 to the District Court’s jurisdiction and venue, (b) agree to be bound by the terms of
4 the Settlement and Injunction, and (c) apply to the District Court for an order adding
5 them as a party to the permanent injunction entered by the District Court against the
6 Kazaa Parties.

7 **Releases of Claims**

8 30. Under the Settlement Agreement, members of the Class who do
9 not opt out of the Settlement are releasing the Kazaa Parties from any liability
10 (i) arising from their use or operation of the Kazaa System and Software, including
11 the development, distribution or support of any related software and transactions
12 relating thereto; (ii) arising from the conduct or defense of the Leiber action;
13 (iii) relating to any claims that were or could have been asserted in the Leiber action
14 arising under United States or foreign law; or (iv) arising from any statements made
15 by the Kazaa Parties in the course of the litigation of the Leiber action. The release
16 is made on behalf of the class members and their Affiliates and Subsidiaries, which
17 are defined to mean any worldwide affiliate or subsidiary for which the class member
18 or its officers and directors have the authority to bind to the terms of the Settlement
19 Agreement. The Settlement Agreement specifies that these Affiliates and
20 Subsidiaries are not releasing any international claims against the Kazaa Parties that
21 they are precluded by contract or law from so releasing.

22 31. Under the Settlement Agreement, the Kazaa Parties are releasing
23 the Class members, HFA and the National Music Publishers’ Association, Inc.
24 (“NMPA”), their predecessors, successors, parents, subsidiaries, affiliates or related
25 entities, assigns, officers, directors, employees, shareholders, attorneys, agents,
26 trustees, beneficiaries, and representatives from any and all claims of any kind,
27 known or unknown, in law or equity, (i) that have been or could have been asserted
28

1 in the Leiber action, (ii) arising from the conduct of the Leiber action, or (iii) arising
2 from any statements made in the course of the litigation of the Leiber action.

3 **Settlement Payments**

4 32. Under the Settlement Agreement, the Kazaa Parties have agreed
5 to pay \$5 million to the Leiber plaintiffs in the form of an initial, cash settlement
6 payment (the “Initial Settlement Payment”). The Initial Settlement Payment is to be
7 made within 14 days after preliminary approval of the Settlement by this Court and
8 will be paid into an interest-bearing escrow account for the benefit of the Class. The
9 Kazaa Parties also have agreed to make a second, deferred, contingent payment of \$5
10 million (the “Deferred Settlement Payment”) from funds that Zennstrom and
11 Degnbol may become entitled to receive from eBay, Inc. under an Earn-Out
12 Agreement between eBay, Inc. and Skype Technologies, S.A. dated on or about
13 September 11, 2005. The Deferred Settlement Payment is contingent upon Skype
14 Technologies, S.A. reaching certain economic performance benchmarks pursuant to
15 its agreement with eBay, Inc., and there is no assurance that it will ever be made.
16 Even if the contingent Deferred Settlement Payment cannot be made, the Settlement
17 will remain in effect.

18 33. The Initial Settlement Payment, and the Deferred Settlement
19 Payment, if paid, will be paid to HFA, as Settlement Administrator, upon final
20 approval of the Settlement and entry of the Class Action Judgment by the District
21 Court and the exhaustion of all appeals or the expiration of time to file an appeal.
22 The District Court will retain jurisdiction over the settlement funds until such time as
23 they are disbursed.

24 34. The NMPA has paid legal fees and expenses on behalf of the
25 Leiber plaintiffs for the prosecution of the Leiber action as an advance against the
26 proceeds of any monetary judgment or settlement (the “Advanced Legal Fees and
27 Expenses”). As the Settlement Administrator, HFA will disburse a portion of the
28

1 Initial Settlement Payment, not to exceed \$2.2 million, to the NMPA to reimburse a
2 part of the Advanced Legal Fees and Expenses.

3 35. In addition, service payments not to exceed \$200,000 in total will
4 be paid to the Class Representatives in the following amounts: \$25,000 to Jerry
5 Leiber, individually and d/b/a Jerry Leiber Music; \$25,000 to Mike Stoller,
6 individually and d/b/a Mike Stoller Music; \$50,000 to Peer International Corporation
7 (including PeerMusic Ltd. and Songs of Peer, Ltd.); \$50,000 to Let's Talk Shop, Inc.
8 d/b/a Beau-Di-O-Do Music; \$25,000 to Criterion Music Corporation; and \$25,000 to
9 Famous Music Corporation (including Bruin Music Company and Ensign Music
10 Corporation). Settlement administrative costs not to exceed \$100,000 also will be
11 paid to HFA from the Initial Settlement Payment, for HFA's services in
12 administering the Settlement.

13 36. The balance of the Initial Settlement Payment shall be paid in
14 cash settlements to the members of the Settlement Class that have not submitted
15 timely and valid opt-out notices. The amount of each such Class member's
16 distribution shall be calculated by multiplying the balance of the Initial Settlement
17 Payment by each such Class member's percentage share of the sum of all regular
18 mechanical royalties distributed to all Class members by HFA over the previous five
19 full calendar years (i.e., 2001 - 2005) (the "percent market share").

20 37. If the Deferred Settlement Payment is received from eBay, Inc.,
21 the Settlement Administrator will make a further payment to NMPA to further
22 reimburse its outlay of the Advanced Legal Fees and Expenses, in an amount not to
23 exceed \$2.5 million. The balance of the Deferred Settlement Payment shall be
24 disbursed in cash settlements to members of the Settlement Class that have not
25 submitted timely and valid opt-out notices, in amounts calculated by multiplying the
26 balance of the Deferred Settlement Payment by each such Class member's percent
27 market share.

1 California and captioned StreamCast Networks, Inc. v. Skype Technologies,
2 S.A., et al., Case No. 2:06-CV-00391-FMC (the “StreamCast/Skype
3 Litigation”) and will not provide any documents, witnesses, written legal work
4 product, or evidence to the plaintiffs in the StreamCast/Skype Litigation for
5 purposes of prosecuting that action, unless they are properly served with
6 formal legal process.

7 **WHAT IS THE SETTLEMENT APPROVAL PROCEDURE?**

8 42. The Court will hold a final approval hearing on **May 21, 2007**, at
9 1:30 p.m., in Courtroom 6 of the Honorable Stephen V. Wilson, United States
10 District Court, Central District of California, 312 N. Spring Street, Los Angeles, CA
11 90012 (the “Approval Hearing”) to consider whether the Settlement should be
12 approved as fair, reasonable, and adequate and in the best interests of the Class.
13 Without further notice to the Class, the Court may adjourn or continue this hearing
14 and approve changes to the Settlement or the Proposed Class Action Judgment.

15 43. If you exclude yourself from the Class, you are not entitled to
16 submit objections to or comments on the Settlement, or to be heard at the fairness
17 hearing. If you decide to remain a member of the Class and you wish to submit any
18 objection to or comment on the Settlement (“Objections”), you must send, by first-
19 class mail, your Objections in writing to the Clerk of the Court, United States District
20 Court, Central District of California, 312 N. Spring Street, Los Angeles, CA 90012
21 with a copy by first-class mail to GershKaplan LLP, 15821 Ventura Boulevard, Suite
22 515, Encino, California 91436, Attn: Jeffrey Gersh, Esq. and to Hennigan, Bennett &
23 Dorman LLP, 865 S. Figueroa Street, Suite 2900, Los Angeles, California 90017,
24 Attn: Roderick B. Dorman, Esq. (attorneys for the Kazaa Parties), and to Paul, Weiss,
25 Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New
26 York, 10019-6064, Attn: Carey R. Ramos, Esq. Your Objections must be
27 postmarked no later than **April 20, 2007**, which date shall be at least 30 days before
28 the Approval Hearing, and must mention Jerry Leiber, et al. v. Consumer

1 Empowerment BV a/k/a FastTrack, et al., Case No. CV 01-09923-SVW (FMOx). If
2 you do not comply with these procedures, you will not be entitled to contest the
3 approval of the Settlement, or to appeal from any orders or judgments of the Court.
4 Objections that are not timely made shall be forever barred.

5 44. Any member of the Class who timely files and serves Objections
6 pursuant to Paragraph 43 above also may appear at the Approval Hearing, either in
7 person or through counsel hired at such Class member's expense, to object to the
8 fairness, reasonableness, or adequacy of the Settlement. Members of the Class or
9 their counsel intending to appear at the Approval Hearing must send, by first-class
10 mail, to the counsel listed in Paragraph 43 above and to the Court, a notice of
11 intention to appear, setting forth (1) the name and address of the Class member (and,
12 if applicable, the name, address, and telephone number of the Class member's
13 attorney), and (2) the objection, including any papers in support thereof ("Intention to
14 Appear"). Your Intention to Appear must be postmarked no later than **April 20,**
15 **2007**, which date shall be at least 30 days before the Approval Hearing. If you do not
16 comply with these procedures, you will not be entitled to be heard at the fairness
17 hearing.

18 45. If the District Court approves the Settlement, the approval will
19 bind all members of the Class, except those who exclude themselves pursuant to the
20 procedure in Paragraphs 16-17 above.

21 **WHERE DO I GET ADDITIONAL INFORMATION?**

22 46. **DO NOT CONTACT THE COURT OR THE COURT CLERK**
23 **WITH QUESTIONS REGARDING THIS NOTICE.** Any inquiry you or your
24 counsel may wish to make concerning this notice should be addressed in writing to
25 Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New
26 York, New York, 10019-6064, Attn: Carey R. Ramos, Esq. All such inquiries must
27 state in bold face type on the outside of the envelope or other mailer that the
28 communication "RELATES TO KAZAA CLASS ACTION LITIGATION."

1 47. The foregoing is only a summary of the lawsuit and the proposed
2 Settlement. For more detailed information, you may review the pleadings, records,
3 and other papers on file in the lawsuit, which may be inspected during regular
4 business hours at the Clerk of the Court, United States District Court, Central District
5 of California, 312 N. Spring Street, Los Angeles, CA 90012. Copies of the
6 Complaint, Amended Complaint, Settlement Agreement, and the papers filed in
7 support of approval of the proposed Settlement are available upon written request to
8 Class Counsel at the address provided above.

9
10 Dated: February 13, 2007

/s/

The Honorable Stephen V. Wilson
United States District Court Judge

11
12 Respectfully submitted,

13
14 PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
15 CAREY R. RAMOS
16 AIDAN SYNNOTT

17 DAVIS WRIGHT TREMAINE LLP
18 KELLI L. SAGER
19 ANDREW J. THOMAS

20 By: _____
Carey R. Ramos

21 *Attorneys for Plaintiffs*
22 *Jerry Leiber, individually and d/b/a Jerry*
23 *Leiber Music, Mike Stoller, individually and*
24 *d/b/a Mike Stoller Music, Peer International*
25 *Corp., Peer Music, Ltd., Songs of Peer, Ltd.,*
26 *Criterion Music Corp., Famous Music*
27 *Corp., Bruin Music Company, Ensign Music*
28 *Corp., and Let's Talk Shop, Inc. d/b/a Beau-*
Di-O-Do Music, on behalf of themselves and
all others similarly situated