

The Shifting Landscape

A few words from Gary Churgin, HFA President & CEO

The publishing world is seeing a dramatic upswing in the number of acquisitions in the past month, including the approval of the Universal/BMG merger; Sony/ATV, Leiber & Stoller, and Famous; Bug and Windswept; and the proposed Terra Firma purchase of EMI. While catalogs changing hands is certainly not new, the level of consolidation and the entry of private equity make this cycle particularly interesting.

The bigger companies are definitely getting bigger. However, the industry is still relatively fragmented – in looking at the recent Top 10 Publisher Airplay Chart that HFA (in conjunction with Soundscan) supplies to Billboard, the publishers in the 8-10 spots had just more than 1% of the market each. There's still many, many viable smaller players.

Private equity's entry into the publishing industry is an indicator that even as the recorded music market suffers, investors are recognizing the value of the underlying composition and its ongoing revenue opportunities – perhaps even more so than the recorded music. The question here is whether these private equity investors are in for the long haul, or if they will try to extract value in the short term.

From a business standpoint, I think these transactions send a positive signal about the value of copyrights in the digital era. I expect we'll see some streamlining of operations and a focus on efficiency. While many of the private equity people involved

are from the music industry, I'm interested to see what ideas the new faces will bring to the table as we continue to grapple with solutions for the digital marketplace.

The big question, though, is what this means for the songwriters. Arguably, consolidation of the record side of the business has made artist development a challenge at the major labels. There are those that feel this has had a bigger negative impact on the industry than illegal downloading. Creativity does not respond well to the processes of efficiency – or put another way, to find the hits, you're going to have a lot of misses. It's what makes our business exciting. I hope that our industry will not lose the very thing that makes it special as it finds its way financially.

By the time you read this, the landscape may have changed dramatically once again. Hopefully, these newly configured companies will be able to continue to do the things that made them great to start with, while protecting and promoting the great songs in their trust.

A handwritten signature in blue ink, appearing to be 'G. Churgin', is located at the bottom right of the page.

HFA and Audible Magic Announce Strategic Collaboration to Facilitate Content Identification and Licensing

HFA and Audible Magic (AM), a leading provider of electronic media identification and copyright tracking services, announced in May that they are collaborating to streamline the process of identifying the underlying musical compositions for distribution of user-supplied content. This content recognition innovation will facilitate licensing for all types of user-supplied content distributors including peer-to-peer audio and other audio-visual content delivery networks.

HFA and AM will work together to combine AM's ability to identify sound recordings with HFA's capacity to identify musical compositions embodied in those sound recordings, along with the associated music publishing rights holders.

"The results of this collaboration will be a breakthrough for all kinds of online consumer-generated content services to license properly the material on their systems," said Gary Churgin, HFA President and CEO. "We're excited to develop this new service with Audible Magic, given their ability to deliver copyright compliance technology."

"This service provides the 'missing link' between publisher rights holder information and our sound recording fingerprint library," said Vance Ikezoye, AM CEO. "With their expertise in publisher data matching, HFA is the natural partner for this innovative solution for user generated content companies."

By the numbers:

- HFA Collections proactively conducts regular follow-up and review of over 3,400 licensee accounts
- HFA Collections makes over 9,200 calls, emails and other label collection contacts each month
- 8,761 payments from licensees were received by HFA in 2006 - over 3,000 have already been received in 2007
- As of April 30, HFA has already issued over 152,000 publisher royalty statements for 2007

HFA Licensing Arrangements

HFA has offered its affiliated publishers a number of non-compulsory licensing arrangements over the past six years. Below is a chart with a representative list of our current offerings:

Ringtones		Subscription Services	Lyrics & Tablature
Zingy, Zapptrio (Mitsui-Comtek), 9Squared, Dwango, Opera Telecom, Matrix M, Blue Frog, Mtogo, Anomaly, EMI mastertones/ringbacks, TouchM, SingleTouch, eWingz, The Orchard		Real Networks, Musicnow, Napster, Ruckus, Emusic	LyricFind, Musicnotes
Musical Movements	Record Club	Background Music & Digital Jukebox	
Sankyo	BMG Columbia House	TruSonic, PLR, Rowe AMI	

If you're not sure if your company is participating in a licensing arrangement and you have an HFA Online account, you can check your status through our website. Go to www.harryfox.com and click on the gray "Registered User Login" button on the upper left. Enter your login name and password, as indicated. Once you are logged in, click on the "Authorizations" tab in the upper right, and then click on "View Agreements History" in the menu bar. If the "Action Type" is "Opt In," your company's catalog is available for licensing under that arrangement. You can also review all the information about the agreement in this area of the website.

If you want to change your company's status in an agreement, or have any other questions, please contact HFA Publisher Services at publisherservices@harryfox.com or call 212-834-0100.

HFA's 2007 AIDS Walk New York Team Raises Almost \$3,000



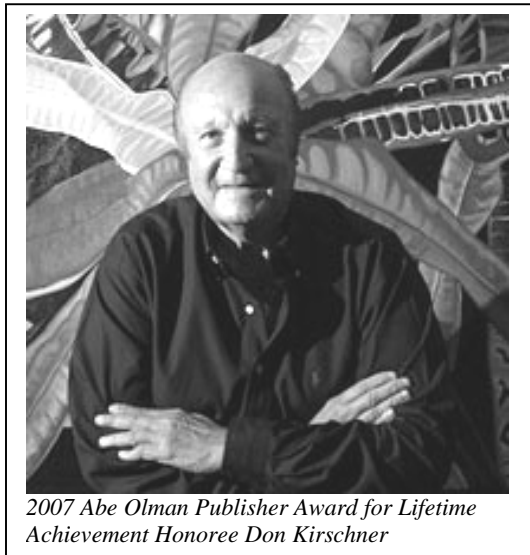
(l to r) Bridget Unger, Greg Flaherty, Will Perdomo, Sara Yood, Katie Schenk, and Cristal Downing

For the second year, HFA staffers participated in AIDS Walk New York. Chris Curley, Cristal Downing, Greg Flaherty, Kenny Golden Will Perdomo, Katie Schenk, Bridget Unger, Adam Varano, and Sara Yood raised almost \$3,000 for various AIDS-related charities. In total, the May 20 event raised a record-breaking \$6.9 million collected by over 50,000 participants.

The Songwriters Hall of Fame

In 1969, songwriter Johnny Mercer and music publishers Abe Olman and Howie Richmond founded The Songwriters Hall of Fame, dedicated to recognizing and honoring the accomplishments and lives of the creators of the popular songs that have moved generations. Currently helmed by famed lyricist and songwriter Hal David and headquartered in New York, The Songwriters Hall of Fame not only educates the public about the achievements of songwriters, but also provides opportunities for up and coming composers and lyricists. Through scholarships, workshops, showcases, educational programs and publications, The Songwriters Hall of Fame strives to provide developing songwriters with the knowledge they will need to survive in the music business, as well as an opportunity to perfect their songwriting abilities.

Every year, The Songwriters Hall of Fame honors a group of talented and distinguished songwriters and music publishers at their induction and awards dinner. This year's event was held on June 7 at the Marriott Marquis Hotel in New York City. Inductees included lyricist Don Black, singer/songwriter Jackson Browne, composer Irving Burgie, songwriter/producer Michael Masser, and the songwriting team of Bobby Weinstein and the late Teddy Randazzo. These songwriters join a distinguished group of previous honorees including James Brown, Bob Dylan, Isaac Hayes, Carole King, Paul Simon, and Brian Wilson.



2007 Abe Olman Publisher Award for Lifetime Achievement Honoree Don Kirshner

Don Kirshner received the Abe Olman Publisher Award for Lifetime Achievement. For the first time ever, the Hall of Fame combined its Abe Olman Publisher and Lifetime Achievement awards to honor this seminal publisher who was dubbed “The Man with the Golden Ear” by Time magazine.

Don helped start the careers of several singers and songwriters including Neil Diamond and Carole King and was the host and creator of the weekly rock-concert program “Don Kirshner’s Rock Concert” which featured live performances from bands including Kiss, Fleetwood Mac, Sly & the Family Stone and The Eagles.

Other honorees included Johnny Mercer Award recipient Dolly Parton and Hal David Starlight Award recipient John Legend. “Unchained Melody,” a song made most famous by the Righteous Brothers in 1965 and covered by a wide array of artists including Barry Manilow, Elvis, and LeAnn Rimes, received the Towering Song award. “Unchained Melody” was written by Hy Zaret and Alex North, and is published by Frank Music Corp.

HFA is a long-time supporter of The Songwriters Hall of Fame and we congratulate the 2007 Songwriters Hall of Fame inductees and honorees and applaud their contributions to music throughout the years.

HFA Publisher Profile:

Gary Lucas Gary Lucas Music

By Paul Mauceri, HFA Publisher Services
International Team Lead

It would be impossible to typecast Gary Lucas. Someone who professes to be “very bored with getting trapped in one role,” Gary is a bona-fide guitar hero, with one of the broadest palettes of any guitarist around today, and a Grammy-nominated songwriter, who has collaborated with an astonishing array of artists across multiple genres. He’s also a band leader, an international recording artist, a producer, a soundtrack composer for film and television, and, last but not least, a music publisher.



Exposed to a wide variety of musical styles from an early age, including “an inordinate amount of Top 40 radio,” Gary began playing guitar at age nine at the instigation of his father. As an undergraduate at Yale University, Lucas played electric guitar with the Yale Symphony Orchestra for the European premier of Leonard Bernstein’s “Mass” in Vienna, Austria.

He also served as Music Director of Yale’s radio station WYBC-FM, spinning records by obscure English groups as well as American folk artists like Tim Buckley. There, he met and befriended his “ultimate musical idol” Captain Beefheart. Gary considers that he officially “arrived” on the musical map in 1980 when he mustered up the courage to ask Captain Beefheart if he could join his Magic Band. He made his major label debut with the track “Flavor Bud Living” on the Beefheart album *Doc at the Radar Station*, released by Virgin Records. Gary also played on the follow-up, and last official, Beefheart album *Ice Cream for Crow*, released in 1982. Gary considers his tenure with Beefheart his “formal education as a guitar player,” and among his plethora of projects is the Beefheart tribute group Fast ‘N’ Bulbous.

After Beefheart, Gary’s musical endeavors consisted mainly of occasional production and session work. However, on June 11, 1988, Gary performed his first-ever solo set on acoustic and electric guitar to a full capacity crowd at New York City’s famed avant-garde and experimental music venue The Knitting Factory. A turning point in his life, the concert effectively launched his career as a solo artist. The response to his performance was so overwhelming that Gary was invited to play at the Berlin Jazzfest, which launched his success in Europe.

Gary began writing his own songs, and founded his longtime band Gods and Monsters in 1989. The original incarnation had seven players and included a rapper, a DJ, and pop-rock singer Matthew Sweet. The group has gone through various permutations, and the current configuration is Lucas on guitar and vocals, Jerry Harrison (Talking Heads) on keyboards, Ernie Brooks (Modern Lovers) on bass, Billy Ficca (Television) on drums, and Jason Candler (Hungry March

Band) on alto sax. Their latest recording, *Coming Clean*, released in the US, Canada, and Japan on the indie label Mighty Quinn, has received rave reviews.

One of Gary's most significant collaborations came about when music producer and impresario Hal Wilner asked him to be part of a Tim Buckley tribute album and suggested that he work with the late singer's son Jeff, a relative unknown at the time. Jeff was familiar with and admired Gary's work with Captain Beefheart, and Gary agreed to meet the son of the legendary cult folk singer.

When the two of them first met, Gary instantly recognized Jeff's star potential and immediately invited him to play with Gods and Monsters. This began what would become a very fruitful collaboration that yielded a number of songs, including "Mojo Pin" and "Grace." These eventually became the first two tracks on Jeff Buckley's 1994 seminal debut album *Grace*. With their dramatic, pictorial arrangements, their weaving in and out of major and minor keys and breaks in time, "Mojo Pin" and "Grace" can be heard as "templates for a new kind of pop song," examples of Gary's longtime aspiration to write what he calls "avant-garde pop music."

Some other artists and groups with whom Gary has worked include Lou Reed, Nick Cave, John Zorn, Patti Smith, Van Dyke Parks, Kate and Anna McGarrigle, John Sebastian, Bob Weir, Bryan Ferry, Mary Margaret O'Hara, DJ Spooky, David Johansen, Iggy Pop, Warren Haynes, The Future Sound of London, Chris Cornell, and Joan Osborne.

As a soundtrack composer, Gary has written music for the ABC News programs 20/20 and Turning Point, as well as scoring the Showtime documentary "Trust Me," about a summer camp for Christian, Muslim, and Jewish children, the award-winning "Bed and Breakfast 9/11," which aired on PBS this past September, "The Legacy of Jedwabne," a documentary about Jewish persecution in a small town in Poland during WWII, and "Lalee's Kin: The Legacy of Cotton," the HBO Oscar-nominated Maysles Films documentary about the current plight of cotton farmers in the rural South. He also composed an original solo guitar score to accompany screenings of the classic 1920 silent German Expressionist horror film "The Golem," which he has performed all over the world.

Gary sees music publishing as "one of the few ways you can protect yourself with your copyrights." He had a co-publishing deal with MCA-Universal around the time of his collaboration with Jeff Buckley, but once the deal ended, he had to learn to publish his songs himself. However, Gary is very interested in entering into another co-publishing or administration deal with a publisher who can actively pitch his work.

Despite being in an industry where an artist's commercial appeal, and success, is often dependent on his work being easily categorized, Gary's eclecticism has actually enabled him to remain in the music business. Given his unusually diverse career and his continuing quest to push music in new directions, Gary Lucas will always be an important figure in modern music.

For more information on Gary Lucas, visit his web site at www.garylucas.com.

Word on the Street . . . HFA Affiliate Publisher News

Cherry Lane Music Publishing Company, Inc. has re-signed an unprecedented 10-year exclusive, worldwide administration agreement with Tony Award-winning Broadway composer and lyricist **Maury Yeston**. Cherry Lane has administered Yeston's catalog since 1990. Yeston's works include scores for the internationally acclaimed and produced musicals *Nine*, *Titanic* (both receiving Tony Awards for Best Musical and Best Score), *Grand Hotel* and *Phantom*.

The administration rights to the jazz catalogs of **Lynnstrom Publishing Company** and **Jatap Publishing Company** have been acquired exclusively by **Helene Blue Musique Ltd.** With this acquisition, Helene Blue Musique now controls almost 1,000 commercially released songs that make up the two imprints of **Irving Mills Music**. The company retains the rights through 2009. The two catalogs include artists and composers such as Oscar Peterson, Art Blakey, Stan Getz, Buddy DeFranco, Earl Hines, Charlie Parker, Chico O'Farrill, Clark Terry, Frank Foster, Johnny Hodges, Bob Brookmeyer, Teddy Wilson and Illinois Jacquet, among others.

ole announced the acquisition of **Matt Morris**'s songs within the Logrhythm catalogue. The catalogue features the Billboard Top 40 #1 hit single "Miss Independent" by Kelly Clarkson as well as five tracks on Christina Aguilera's quadruple platinum *Stripped* album – including the Billboard Top 40 hit single "Can't Hold Us Down" featuring Lil' Kim. The catalogue is further comprised of sixty-eight unexploited songs, many of them co-written with such noted hitmakers as Justin Timberlake, Scott Storch, Christina Aguilera, Rhett Lawrence, and Kelly Clarkson.

Warner/Chappell Music announced a worldwide publishing agreement with chart-topping R&B singer/songwriter **Lloyd**. Under this agreement, Warner/Chappell will publish Lloyd's future compositions as well as Lloyd's catalog of songs. Lloyd's new album *Street Love*, released March 13th, debuted at #2 on the Billboard R&B/Hip-Hop albums chart. Of the 15 songs on the album, Lloyd co-wrote eight of the songs including the first single "You," which features fellow Warner/Chappell writer, Lil' Wayne. In February, the song reached No. 1 on the Billboard R&B/Hip-Hop songs chart.

Universal Music Publishing Group (UMPG) the acquisition of the catalogue of noted songwriter **Michael Masser**, who was just inducted into the Songwriters Hall of Fame on June 7. Through the agreement, UMPG will acquire rights to such No. 1 Whitney Houston hits as "Saving All My Love For You," "The Greatest Love of All," and the GRAMMY nominated "Didn't We Almost Have It All." UMPG will also acquire such chart hits as the Best Original Song Golden Globe nominated "So Sad This Song" from the movie *Pipedreams*; "Miss You Like Crazy" recorded by Natalie Cole (No. 1 on Hot R&B/Hip Hop Singles and Tracks, No. 1 on Adult Contemporary, and Top 10 on The Billboard Hot 100); "If Ever Your In My Arms Again" recorded by Peabo Bryson and Roberta Flack (No. 5 on Hot R&B/Hip Hop Singles and Tracks and Top 20 on Billboard 100); and "Nobody Wants to Be Alone" recorded by Crystal Gayle (No. 3 on Country charts).

In Other News...

NMPA President & CEO **David Israelite** will be speaking at the June 21 AIMP-LA chapter luncheon. It will be held at the Luxe Hotel in West Hollywood. For more information and registration, go to www.aimp.org.

"Word on the Street" is taken from press release material

***“Return to Sender, Address Unknown”
Publishers MIA: Can You Help Us Find Them?***

If you are a music publisher (or the assign, successor in interest, heir or beneficiary of a music publisher) that has been affiliated with HFA, and you’re not sure whether HFA has your current contact information, it is possible that HFA is holding royalties due to the lack of a valid mailing address.

To find out if HFA is looking for you and to provide current information so we can pay you any royalties we may be holding, visit “Help Us Find Publishers” at www.harryfox.com, or call HFA Publisher Services at 212-834-0100.

If you’ve moved, please remember to update your contact information with HFA. You can obtain change of address information from the website or by contacting HFA Publisher Services.

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