
HFA Soundcheck

Issue 3

May 2002

License with HFA over the Internet

Beginning this summer, Publishers and licensees will have the ability to manage all license and song administration via the Internet, including the ability to request a license, monitor the status of a license request, and securely supervise song catalogues. Web-enabled collections, distributions and online statements will be available in the fourth quarter of 2002. HFA's newest offering will be accessible at www.harryfox.com.

Licensees will be able to:

- ◇ Request licenses at the statutory rate, reduced rates and controlled composition rates for all standard configurations
- ◇ Attach appropriate documentation, such as controlled composition agreements, reduced rate letters and advice letters
- ◇ Negotiate reduced rate agreements
- ◇ Track license requests, from the draft stage through execution
- ◇ Request song additions to the HFA catalogue
- ◇ View or print license agreements and download license information
- ◇ View, download and print standard reports; including license status, disputed licenses, licenses by publisher, licenses by quarter, executed dates and other standard permutations

Publishers will be able to:

- ◇ Negotiate reduced rate agreements
- ◇ Review and approve or decline license requests, with the ability to provide comments
- ◇ Initiate license requests at the statutory rate, reduced rates and controlled composition rates for unlicensed recordings
- ◇ Rely on HFA to automatically update those agreements that contain MFN clauses
- ◇ Track license status, from submission through execution
- ◇ View or print license agreements
- ◇ Create and/or approve partial licenses
- ◇ Validate current song information in HFA's database, as well as add new works and update records
- ◇ Initiate claims and disputes for works
- ◇ Resolve claim and relinquishment issues online
- ◇ View, download and print standard reports; including license status, disputed licenses, licenses by publisher, licenses by quarter, executed dates and other standard permutations

Details, instructions, and forms that will assist you in registering for a new log-in ID and password will follow in a separate letter

POLI+

All licensing options currently available in POLI+ will be replaced by the new web-enabled licensing and song management system on June 30th, 2002. Collections, distributions, and online statement options will remain accessible through POLI+ until the new HFA royalties system is released this fall.

FullAudio and HFA Announce Agreement to License New Digital Music Subscription Service

FullAudio will be able to license all publisher authorized musical works for its soon to be launched music subscription service. The agreement, modeled after the recent industry agreement with the RIAA for licensing on-demand streaming and limited downloads, will authorize FullAudio subscribers to transfer tracks from their PC's to portable devices.

If you have questions regarding any of the topics in this issue of *Soundcheck*, please contact Client Relations at clientrelations@harryfox.com or 212-834-0100.

Special Announcement: Licensing Department Reorganization

HFA would like to take this opportunity to advise you of the reorganization of HFA's Licensing Department. The reorganization of Licensing is a vital part of the HFA Transformation. Not only are we developing and implementing new systems and technologies, but we are also restructuring what we do, how we do it, and who does it.

The purpose of the HFA Transformation is to improve the overall quality and effectiveness of our licensing, collections, distributions and auditing services. The Licensing Department's new structure is designed to support pro-active licensing as well as our upcoming web-enabled licensing and song management system.

Pro-active licensing is designed to accelerate the processing and issuance of a license. Historically, HFA has triggered its licensing activities on the receipt of a license request. Our new structure, with the assistance of licensing agents and label specialists (as described below), is designed to enable HFA licensing agents to prompt licensees to seek and obtain licenses in a timely manner. This, in turn, will accelerate the collection and distribution of royalties.

Finally, this new organizational structure will develop a more cohesive relationship between HFA and your customers--the record labels and other licensees. In addition, as a result of the new label specialist positions, HFA will be more in tune with record label priorities.

The following is a description of the new roles and responsibilities within the Licensing Department:

- ◇ Peter Panos, Senior Director of Licensing, will see his responsibilities evolve from day-to-day management of the department to providing internal and external licensing expertise on deals, new configurations, and unique problems. He will also become HFA's "licensing ambassador" by sharing his expertise and knowledge of HFA policies and procedures with other societies, clients and their customers at conferences and forums.
- ◇ Ann Marie Picardo has been promoted to Director of Mechanical Licensing. She will manage the licensing department's core business operations. After years of running the Synch Department where she has demonstrated strong managerial and organizational capabilities, Ann Marie is returning to her "roots" of mechanical licensing.

- ◇ The Index Department has returned to the Licensing Department. The processes that are being defined to support the new web-enabled licensing and song management system require that Index and Licensing work in tandem. In addition, the Index Department helps expand HFA's licensing capabilities through its ongoing catalogue acquisition efforts. Jason Miller and his team will continue to link operations with technology.
- ◇ Bob Leibholz (formerly of the ASCAP Licensing Department) has been transferred from the Client Relations department to the Licensing Department as Senior Director of Licensing Technology. Bob has played a crucial leadership role in the development of our web-enabled licensing and song management system. In his new role, he will continue to shepherd these systems as well as identify and maintain new technology-based licensing processes and operations.
- ◇ New Label Specialist positions have been created within the licensing department. We are very excited about these positions; the Label Specialists' roles will include building relationships with key label personnel in order to identify a particular label's recording project priorities and annual release schedule. Additionally, the Label Specialists will be intermediaries between the labels and licensing agents, ensure that knowledge is shared, licenses are issued in order of importance, and that services are continuously improved.

HFA is excited about all of these changes. We believe that these changes coupled with the web-enabled licensing system will enable HFA to license, collect and distribute royalties faster and most efficiently.



