

**Before the  
COPYRIGHT ROYALTY BOARD  
LIBRARY OF CONGRESS  
UNITED STATES COPYRIGHT OFFICE  
Washington, D.C.**

_____ )	
In the Matter of )	
)	
Digital Performance Right in Sound )	Docket No. 2009-1
Recordings and Ephemeral Recordings )	CRB WEBCASTING III
)	
_____ )	

**DIRECT STATEMENT OF ROYALTY LOGIC, LLC**

Royalty Logic, LLC ("Royalty Logic"), hereby submits this direct statement in the above-captioned matter, in accordance with 37 C.F.R. Section 351.4. Royalty Logic is participating in this proceeding, on behalf of sound recording copyright owners and performers who have authorized it to do so including, but not limited to Lester Chambers, North Star Media, Sigala Records, and others (the "Royalty Logic Affiliates").

Royalty Logic is participating in this proceeding defensively, without knowledge of the positions that may be taken by SoundExchange, Inc. ("SoundExchange") or by any other party, regarding terms for the payment of royalties pursuant to the statutory licenses set forth in 17 U.S.C. §§112 and 114 and their implementing regulations (the "Statutory Licenses"). Should SoundExchange or any other party seek the adoption, pursuant to a settlement or otherwise, of any terms that may prejudice the ability of the Royalty Logic Affiliates to receive accurate, transparent, and timely accountings in respect of the Statutory Licenses, then Royalty Logic will propose and seek terms designed to ensure that such Royalty Logic Affiliates will not be adversely affected.

Respectfully Submitted,



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William B. Colitre, Esq. (CA Bar No. 211991)  
Director, Business & Legal Affairs  
Royalty Logic, LLC  
21122 Erwin St.  
Woodland Hills, CA 91367  
Phone: (818) 955-8900  
Fax: (818) 558-3484  
Email: BColitre@RoyaltyLogic.com

September 28, 2009

**Before the  
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**DIRECT TESTIMONY OF RONALD H. GERTZ**

**I. INTRODUCTION**

1. I am a founder and the current Chairman of Royalty Logic, LLC (“Royalty Logic”). I am also a copyright attorney whose legal practice began in the late 1970s, with the representation of clients in the television, publishing and recording fields. I have served as an expert witness in copyright royalty proceedings in the United States and Canada, and I am a past Chairman of the Board of Directors of the Intellectual Property and Entertainment Law Section of the Los Angeles County Bar Association. I have also been a Director of the Academy of Interactive Arts and Sciences, the National Academy of Songwriters, the Interactive Multi Media Association’s Intellectual Property Task Force and a past President of the California Copyright Conference.

2. The facts set forth in this written testimony are based upon my personal knowledge and experience and, if called to testify concerning the facts set forth below, I could do so truthfully.

3. Royalty Logic is participating in this proceeding, on behalf of itself and on behalf of sound recording copyright owners and performers who have authorized it to do so (the “Royalty Logic Affiliates”). Royalty Logic participates defensively, without knowledge of the positions taken by SoundExchange, Inc. (“SoundExchange”) or by any other party, on the issue of terms for the collection, administration, and distribution of royalties pursuant to the statutory licenses set forth in 17 U.S.C. §§112 and 114 and their implementing regulations (the “Statutory Licenses”), on behalf of copyright owners, performers and/or their respective agents.

4. Should SoundExchange or any other party, seek the adoption, pursuant to a settlement or otherwise, of terms that may prejudice the ability of the Royalty Logic Affiliates to receive accurate, transparent, and timely accountings in respect of the Statutory Licenses, then Royalty Logic will propose and seek terms designed to ensure that such Royalty Logic Affiliates will not be adversely affected.

## **II. ROYALTY LOGIC, AS A “DESIGNATED AGENT” SEEKS FAIR ACCOUNTING ON BEHALF OF THE ROYALTY LOGIC AFFILIATES.**

### **A. Royalty Logic’s Mission**

5. Royalty Logic is an independent musical copyright rights management organization established to provide a fair return to copyright owners, creators and performers for the use of their musical copyrights (both musical works and sound recordings) in digital media. Royalty Logic is dedicated to providing a simple and efficient way for copyright owners to grant, and for digital music services to obtain, permission to utilize musical copyrights in full compliance with copyright law. Royalty Logic’s mission is to maximize license fee collections and royalty distributions on behalf of its affiliates, and to distribute such fees promptly, fairly and efficiently, at the lowest possible cost.

**B. Royalty Logic's Authority**

6. The Royalty Logic Affiliates have authorized Royalty Logic, as their agent, to collect, administer, and distribute their royalties from both voluntary and statutory licenses, and to represent them in this and other copyright royalty proceedings. Specifically, Royalty Logic is designated by its affiliates as their agent for the licensing and administration of their rights under 17 U.S.C. §§112 and 114.

**C. Royalty Logic's Interest in this Proceeding**

7. Royalty Logic's interest in this proceeding, both on behalf of itself and on behalf of the Royalty Logic Affiliates, includes maintenance of the fair, prompt, and efficient collection, administration, and distribution of royalties pursuant to the Statutory Licenses. Specifically, but without limitation, Royalty Logic seeks to ensure the continuation of the following requirements:

(a) that royalty payments under the Statutory Licenses be distributed promptly to each copyright owner and performer, or their designated agents, entitled to receive such royalties;

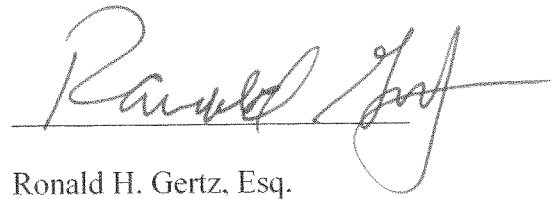
(b) that those royalties be distributed on a basis that values all performances by a licensee equally based upon the information provided under the reports of use requirements for licensees; and

(c) that "Confidential Information", as defined in 37 C.F.R. §380.5(d) continue to be disclosed to copyright owners and performers and their designated agents whose works have been used under the Statutory Licenses.

### **III. CONCLUSION**

8. As stated above, Royalty Logic is authorized to collect, distribute, and account royalties under the Statutory Licenses on behalf of the Royalty Logic Affiliates, and to represent them in this proceeding. Should SoundExchange or any other party in this proceeding seek statutory license terms that may prejudice the ability of the Royalty Logic Affiliates to receive accurate, transparent, and timely accountings in respect of the Statutory Licenses, then Royalty Logic will propose and seek terms designed to ensure that such Royalty Logic Affiliates will not be adversely affected.

I hereby declare under penalty of perjury under the laws of the United States that the foregoing testimony is true and correct to the best of my knowledge, information and belief.

  
Ronald H. Gertz, Esq.

Executed this 25th day of September, 2009

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of Royalty Logic, LLC's Written Direct Statement in Docket No.

2009-1 CRB Webcaster III was served September 28, 2009 via hand delivery on the following:

William Malone  
Miller & Van Eaton  
1155 Connecticut Ave., NW, Suite 1000  
Washington, DC 20036-4306  
(P) 202-785-0600  
(F)202-785-1234

Thomas G. Connolly  
Wiltshire & Grannis, LLP  
1200 18th St, NW  
Washington, DC 20036  
(P) 202-730-1328  
(F) 202-730-1301

Ara Hovanesian  
Hovanesian & Hovanesian  
301 E. Colorado Blvd., Ste 514  
Pasadena, CA 91101-1919  
(P) 626 -795-0247  
(F) 626-737-0318

David A. Handzo  
Jenner & Block LLP  
1099 New York Avenue, NW  
Suite 900  
Washington, DC 20001- 4412  
(P)202-639-6000  
(F) 202-661-4855

Colette E. Vogele  
Vogele & Associates  
12 Geary Street, Suite 701  
San Francisco, CA 94108  
(P) 415-391-3311  
(F) 415-358-4975

David D. Oxenford  
Davis Wright Tremaine LLP  
1919 Pennsylvania Ave. N.W., Suite 200  
Washington, D.C. 20006  
(P) 202-973-4499  
(F)202-973-4256

Dated: September 28, 2009

  
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William B. Colitre, Esq.