

Dear Mr. McDougall,

I apologize for the late response to your e-mail.

We have reviewed the letter dated August 9, 2011 from SOCAN to Live Nation concerning SOCAN's claim regarding deductions from gross revenues. Our understanding is that the dispute between SOCAN and Live Nation involves the following specific categories of deductions, although a more general principle seems to be in issue:

- Provincial sales tax remitted on a complimentary tickets
- facility management fees
- Ticketmaster commissions and convenience fees (we assume that this would also apply to other ticket agents other than Ticketmaster)
- fan club fees
- auction fees
- download fees

Our clients wish to intervene in the dispute between SOCAN and Live Nation. This issue is of great importance to our clients, who are operators of large live entertainment venues and in some, but not all, circumstances are responsible for the payment of SOCAN license fees in respect of concerts presented at their venue.

Our clients agree with the position taken by Live Nation. The types of deductions listed in the letter dated August 9, 2011 are administrative fees which are not related to the musical performances and should not form part of the "gross revenue" upon which SOCAN calculates royalties. While our clients that do not necessarily charge any or all of the fees referred to in the August 9, 2011 letter, their position is that any such fees which are not received by the venue operator and are not related to the musical performance should not form part of the royalty base upon which SOCAN calculates its royalties. Our clients bring a different perspective to this dispute in that they are venue operators rather than a producer like Live Nation.

The intervention by our clients would be in accordance with the procedure described in your email dated September 30, 2011.

If you have any questions, please not hesitate to contact me a convenience.