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From video vixens making like the Mary Jane Girls to Snoop Dogg channeling Rick James, the new clip for Snoop's "Sensual Seduction" was ripe for J1's dissection. Snoop crowning? '80s references galore? More at jadedinsider.com.
Ed. Note: There are four criteria, established by the Canadian Radio-television and Telecommunications Commission, that determine whether a song is identified as Canadian. The statement on The Billboard Canadian Hot 100, whether the artist, composer or lyricist are Canadian is one of those, and the remaining criteria is whether the song was recorded in Canada. Two of those must be met to receive the Canadian content flag. Using the CRC's standards, Naden Entertainment's Toronto office determines for Billboard which titles on the chart are entitled to that designation. Eddie Vedder's "Hard Sun" is a cover of a 1989 song by Indo, a Canadian whose real name is Gordon Peterson. He wrote the music lyrics, this qualifying in two of the four criteria. By contrast, Canadian superstar Celine Dion is not flagged for her current hit, because the song was recorded outside Canada and written by non-Canadians, and thus only meets one of the four standards.

SORRY, CHARLIE
Reading your article on Charlie Daniels from the Nov. 10 issue. I noticed a couple of (what I consider) very odd statements. You say "he was one of the first artists to launch his own label, Blue Hat Records." But sure Led Zeppelin (Swan Song, 1974), the Rolling Stones (Rolling Stone Recs, 1971), the Beatles (Apple, 1968) and Frank Sinatra (Reprise Records, 1958) predate Blue Hat. Come to think of it, what did the "A" in A&M stand for?
The article also notes that "these days, country acts from Alabama to Alan Jackson have recorded Christian albums, but Daniels pioneered the move in 1994." This statement is a real puzzler. Country artists have been recording Christian albums about as long as they have been recording country albums. Tennessee Ernie Ford, George Jones, the Starlighters, the Oak Ridge Boys, Loretta Lynn, Dolly Parton and Johnny Cash were all putting out Christian records before Daniels probably knew how to hold a fiddle.
That said, I will attest to the fact that Daniels is a generous artist with a very well-rounded musical background. I worked at a concert hall in Austin in the mid-'70s where he played on a fairly regular basis. I remember seeing him there one night for a Quicksilver Messenger Service show, and on another night, when Daniels' band played much later than expected, he left a $20 tip for the dishwasher, knowing he would be one of the last to leave that night.

Steve McKewin
A LATIN LACK?
I am writing to express my disать on your column titled "A Lack of Ladies" in the Oct. 20 issue. I found your column rather shocking considering it comes on the heels of my presentation at Billboard's Regional Mexican Conference.
I recognize that I am not a Latin, nor do I speak Spanish, but I do not believe that this makes my contribution to the Latin music industry any less relevant. Additionally, to state in your column that dear late friend Ellen Mostasik is the only woman who has occupied a senior post at a publishing company is simply not true.
I have been the president of peer music for more than seven years and have been overseeing our Latin division for 15 years. The writers, artists and staff who work with me have no less respect or trust in my decisions simply because I am not a Latina. To focus solely on the women in our business whose heritage is different from mine is a disservice to all of us.
I am extraordinarily proud of my accomplishments in this business, including those within the Latin genre, and along the way I can point to many women whom I have worked with who helped me achieve the success I have today. Not once in my 28-year career did I stop to think about anyone's cultural differences. I think that Billboard should do the same.
Kathy Spanberger
President, peer music

Ed. Note: The committee in charge of selecting the honorees for the Top Hispanic Women in Entertainment issue made being Latin or of Latin origin one of their criteria. Some data criteria applied to this column.

WIDGET WORLD
Everyone at nimb was quite excited to see our company mentioned in your recent article. "Wedge Wars" (Billboard, Nov. 17), as Antony Bruno writes, "content is king." In the interest of keeping your readers well-informed, we wanted to point out some data we have that would be more accurate in terms of characterizing the market.
From our experience, widgets are much more than "a rather niche application." With several thousand artists using the nimb technology, we are experiencing great success with our online merchandising widget for digital and physical sales. This may be due to the fact that artists are able to sell their entire product line and catalog, including music (CD, MP3), merchandise and tickets. Quite a few of our artists have sold in excess of $20,000 in a single platform.
While Zakk Wylde's solo project is selling well, the music business is evolving into much more of a 360-degree endeavor for artists and the next generation labels. The nimb platform focuses on this approach, and there are hundreds of new acts and labels now adopting our platform each week for that reason, including many artists formed with major labels.

Patrick Faucher
CEO, nimb
D

isp Pointing sales performance during Black Friday weekend has merchants feeling pessimistic about music’s prospects for the holiday selling season and worried about what will happen to CD sales in the new year. Merchants reported a comparable-store music sales decline ranging from 15% to 25% for the weekend, although they said robust movie and videogame sales helped soften the blow. Nielsen SoundScan data backs up those merchants’ reports. Album sales totaled 13.9 million during the week ended Nov. 25, an 18% decline from the 17 million sold last year during the Thanksgiving weekend. While last week’s sales are larger than the 14.4% year-to-date decline in album sales, the comparable-store decline in music sales reported by retail is in line with the year-to-date 18.6% drop that the CD has suffered.

Merchants cited the lack of hit product as the main reason for the decline. “If the labels had put out a new hit CD for the week, sales might not be down so much,” Newbury Comics head of purchasing Carl Mello says. “You have to put something out to get people to buy music.” Mello wasn’t the only merchant feeling frustrated by the release schedule. “I can’t remember a Thanksgiving that didn’t have any superstar releases on the Tuesday before,” Value Music president Rob Perkins says.

At the 25-unit, Brighton, Mass.-based Newbury Comics, CEO Mike Druey reports that “our biggest new release during Thanksgiving was OneRepublic’s ‘Dreaming Out Loud’,” which sold 489 units. “But last Thanksgiving week at Newbury, he says, seven new titles—by Jay-Z, the Beatles, Killswitch Engage, Tom Waits, Brand New, U2 and Snoop Dogg—exceeded that figure. Even the Latin market suffered from a lack of releases, says Rito Latino president David Massy, who called the holiday weekend “very disappointing.” Not everyone had a bad holiday, however. Label executives say Best Buy, Circuit City, Target and Wal-Mart had strong music sales—at least on Black Friday, if not for the overall weekend. Wal-Mart’s combined sales for top hit titles were up nearly 50%, sources say, but that apparently was largely due to its Eagles exclusive and Garth Brook’s “Ultimate Hits.” Wal-Mart is traditionally the No. 1 seller of Brooks titles, even when it’s not carrying a Brooks exclusive.

Online merchants also enjoyed a Thanksgiving bonanza, according to Alan Tuchman, CEO of Alliance Entertainment Corp., the largest music fulfillment wholesaler for online stores. “Our overall online business was up significantly during the weekend, beginning Thanksgiving day,” he says. “We were up about 15%.” By store type, album sales at chains (which includes merchants like Trans World, Best Buy and Barnes & Noble) were down 40%, indie stores were down 22.6%, and mass merchants were down 6%. However, nontraditional outlets were up 17.7%.

While the mainstream business press annually tout a Cyber Monday, Tuchman says Thanksgiving Day was huge. “When people didn’t have broadband at home there might have been a Cyber Monday,” he says. “But nowadays people are sitting at home on their PCs and laptops looking at the Black Friday advertising deals and buying away.” The biggest-selling title at most traditional music stores was Josh Groban’s “Noel,” which scanned 405,000 units last week, according to Nielsen SoundScan (see Over The Counter, page 79). The No. 2 title was Alicia Keys’ “As I Am,” which scanned 349,000.

This year, however, only 11 titles topped the 100,000 mark, compared with 19 titles last year. Overall the top 20 of The Billboard 200 produced nearly 2.9 million units, a 23.8% decline from the 3.8 million units that albums in the top 20 scanned in the same week last year.

Regardless of new releases, hit albums were scarce and couldn’t stand up to other entertainment software products. “The holiday weekend may sound like a sales disaster, but that is only if you are worried about music,” Newbury Comics’ Dreese says.

Other product lines helped make up for some of the music shortfall, as merchants reported that overall comparable-store declines ranged from 4% to 10%.

At the 10-unit Exclusive Co. in Oakholt, Wis., for example, GM Stephanie Huff reports that DVDs were up 216% Thanksgiving week. TV shows drove the DVD surge, she adds. Such videogames as “Guitar Hero” and game platforms also pushed traffic into stores. In fact, Nintendo’s Wii system is already out of stock at most stores, and it looks as though skimpy product allocations will keep customers roaming from store to store to find the item.

In other good news, some merchants say that the average ticket (spend) per customer is up this year; while most merchants add that profit margins didn’t dip as drastically as unit sales, since most specialty merchants decided not to compete on price.

Value Music’s Perkins says the calendar could help retailers this year as well. “There are 32 days between Christmas and Thanksgiving,” he says. “That extra day is humming and will give us a positive impact at the end.”

But another merchant says the weak music performance last week leaves him worried about next year. “It ain’t looking good,” he says.
Pepsi/Amazon Promotion, Wal-Mart Ultimatum Pushing Labels Toward DRM-Free Format

The scope of a yearlong download promotion planned between Pepsi and Amazon, which has been watching the success of an MP3 test UMGam began in August, the major continues to allow the sale of 85% of its current catalog as MP3s. Sources say UMG is on the verge of permanently embracing that digital format. But a source close to the testing insists the decision is still up in the air while the company awaits conclusive results from the trial, which are due in mid-January.

Meanwhile, Hollywood Records has joined the list of major-distributed labels testing MP3s at Amazon and walmart.com. The company has supplied 30-40 titles from its mammoth catalog in the MP3 format. A check of those titles showed the latest albums from Areyu and Grace Potter & the Nocturals on the Hollywood label available in the MP3 format, though they are not available at iTunes.

EMI began selling its music in MP3s in June. WMG and Sony BMG Music Entertainment both declined to comment, but have continued to publicly maintain their separate stances in favor of using digital rights management for downloads.

Sources say Sony BMG is now considering an MP3 test.

The company was initially steadfast against MP3 and wouldn't allow its independent distributor, RED Distribution, to engage in negotiations on behalf of its labels with Amazon when the merchant was trying to set up its MP3 download store. But Sony BMG management relented and let RED become involved in those negotiations. The parent company, however, refused to supply Amazon with its catalog in the MP3 format.

PEPSI FREE

Pepsi's track record with download giveaways may be motivating labels. According to sources, Pepsi will feature a download promotion on the inside of 5 billion of its soda bottles. Sources say Pepsi customers will need to collect five caps in order to exchange them for a download; this yields the potential for 1 billion redeemable tracks. A Pepsi spokesperson declined to comment.

Pepsi's first stab at giving away free music downloads, which was conducted in partnership with iTunes in 2004, was also promoted via a highly visible Super Bowl campaign. It resulted in 5 million people downloading free songs in the space of three months — 5% of the 100 million tracks that were offered.

While the 5 million digital tracks redeemed in the campaign reportedly fell short of the 25 million target redemption rate, that was in the early days of digital distribution, when Apple was reporting selling digital tracks at a rate of 27 million per week.

Since then, with the widespread success of the iPod—which is likely to be even more popular come Christmas—digital track sales have grown by 416%, from the 142.6 million tracks scanned in 2004 to the 715.4 million tracks accumulated so far this year, according to Nielsen SoundScan. Based on trends of the past few years, Billboard estimates that digital track sales could increase by another 5 million per week next year.

In the week after Christmas in 2006, track sales totaled 30.1 million, a 51% increase from the 19.9 million scanned in the corresponding week of the previous year—which was, in turn, a 197% increase over the 6.7 million scans generated during the corresponding week of 2005. Digital downloads generally increase drastically after consumers receive iPads and iPod gift cards for Christmas.

In the new Pepsi promotion, sources say, Amazon will serve as the supplier for the downloads, and customers will need to visit a specific redemption store on the Amazon site to access music from participating labels. While all major labels have been approached about participating in the offer, the price that Amazon is willing to pay appears to still be a sticking point for some labels. Sources say that Amazon will pay labels in the area of 40 cents per track. This compares to the 65 cents-70 cents labels currently receive from Amazon for digital track sales and the 70 cents they get from Apple.

In the 2004 promotion, Pepsi paid iTunes directly for each track redeemed. iTunes then paid record labels the same per-track wholesale fee they would receive if it had been a regular paid download. It's not known exactly how much Pepsi paid iTunes — whether it was the full 99-cent cost or just enough to cover iTunes' obligations to the labels, or somewhere in between.

Regardless of which labels ultimately sign on, the Super Bowl commercials will nonetheless double as the coming-out party for Amazon's digital download site, which launched Sept. 25. Since then, without aggressively promoting its download business, Amazon has captured about a 3% market share of the digital download marketplace. More recently, Yahoo! Music has entered the fray and announced plans to launch its own digital download business in the next several weeks.

Additional reporting by Anthony Bruno.

WAL-MART'S WISHES

Another factor driving the labels' decisions, sources say, involves mass merchant Wal-Mart alerting WMG that it will pull their music files in the Windows Media Audio format from walmart.com sometime between mid-December and mid-January, if the labels haven't yet provided the merchant's music in MP3 quality.

Wal-Mart declined comment. "It's a matter of policy that we don't publicly comment on speculation," a Wal-mart.com spokesperson said, "and we're very pleased with the recent performance and customer response to our digital music offering." Though Wal-Mart maintains a modest 2% market share in the digital download arena, its market share for physical CDs is considerably larger: about 22%, Billboard estimates. A senior executive at one of the other majors says that if Sony BMG or WMG resists the merchant's digital requests, they may be concerned about such consequences as losing out on prime in-store real estate or smaller buy-ins on new releases in the physical world.

Finally, given the steep decline in U.S. CD sales — so far, down 18.6% year-to-date compared with last year — music executives have been vocally worried about what the new year will bring for the physical format. By switching to a digital format that is compatible with all portable devices — including the all-important iPod — the move could help merchants like Wal-Mart and Amazon capture some of iTunes' 70% market share, and perhaps grow the overall size of the digital marketplace. ---
Can Reunited Pop Phenomenon The Spice Girls Hit The Heights Again?

LONDON—First time around, the Spice Girls' "band as brand" ethos saw manager Simon Fuller happily sign them up to a raft of lucrative endorsements aimed at boosting sales of products from Pepsi to Polaroid.

But 10 years on, as their reunion tour kicks off Dec. 2 at Vancouver's 20,000-capacity General Motors Place, it's the Spice Girls brand itself that needs to be re-established.

After a seven-year break during which individual members maintained their fame but lost their grip on musical success, can the 1990s pop phenomenon successfully re-engage with its old audience and attract new fans?

The reunion tour certainly seems to have caught the public's imagination. Tickets for the first London show at the O2 Arena, priced at £13.5–£154, sold out within 38 seconds of going on sale in October, according to tour producer AEG Live. With the O2's capacity pegged at 18,000 for the shows, the total ticket allocation is 306,000, and AEG says all but two dates are sold out.

After drawing 3 million registrations for tickets, European and North American dates spilled from 11 to 19 shows, with a second series of U.S. arena dates Jan. 30-Feb. 13 added to the initial December set.

"To quote Foreigner, 'Feels like the first time.'" Los Angeles-based AEG Live CEO Randy Phillips says. "Every arena date we have put up has sold out within an hour, with virtually no advertising."

"When the Spice Girls decided to announce their reunion at the O2 during its opening week [June 28], it was a massive worldwide press event," AEG Live Europe president/CEO David Campbell adds. "The girls all loved the arena, and from that point on we knew we'd be a big part of the tour."

However, shows in Argentina, South Africa, China and Australia, which were planned to start Jan. 8in Beijing, have been postponed, sparking press speculation about the act's capacity to provide all the necessary logistics.

"We worked so well at the time because they were marketed as these girls who were 'doing it for themselves,'" says Jonathan Gabay, founder of U.K. based consultant Brand Forensics, whose clients include Sony Corp. and Microsoft. "There were loads of boy bands, but nobody really doing what the Spice Girls were doing."

For their relaunch, however, the Girls have aligned with: just two high-profile brands.

In the United Kingdom, the act is fronting a pre-Christmas prime-time TV advertising campaign for mass merchant giant Tesco, which began airing Nov. 12. Tesco accounted for 12.8% of U.K. unit album sales in 2006, according to the BPI.

While Tesco declines to reveal the fees involved, press reports cite a figure of £1 million ($2 million) per member. The chain's media director Jonathan Church says the Girls' diverse images mesh well with Tesco's own multistranded sales offer.

"It's a great way of demonstrating there really is 'something for everyone' at Tesco this Christmas," he says.

Church reports positive initial feedback to the TV ads, with more than 800,000 additional views coming on YouTube.

Galway, however, questions whether the two brands are such a good fit. "People are saying, 'Yeah, right, like the Spice Girls really shop at Tesco,'" he says. "It's great for the girls and they are recognising their new demographic, which is their original audience but older—but is it so good for Tesco?"

In the United States, the quintet has partnered with Victoria's Secret for the release of its "Greatest Hits" album, available exclusively in the Columbus, Ohio-based lingerie giant's stores until Jan. 15.

As part of the deal, Victoria's Secret is marketing the album in-store, online and on TV. The reunited act's Nov. 13 debut at the Victoria's Secret Fashion Show in Hollywood also drew worldwide media attention. While the company declines to provide Nielsen SoundScan with sales data, Victoria's Secret Megabrand president/CEO Shareen JesterTurney says there has been "quite a buzz" around the album, adding that "our guests were delighted by the performance."

The Spice Girls' "evoking the feeling of strong, confident, sexy, glamorous women," Turvey says, "feels like something that our customers desire and embrace. It seemed a natural fit for us."

Victoria's Secret began selling the album Nov. 13, simultaneously with its U.S. release through digital stores. However, the deal keeps the "Greatest Hits" out of U.S. record stores during the crucial holiday sales period.

While retailers generally condemn exclusives, most merchants contacted by Billboard say the Spice Girls deal has not been a major concern. "The Spice Girls' exclusive kind of ranked led me, but that group doesn't mean that much to our stores," says Scott Perk, president, VP of 17-unit Music City in Nashville. "If it was a rap record with the parents advisory sticker, then it would really hurt us."

Although neither EMI nor Victoria's Secret would divulge details, Billboard understands the chain bought 600,000 units on a no-return basis. While one source close to the deal says all parties are happy with sales, another source suggests they are below expectations.

The Spice Girls scored seven hits on The Billboard Hot 100 in 1997-98. U.S. sales for their three studio albums stand at 7.4 million for "Spice" (1997), 4.2 million for "Spiceworld" (1998) and 208,000 for "Forever" (2000), according to Nielsen SoundScan. In the United Kingdom, the act scored nine No. 1 singles, with album sales totaling 4.74 million, according to the Official U.K. Charts Co. (OCC).

Following their 2000 split, the members enjoyed varying degrees of solo success. Geri Halliwell scored four U.K. No. 1 singles and Melanie Chisholm had two. While Emma Bunton placed seven singles in the top 10, Melanie Brown had three top 10 hits and Victoria Beckham had four.

Long-term album sales proved harder to come by, however, and none of the members has a major-label deal. Even as a reunited act, their new single "Headlines (Friendship Never Ends)" made little impact at U.K. radio and entered the OCC singles chart at No. 20 on downloads, before climbing to No. 11 on the Dec. 1 chart after its physical release. In the United States, it managed a solitary week on the Hot 100 at No. 90.

George Ergatoudis, head of music at the United Kingdom's most-listened-to pop station, youth-oriented BBC Radio 1, says, "The single isn't very good. They obviously haven't had enough time to coordinate a really good song."

"It seems like 'nostalgia—girls who really want to hear the old hits,'" BBC says.

But the act's music "stands the test of time," London-based Virgin U.K. marketing manager Jo Brooks says. Noting that "Greatest Hits" sold more than 75,000 copies in its first week, she adds, "You only have to look at how quickly the live dates sold out and those sales to know that the timing is perfect."

Media interest around the reunion confirms the Spice Girls' "retain a certain iconic appeal," HMV U.K. head of music Rudy Osorio says, noting that, were it not for platinum sales of pop artist Leona Lewis' debut album "Spirit" in the same week, "Greatest Hits" would have been No. 1. "It's not that the Spice Girls are doing badly, but Leona is doing so well."

And Brooks has no doubts that "Girl Power" remains a force to be reckoned with. "This is the source is very valid to today's girls and the women who grew up with the Spice Girls the first time round," she says. "This is quite simply, great pop music."

Additional reporting by Ed Christmas and Ray Waddell.
A VERY BILLY CHRISTMAS

Newcomer Voices A Rare Pop Foray For Joel

Billy Joel has broken his self-imposed retirement from pop for the second time in a year, but he'd almost rather you didn't know that.

The second new Joel-penned single since his last pop album, 1999's "River of Dreams," is called "Christmas in Fallujah" and hits iTunes Dec. 4. There are two major differences between it and the classics that have made him one of the best-selling artists of all time. First, there's no piano on it; and second, there's barely any Billy Joel on it, either.

Instead, for what Joel says is a first, he's written a song expressly for another singer, a 21-year-old Long Island native named Cass Dillon.

Joel is uncomfortable even with the idea of attaching himself too closely to the song. "I was hesitant to even talk to anyone about writing it, because I'm a little bit leery of overshadowing what it is," he says.

What it is is a sweeping, mid-tempo rocker much harder and louder than anything in Joel's recent history (if ever), told from the point of view of a soldier in the war that has little impact. "We came with the crusaders to save the holy land," he says. "It's Christmas in Fallujah, and no one gives a damn." Dillion sings.

Joel says the inspiration for "Fallujah" was partly born of letters he's received from service personnel overseas, but also simply from years of the realities of war.

"It was a combination of a lot of things," he says from a recent tour stop in Salt Lake City. "Constant exposure to the footage of what's going on over in Iraq, the mail from servicemen and an awareness of how long this war has been going on for. (Proceeds from the song will go to Homes for Our Troops, an organization that provides specially adapted homes for wounded veterans.)

The song came to him quickly. "I thought someone with a young voice should be singing this, someone just starting out in life," he says. "Plus, you know, I'm 58 years old. My voice isn't the voice I was thinking of when I was writing; I was thinking of a soldier, someone of that age."

Enter Dillon, a young singer/songwriter who'd spent a few years under the wing of Tommy Byrnes, Joel's longtime musical director. Dillon left college two years ago to pursue a musical career, and has spent the intervening years on the coffee-shops-and-bars circuit. Byrnes had played Joel several of Dillon's songs, and when it came time to find a singer for "Fallujah," Joel says Dillon "popped right into my head."

For Dillon, the task was not a small one.

"On the one hand, I'm trying to stay level," he says. "But on the other hand, I'm like, 'This is my shot, my opportunity.'"

The recording session came together quickly at Hyde Studios in San Francisco during a break in the Joel tour — of all days — Veterans Day. It features Joel's band (and the singer on backing vocals) and was produced by Byrnes and Jay Baumgartner (Evanescence, Papa Roach). Dillon knocked out his first-take vocal while Joel was out to lunch, and when the piano man returned, he gave quick approval. "He thought it was the actual take," Dillon says with a laugh. "I was like, 'Guys, you mind if I go back in and do a few things?'

Still, the time angle presented some challenges. "From start to finish, this took place in about a 72-hour period," says Stefano Di-Benedetto, president of Long Island-based OCD Music Group, a management company that represents Dillon. "And there was no label in the world that could do anything with this song in time." iTunes was its only option.

Also on Dec. 4, the service will release Dillon's debut EP. "A Good Thing Never Dies." He also has a full-length album, produced by SR '71's Mitch Allan, in the can that he hopes to release next year. There are plans for Dillon to join Joel during a few early-December stops, where he'll perform "Fallujah" and stick around for "Goodnight Saigon."

Those two songs are something like close cousins, not just because of their shared focus on war, but because of the focus on the cost to the people fighting them.

"That's how I've always tried to write — to avoid making grand political statements," Joel says. "I'm not a big fan of rhetoric or dogma. My interest is in the human condition, rather than trying to get up on a soapbox and give my political views. It's always more effective to write as a human being."

BILLY JOEL wrote "Christmas in Fallujah" expressly for 21-year-old singer CASS DILLON (Inset).

JUST THE WAY HE IS

Billy Joel chats with Billboard about why he's not Tony Bennett, how he's quickly become the Piano Man and why he's trying to keep himself out of the headlines.

KEEPING A LOW PROFILE
"Billy Joel comes with a lot of baggage, a lot of preconceptions about what Billy Joel is, and for as many people who like the stuff that I've done, there are plenty who don't like it, and that's fair enough, that's life. But I don't want that to get in the way of the song — which is one of the reasons I stopped writing songs altogether. I kind of got tired of Billy Joel's voice, and Billy Joel's image, and all the stuff that comes with it. I was just hoping that people hear the song and come to their own conclusion, and after the fact if they saw that I wrote it, that's fine."

IS HE STILL 'RETIREd' FROM WRITING SONGS?
"After I finished writing 'River of Dreams,' I made a conscious decision not to write songs. I was tired of, I guess, the whole rock 'n' roll rat race. That's why I went to instrumentals — it's a little more abstract approach to things. But I never considered not writing a song if I got a good enough idea. This is just another way for me to present the music."

ON 'ALL MY LIFE,' HIS PREVIOUS SINGLE
"I wrote a song for my wife about two years ago that I thought Tony Bennett should record. So I'm thinking of Tony Bennett singing it, but I made a recording to give to her, and when Columbia heard it they wanted to put it out. I thought they were crazy. I was like, 'I am not Tony Bennett.'"

ON WRITING SONGS FOR OTHERS
"My original intention starting out was to write songs for other people. I was never a big believer in my own singing voice, which is why I tried to change it all the time. I never thought of myself as a rock star. I don't look like a rock star, and up until recently I never acted like one [laughs]. But sometimes you can get locked into a box by being a rock star, not allowed to move or maneuver. When I started writing songs, it was the era of the singer-songwriter, so the advice I got was, 'Make your own album.' So I thought, 'OK, I'll make an album.' So I did, and then I had to go on the road to promote the album. And then there I was; the Piano Man. This is in a way going back to that original intention."

ON HIS PLANS FOR 2008
"The tour started in Canada at the end of October, and we'll finish up in Mexico. We're in the discussion stages for next year about if we're going to tour, but nothing has been solidified yet."

ON WRITING FOR THE SOLDIERS
"I guess ultimately, because it's the Christmas season, I'm hoping that the people over there are aware that we care about them. Depending on theebb and flow of how things are going with the war, sometimes the news quiets down about what's going on. I would hate to have these people think that they've been forgotten."

BY JEFF VRABEL
PARIS—A groundbreaking agreement struck in France could provide a worldwide blueprint for fighting online piracy, IFPI chairman John Kennedy says.

However, domestic opposition to the pact from consumer groups and the “copy-left” sector is already growing, with one body describing the move as “repressive.”

President Nicolas Sarkozy unveiled the government-brokered Memorandum of Understanding Nov. 23 in Paris (billboard.biz, Nov. 23). Its 42 signatories include leading Internet service providers (ISP) such as Neuf Cegetel, Iliad and Numericable, plus telecoms and music, film and TV organizations.

The memorandum envisages setting up a state body overseen by a government-appointed judge to tackle persistent offenders, with sanctions including the suspension of Internet subscriptions used for illegal file-sharing. “This is a very impressive initiative,” Kennedy says. “It’s something that can work globally.”

Kennedy says the agreement’s foundations were laid during IFPI discussions with ISPs in March 2005. “At the time,” he says, “their chief executives indicated they’d be willing to cooperate.”

Subsequently, however, Kennedy says it became apparent that ISPs “were never going to do this voluntarily,” and it would take government pressure to bring them to the table.

The memorandum resulted from an 11-week government-commissioned review of Internet piracy and online content overseen by Denis Olivennes, CEO of market-leading French music merchant Fnac.

“Preside without improving the legal (online music) offer.”

The agreement “won’t work, technically,” adds Benoit Sibaud, president of free software lobbying group APRIL. “The technologies for encrypted or anonymous file-sharing are already there.”

The memorandum commits ISPs to experimenting with filtering technology on their networks. However, Dahlia Kow-nator, director-general of ISPs trade body AFA, is cautious about that prospect: “Our experts are positive that filtering isn’t possible, technically or legally.”

And while certain aspects of the memorandum may be swiftly adopted voluntarily, its full implementation requires changes in French law. Industry sources expect that legislation in spring 2008.

Paris-based intellectual property lawyer Jean Caste-lain of Graunat Avocats describes the memorandum as “the most realistic agreement possible, given the financial and organizational context,” and it has been almost unanimously welcomed by the French music industry.

“We’ve come a long way,” says Hervé Rony, director general of labels body SNEP, one of the signatories. “Our only concern is that the authority gets the actual powers to be able to act.”

Performers’ collecting society Adami was not among the memorandum’s signatories. Although managing director Bruno Orly-Lavollée says it is considering signing up, he admits to feeling that the review did not study consumers’ views closely enough.

“In the digital era, respect of rights is linked to the consumer’s willingness to follow the rules,” he says.

Consumers’ group UFC Que Choisir has been swift to declare its opposition to the agreement. UFC will “use all possible recourses by national and European level” to have it scrapped or amended, public affairs director Julien Dourgnon says. “This agreement focuses on one repressive aspect,” Dourgnon says, “without improving the legal offer.”

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Paris-based intellectual property lawyer Anne-Marie Pecoraro of Bignon Lebray & Associates is sure the agreement will be adopted. “It is a good step,” she says, “although it still won’t be possible to regulate the Internet as you can a retail store.”

Additional reporting by Tom Ferguson in London.
THREE IN ONE

Top Music Companies Form Groundbreaking New Publishing Partnership

What began as an indie publisher seeking advice about the Nashville market from a couple of manager friends has turned into a first-of-its-kind publishing partnership. Two competing artist management companies, Red Light Management and Vector Management, have joined forces with indie publisher Chrysalis Music to form Crossfire3, a three-way partnership based in Nashville.

The story of the executives running these companies, the built-in network of artists and songwriters represented by the partners and the access they will have to each other’s companies add up to an unprecedented publishing venture.

The players calling the shots for Crossfire3 are Chrysalis CEO Jeremy Lascelles and U.S. president Kenny MacPherson; Red Light partners Will Botwin, Coran Capshaw and John Grady; and Vector co-presidents Ken Levitan and Jeff Roven (see story, this page).

“We’re trying to cross-pollinate across the artist rosters,” Grady says. “Between the companies’ rosters, we have more artists than a lot of medium-sized record companies.”

While Crossfire3 will operate independently from Chrysalis, Red Light and Vector, the publishing company will draw upon all of the partners’ experience, expertise and relationships. This means a strong synergy that could help the fledging publisher place more songs with artists and open the door to countless symbiotic relationships for touring, synch licensing, branding and promotional opportunities.

“Everybody is throwing out ideas, and everybody has a different Rolodex, if you will,” Roven says.

By most experts’ estimates, Chrysalis is one of the top two independent publishers in the world. After taking the reins of the North American operations at the end of 2002, MacPherson took a “low-profile, sleepy company and turned it into a real creative hub,” Lascelles says. In January, Billboard named Chrysalis—whose writers like Johnna Austin, Brian “Danger Mouse” Burton, Dan Wilson and Ray LaMontagne—among the top four indie publishers to watch in 2007. Its net publishers’ share (i.e., the revenue it retains after paying writers and other rightholders) grew by 5.2% in 2006 to reach £11.3 million ($22 million).

MacPherson says the idea for the company began when he was exploring ways for Chrysalis to re-enter the Nashville market. The company made a failed attempt to establish a Nashville presence several years ago, before he joined the London-based publisher. MacPherson says he wants to be there because he loves songwriters, he loves the way they work there and he believes there is great talent in the South. “For a company of our size to go down and just open an office in Nashville and compete with all the people there already was slightly daunting and could be cost-prohibitive,” MacPherson says.

Since he’s known the principals of Red Light and Vector for years—and since Grady and Levitan live in Nashville—he asked them for advice.

“When it just came to me,” he says. “I love these guys, I trust these guys. Why don’t I see if there’s a way that we could all do business together?”

The Red Light partners had always planned to open a publishing company at some point. Botwin and Grady say. Even though all the executives agree that the management companies could have made deals with many publishers, they say that Chrysalis has the personality, character and tradition that fits with their dynamic.

“It was just a natural fit to work with [Chrysalis] rather than some of the big, corporate teams,” Botwin says. “We’ve been on those ocean liners. It’s a nice, smooth ride, but we like a few bumps and turns in the road.”

Each company partner funds Crossfire3 and shares equally in the results, MacPherson says. To run the Nashville office, the partners called on Steve Markland who had run Windsweep Holdings’ Nashville office.

The office is now set up in Hillesboro Village near Music Row and signings have begun. Even though Crossfire3 is based in the country music capital, the publisher will be signing songwriters and artists from all genres of music.

The first signing demonstrates the synergy of the group. Grady was passionate about signing songwriter/artist Kim Richey. With her album coming out in Europe, the group placed her as an opening act for the European tour of John Hiatt, who Vector manages. Chrysalis, Red Light and Vector will continue their separate operations.

“We’ve worked together and we’ve competed with each other with respect—and still do with management clients,” Botwin says of Vector. “In a way, it makes for a more interesting dynamic and energy level.”

The writers don’t have to be signed to one of the management companies to sign with Crossfire3, and the managers will still set up deals for their artists with other publishers when it’s in the best interests of an individual artist. Chrysalis will also continue signing songwriters directly to its publishing operation.

“There is no rule book for this,” MacPherson says. “All the lawyers have the same agreement together. They asked, ‘How do you decide what to bring to the new company and what not to bring?’ There’s no way a lawyer can define that. We will know instinctually the right project for Crossfire3, the right act to sign [somewhere else], or someone will say, ‘I was looking at this act a year ago, and I’m not going to put this act through Crossfire3.’ We all trust each other.”

Despite some media reports that claim Chrysalis will be up for sale this year, the venture suggests that the publisher is forging ahead.

“We can’t control what people want to say about us, irritating though they may be,” Lascelles says. “People who care to look a little more closely at things that we do and ventures we undertake should draw a much better and more accurate conclusion as to what our plans are.”

EXPERIENCE ADDS UP

The executives running the companies that formed Crossfire3 have wide-ranging experiences in all facets of the music business:

| JEREMY LASCELLES | Chrysalis Music Group Worldwide CEO; 13 years with Virgin Records in various management and A&R roles; former artist and tour manager. |
| WILL BOTWIN | Red Light and ATO Records president/CEO; nearly 10 years with Columbia Records Group including roles as chairman and president; former management partner with Ken Levitan. |
| KEN LEVITAN | Vector Management president; former RCA Records president. |
| Coran Capshaw | Red Light founder. ATO Records co-founder with Dave Matthews; Music today co-founder with Dave Matthews Band manager. |
| Jack Roven | Vector Management and Vector Recordings co-president; former RCA Records president. |
| John Grady | Red Light partner; former Sony Music Nashville president; held top positions with various labels including Arista and Mercury Records. |
| KIM RICHEY, the company’s first signing. |

KENNY MacPHERSON, left, and JEREMY LASCELLES of Chrysalis Music Group; inset: KIM RICHEY, the company’s first signing.
Chain Change

Translating Trans World’s Latest Maneuvers

Whatever happens at Trans World will captivate the sales and distribution side of the U.S. industry for the rest of the year. As previously reported, Trans World founder/chairman/CEO Bob Higgins, who holds a 40% stake in the chain, is trying to take it private by offering $5 per share for the company stock he doesn’t own.

As part of that bid, the company said a special committee of Trans World’s board of directors had hired Goldman Sachs to seek alternative methods to enhance shareholder strategies. As I wrote in last issue’s column, that was probably code for putting the chain on the block. And sure enough, on Nov. 20, a Trans World press release admitted that the investment bank had been trying to sell the chain since May.

While Trans World executives held a Nov. 21 conference call to discuss its financial results—it lost $14.4 million, or 36 cents per diluted share, on sales of $260.6 million in the three-month period ended Nov. 3—they declined to speak about the buyout offer.

But since Trans World won’t or can’t discuss any of its current internal maneuvering, Retail Track will use its almost two decades of experience in watching the chain to speculate on how this all began and how it will play out.

First off, the idea to shop the chain came from the board of directors’ special committee, not Higgins. I knew this because back in May, Trans World stock was trading in the $5 price range. If Higgins ever wanted to cash in, I reckon he would want to do it at the peak, which wasn’t then or now.

So we can safely guess not only that it was the board’s idea to sell, but that Higgins ain’t happy about it, and likely wouldn’t stick around if a buyer is found. But no problem. Jim Litwak—the apparent successor to Higgins, sooner or later—is back at Trans World.

Litwak was Trans World executive VP of merchandising and marketing from 1996 to 2000, and then served as senior VP at Columbia House from 2000 until 2005. But when that company was sold to Bertelsmann Direct, Litwak returned to Trans World as president.

His presence is key. If Litwak decides to stay, it allows the board to shop the chain not only to strategic players but also private equity firms, which would need someone to run Trans World. But to and behold, in the current environment, the board didn’t find a buyer. If it had, a different kind of press release would be coming out of Trans World than the ones we have seen during the last week. While the most recent one repeatedly mentions “any third parties who may submit proposals,” the way I read that phrasing is no one has yet.

On Nov. 19, Sherwood Investments Overseas sent a letter to Higgins and the Trans World board, saying that $5 per share is grossly inadequate and urged the board to immediately seek competing bids, which would undoubtedly result in a sale of the chain in excess of $8 per share.

But without a third-party stalking horse bidder setting the tone, the board is going to have a hard time saying the chain is worth more than $5 per share. In fact, that’s kind of what the Nov. 20 press release admitted when it revealed that Goldman Sachs had been shopping the chain since May.

So from where I sit, it looks like the board’s gambit to shop the chain has backfired. It gave Higgins an opening to come in with the $5 per-share bid, which the board may eventually have to put before shareholders, whether it likes it or not.
ISLAND HOPPING

New Putumayo Offices Accent The Caribbean

At a time when many record labels are slashing budgets, eliminating jobs and restructuring their business models, Putumayo World Music is countering the prevailing trend by opening two new regional offices in the Caribbean. The aim is to increase sales by raising the international profile of the region’s varied musical styles.

“Our Caribbean CD compilations have been reasonably strong,” says Dan Storper, who founded Putumayo in 1993 and says the label has since sold more than 20 million CDs worldwide. “If we are based there we can develop relationships with retailers, strengthen our promotions and expand the market for Caribbean music.”

Both new Caribbean destinations—St. John’s, Antigua, and San Juan, Puerto Rico—were chosen because of their strategic locations. Puerto Rico, home to a thriving music scene, is in close proximity to sizable Spanish-speaking markets in the Dominican Republic, Central America and Miami. Antigua, better known for its 365 beaches (according to the island’s official Web site) than its indigenous music, offers easy access to the entire Caribbean.

“There are direct daily flights from Antigua to every Caribbean island,” says Alessandra Binazzi, who will head Putumayo sales and marketing for the English, French- and Dutch-speaking Caribbean from the St. John’s office. “Although Jamaica and Trinidad are larger, more music-centric markets, they are located at opposite ends of the Caribbean; therefore, travel to the rest of the region is inconvenient and expensive.”

Waleska Diaz, meanwhile, is in charge of targeting the Spanish-speaking Caribbean from San Juan. Putumayo has created its niche by releasing compilations that focus on specific genres, regions and countries through an alternative distribution network that includes bookstores, boutiques, gift shops and cafes as well as traditional record stores. Each Putumayo release is packaged with colorful folk art; the accompanying liner notes provide detailed information on songs, selected for the appeal they’ve demonstrated to world music newcomers and aficionados.

In 2006, Putumayo earned $24 million in sales, says Storper, who is projecting a 5% increase this year. Several of Putumayo’s Caribbean compilations are among the label’s best sellers. In the United States, according to Nielsen SoundScan, the “Cuba” compilation has shifted 92,000 units; “Caribbean Party,” 64,000; and “Carib! Carib!” 30,000. Worldwide, Storper says, these titles have each sold more than 100,000 copies.

In addition to establishing closer interactions with Caribbean distributors and retailers, Putumayo’s Caribbean operations intend to increase the label’s sales by focusing on the region’s booming tourism industry, estimated by the Barbados-based Caribbean Tourism Organization to have attracted 11.5 million U.S. visitors in 2006. Putumayo also plans to expand its Caribbean titles to include “Latin Reggae” (roots reggae sung in Spanish), due in January 2008; a possible Dutch Caribbean collection; and a long-awaited steel band compilation.

“The commitment we are making to the region shows people there that we really want to develop the market and identify the music that will work well on our CDs,” Storper says. “It may not be a huge market, but it is a market I believe in.”

Rising From The Ashes

An Indie Record Store Returns—With A Radical New Pricing Structure

In the early morning hours of Aug. 30, Long Island indie retail mainstay Looney Tunes went up in flames. A faulty electrical cord caused the destruction of not only thousands of dollars in merchandise at the West Babylon, N.Y., store, but also of a space that had played host to a number of prominent acts like Staind and Ozzy Osbourne and helped launch the careers of others, like local band Brand New.

In the wake of the tragedy, owner Karl Groeger took all the clichés about crisis and opportunity to heart, and almost four months to the day after the fire, Looney Tunes is back with a vengeance: The store’s grand reopening is scheduled for noon Dec. 1.

Looney Tunes is also back with a brand-new pricing structure, one that is shocking indie retail observers. According to Groeger, the store will now have two prices for the vast majority of its stock. New releases and sale albums will be priced at $9.99, and everything else will come in at $13.99. “Two prices, and nothing else,” Groeger wrote in an e-mail announcing the new policy.

“I realize this is radical,” Groeger says. “After the fire, I had to ask myself if running the store was something I wanted to keep doing, and I came to the conclusion that there is still life in indie retail. I was going to go ahead and rebuild, though, I was going to do it on my own terms and make the store the best I could.”

Groeger is quick to point out that Looney Tunes’ low prices are not a new notion. “For most of our history, we were cheaper than everyone else,” he says. “It wasn’t until the big stores started selling new CDs as a loss leader that we suffered. I’ve seen stores go out of business because they lost the new-release market.

“In the end, I have to fulfill the needs of the customer if I want to stay open,” he continues. “They want to pay $9.99 for a new CD and that’s what we’ll sell it for. I lose money on new releases, so be it: I might make money on other stuff.”

Groeger is banking on an increase in the volume of sales to keep the store open, and bets that his larger selection will entice customers to buy more deep catalog items or try new bands.

“Karl is very much on the front lines and really knows that market,” says Don Van Cleave, head of the Coalition of Independent Music Stores. “This pricing strategy is aggressive, but in the end, it all comes down to covering your overhead. If I can lose a buck or two on a record and still stay open, then it will work.”

John Kunz, owner of Austin indie record store Waterloo, applauds Groeger’s move. “Lower prices and higher sales go hand-in-hand,” he says. “Competing with the big-box stores changed the market for us, and we all have to find a balance and a way to set ourselves apart.”

Alan Becker, executive VP of indie distributor RED, also voices his support for Groeger but cautions that pricing may not be a cure-all. “I do not believe lower prices will bring enough people back to record stores to make a difference. Pricing is not the reason Tower is no longer with us or the reason so many music retailers are gone. The problem with music retail is more or less the CD in general has become obsolete.”

Groeger, for his part, says that he will expand the non-music offerings at Looney Tunes by 50% when the new store opens. “We’ll have a great selection of concert T-shirts, body jewelry and books in the new place,” he says. He also plans to expand the store’s vinyl section, and will continue to host in-store performances and events. “We’re also starting an artist development program at the store, where local bands can sell their CDs, be featured on the Web site and be highlighted in our listening stations,” he says.

People hear about the new pricing structure and say I’m crazy, and I say no, I’m loony,” Groeger says with a laugh. “But at the end of the day, if I give customers great service and great product and it puts me out of business, then I can deal with that.”
New Kid On The Block

First State Media Stakes Out Its Market

There is nothing like closing a couple of pricey acquisitions to get the publishing community buzzing about a startup—especially when the deals land the new kid on Billboard’s Top 10 Publishers Airplay Chart. First State Media Group’s $1 Songs America hit the chart in the third quarter after acquiring Wind-up Entertainment’s publishing subsidiaries, which fol-

owed the company’s Dimensional Music Publishing buy. Now, publishing execs are asking me about the company.

First State managing director Steve McMellon is no kid, and he’s not exactly new to the business, but this is his first stint helming a publishing company. He’s a former business affairs guy—and a musician—who wants to build a long-term, creative company.

“We don’t want to buy catalogs and sit on them, hoping for a good enough return,” McMellon says. “We want the creative team to build a proper music publishing entity that is totally reliant on itself.”

The company is a joint venture between a management team led by McMellon and Colonial First State Global Asset Management, the consolidated asset-management business of the Commonwealth Bank of Australia. First State Media operates in the United States at $1 Songs America and in the rest of the world as State One Music Publishing. McMellon serves as CEO of the publishing units.

To begin expansion, First State initially acquired the continental European subsidiary of Polygram Music Publishing, thereby securing a publishing infrastructure in France, Germany, Holland, the Netherlands, South Africa, Spain and Sweden. McMellon says he expects to have an office in Italy soon. The company also has offices in Australia, Ireland and the United Kingdom.


This DreamWorks catalog has more than 25,000 titles including songs by the Byrds, John Denver, Leon Russell, Rickie Lee Jones and Lifehouse. Titles include “Disco Inferno,” “Somebody to Love,” “Take Me Home, Country Roads” and “Leavin’ on a Jet Plane.” First State now also has Dimensional’s share of some titles that are co-owned with Cherry Lane.

In October, First State added Wind-up, which includes the Evanescence writers.

The publisher combines some potential catalog acquisitions, with a keen eye toward film and TV assets and European assets, McMellon says. But it also plans to build its up roster with local talent.

“One of our key plans is to make sure some of the European subsidiaries aren’t reliant on DreamWorks. Dimensional or Wind-up catalog royalties,” McMellon says. “We want them self-sufficient in their own jurisdiction. We’ve been making funding available to them to make smaller, very fast, recurrent deals.”

Meanwhile, the creative team is seeing success.

Neil Gillis is $1 Songs America president of North America and First State Global head of creative. He became Dimensional president/CEO in November 2006. Gillis was formerly Concord Music Group GM for the East Coast and Warner/Chappell Music senior VP of creative music solutions.

In a recent deal as part of a campaign that the tour board launched to encourage people to visit the city—the publisher licensed Billy Strayhorn’s “Like a Train” to the city of New York.

For the new Sylvester Stallone film “John Rambo” (Lions Gate), the publisher licensed Drowning Pool’s “Bodies” for the trailer and 12 Stone’s “World So Cold” for the film.

And on Nov. 22, Lifehouse performed in the Macy’s Thanksgiving Day Parade, which was set up by the band’s management. The publisher will see performance fees from that broadcast as well as benefits from future music sales resulting from the estimated 30 million viewers.

Other key executives with the company are Peter Bennett, head of media copyright administration based in Dublin and London, and Pat Finch, senior VP/GM based in Nashville.

First State, McMellon says, is not an asset manager that’s going to flip the company in five years. The company is putting together a 15-year business plan.

“I love music, I love songs,” McMellon says. “I want a bigger role than just the business aspects. Now as CEO I’m closer to the music than just the contracts, which has enabled me to bring a team together. That’s been fantastic.”
South African Accents

International Collaborations Boost Local Acts

JOHANNESBURG—In the year that Paul Simon’s genre-busting “Graceland” album hits 21, South Africa is once again attracting musicians in search of inspiring collaborators.

World AIDS Day (Dec. 1) sees the digital release of Annie Lennox’s “I’ll be seeing you” based on a track from her album “Songs of Mass Destruction” (Sony BMG). A fund-raiser for South African AIDS/HIV charity Treatment Action Campaign, the song features TAC’s choir, the Generics, quoting from its own song “Jekielie.”

Lennox is a regular South Africa visitor, playing two of the annual Nelson Mandela Foundation “46664” concerts and working on AIDS awareness projects. But other international acts, including eclectic U.K. alternative duo Mattafix and 1 Giant Leap, plus U.S. rapper Keith Murray, have followed suit.

Mattafix largely recorded sophomore album “Rhythm & Hymns” (Buddhist Punk/EMI) in Johannesburg in late 2006. “Working in South Africa gave the album a sound that could only have come out of that country,” vocalist Marlon Roudette says. “I walked the streets of Soweto and found an amazing connection with my life.”

The album, rolled out internationally Nov. 17-23, features such local talents as kwaiato star Zola and vocalist Nobuwai Dlamini, Lindan Gowens, James Masonda and Vusi Mkhize.

1 Giant Leap’s Jamie Catto and Duncan Bridgemall first worked in South Africa for their self-titled Palm Pictures debut CD/DVD (2002), which featured an array of musicians recorded around the globe. Catto says that “part of his musical heart” will always be in South Africa, recalling working with local talent like singer/songwriter Johnny Clegg and vocal trio the Malotatla Queens, who he describes as “full of stories.”

He adds, “It’s not just unbelievably magical singing and playing; the whole process is rooted in so many living stories.”

Most recently, Catto has been recording with 25-year-old South African vocalist Aluta Lichabha, whose Palm debut is due in early 2008. Catto co-manages the artist with Cape Town-based Kerry Friedmann.

Lichabha performs with R.E.M.’s Michael Stipe on “I Have Seen Trouble” on the sophomore 1 Giant Leap project, currently in the final production stages. “Not many artists get this kind of chance straight out the gate,” she says. “I’m hoping that appearing with Michael Stipe will get my name known—and that [people] will be very surprised and pleased when they then hear my album.”

U.S. rapper Murray, whose fifth album “Rap-Murr-Phobia (The Fear of Real Hip-Hop)” on Def Squad/Koch hit No. 32 on The Billboard 200 in August, has worked recently with producer Ronan Fassie, son of late South African diva Brenda Fassie. The results include current South African single “I’m in Your Weekend Special” (Ghetto Ruff) and tracks for Murray’s next full-length album, likely to appear domestically through Johannesberg-based Ghetto Ruff.

Sony BMG South Africa label manager Lance McCormack says such collaborations are “crucial” for leading local acts seeking international exposure. While there aren’t any official figures for South African musical exports, McCormack cites vocal group Ladysmith Black Mambazo’s contribution to “Graceland” (Warner Bros.) in 1986 and U.S.-based South Africa rock act Taj Mahal and Los Lobos’ David Hidalgo on stage in the past year. Widespread touring is planned for 2008, booked through Gloucester, Mass.-based International Music Network.

PICKING PARTNERS

Three acts likely to attract international collaborators in 2008

VUSI MALHASALEA
Based: Nameololi, Tshwane
Current release: “Guiding Star” (North America: ATO Records; United Kingdom: Wrasse Records; South Africa: Sony BMG)
Management: Red Light Management, Charlottesville, Va. Collaborators on “Guiding Star,” released in April, include Dave Matthews, New York-based British singer/songwriter Jem and Australian roots artist Xavier Rudd. Mahlasalea has also joined such international artists as Natalie Merchant, Taj Mahal and Los Lobos’ David Hidalgo on stage in the past year. Widespread touring is planned for 2008, booked through Gloucester, Mass.-based International Music Network.

HHP
Based: Johannesburg
Current release: “Acceptance Speech” (CCP, South Africa)
Management: Self-managed
Nominated for best African act at the recent MTV Europe Awards, rapper HHP–Hip Hop

GLOBAL NEWS LINE

>>> DIGITAL SALES RISE AGAIN IN JAPAN

Powered by the increasing popularity of ringback tones and mobile-based full-song downloads, digital music sales in Japan rose 32% to 121.6 million units in the third quarter, according to new data from the Recording Industry Assn. of Japan. The wholesale value of digital download sales reached 20.1 billion yen ($184.2 million), up 47% from the July-September period of 2006, RIAJ says. While mobile-based master ringtone sales in the quarter were marginally down, ringback-tone sales rose 128% to 23 million units, for a value of 1.6 billion yen ($14.7 million), a 164% rise. Sales of mobile-based full-track downloads, meanwhile, increased 12%. Overall, mobile-based downloads rose 32% to 113.5 million units, for a value of 18.2 billion yen ($166 million).

—Steve McClure

>>> NEW ZEALAND’S SOUNDS IN BANKRUPTCY MOVE

The parent of New Zealand’s biggest specialist music chain Sounds Music has gone into voluntary administration, the near equivalent of Chapter 11 bankruptcy. BDO Spicers, administrators of Sounds’ owner Icon Digital Entertainment, declined to comment on the state of Icon’s finances, but High Court papers show that Icon owes $13 million New Zealand ($9.8 million) to the bank Westpac under a general security agreement. A further 125 creditors are owed $5.92 million New Zealand ($4.4 million) and according to the documents, “Icon is or may be insolvent.” Icon operates 50 Sounds stores and, under franchise, seven Blockbuster video stores in New Zealand. Icon founder Steve Dods cites the soft retail market in general, plus the impact of illegal downloads and piracy as reasons for Sounds’ financial difficulties. Icon launched in July 2006 and took over Sounds in September.

—John Ferguson

>>> GERMANY UNLOCKS PHONES

Deutsche Telekom’s mobile unit T-Mobile is now offering Apple’s iPhone in Germany without a service plan, after rival Vodafone raised questions about the exclusive agreement that binds the two companies. The Regional Court of Hamburg ruled that Deutsche Telekom could not offer the iPhone solely with a two-year service plan and with a SIM lock, which prevents the device from being used on other mobile networks. Vodafone won an interim court injunction Nov. 19. The iPhone is now available free of any contract and SIM lock for €999 ($1,480) from Deutsche Telekom retail outlets. In a statement, T-Mobile said it would comply with the court order until the issue was resolved.

—Wolfgang Spahr

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STROH

Death of the decade

U.K. acts like MATTAFIX (above, left) and 1 Giant Leap’s JAMIE CATTQ (above, right, with ALUTA LICHABA) and such local talent as VUSI MAHLASELA (opposite page, left) and JOZI (opposite page, right) are among those exchanging cultures in South Africa.

Seether’s teaming with Amy Lee of Evanescence on its 2004 U.S. breakthrough “Broken” (Wind-up) as prime examples.

Hop Pantula—i.e. famed locally for teaming with domestic acts. Brazil and Netherlands live dates are planned for 2008, but his one international collaboration to date is with U.S. & R&B star Amerie in the video for his forthcoming single “Music ‘N Lights,” made in Johannesburg in November by American director Nick Quested. EMI has first refusal on “Acceptance Speech” internationally.

Management: Ghetto Ruff, Johannesburg

Named after a slang term for Johannesburg, this four-piece band’s mixture of jazz, funk, R&B and hip-hop on its 2006 debut, “Muthaland Crunk,” earned the attention of such artists as Keith Murray (see story, page 14). Producer Bonegini Fassie is joined by the group by rapper Les and vocalists Ishmael and Crazy Lu. Ghetto Ruff hopes to use Fassie’s Murray collaborations to showcase Jozi internationally, although it doesn’t yet have concrete plans.

Mc Cormack says that even if collaborations don’t make it out of the studio, they can lay a foundation for international careers. “Back in 1996, Dave Matthews and [Sony BMG South Africa artist] Vusi Mahlalela first sang together in Johannesburg studios,” he recalls, “but that never saw the light of day.”

Five years later, however, South Africa-born Matthews invited the Afro-folk singer/songwriter to guest on his multiplatinum album “Everyday” (RCA). Mahlalela then signed to Matthews’ own ATLO Records for North America, where he has released two albums and tours regularly.

Johannesburg-based EMI South Africa international marketing and A&R manager Kevin Grenfell is hoping that collaborations—especially Malan’s albums—will introduce more than the headline talent to global listeners.

“This country is ripe for really interesting, unsual samplings,” he says. “We are hoping that people will hear the deeply traditional, a cappella, the shuffling and guitar work—and realize we have a characteristic South African sound that can be used in many different ways.”

Munich-based Harald Heker, chairman of authors’ body GEMA, counters that the current flat rate has been unchanged since its introduction in 1985, making an increase long overdue. Rights holders, he says, “are entitled to the fruits of their labor like any other citizen—but have been denied this for years.”

Rights holders decline to confirm the size of the increase they are seeking, although publishing sources privately put it at 2%-3%. “[We] still need the levies on hardware and blank CDs—without a cap—as compensation for private copying,” says Heinz Stroh, managing director of Bonn-based music publishers’ association DMV.

Bitkom’s refusal to consider adjustments to the flat rates, Heker warns, “will merely force the holders of rights to commence litigation to recover the sums which they are owed.”

Preliminary talks are under way, but if a stalemate results, the two sides face having to seek arbitration through the courts. The Federal Ministry of Justice is monitoring the talks and, a representative says, “will intervene if the outcome leads to legal uncertainty.”

The current rates will continue to be collected by the Munich-based Central Office for Private Copying (ZPU) during a government-set transitional period of two years. Once that expires, the difference between the old and new rates will be retrospectively collected or refunded. ZPU, which Heker heads, distributes the levy revenue to GEMA, performing artists’ society GVL and literary body VG Wort.

In 2006, it reported collecting €168 million ($249 million) from the manufacturers, up 2% million ($2.97 million) from 2005. In 2003, prior to the expansion sparked by iTunes’ mid-2004 German launch, that figure was €113 million ($168 million).

The levy ranges from €0.072 (11 cents) per record on portable CDs to €7.50 (€11.12) for a CD burner or €2.56 ($3.80) on an iPod with a 4 GB memory. However, hardware industry sources say that increasing, German consumers are avoiding it by buying on the Internet.

“Fly-by-night” importers that avoid paying the levies can offer hardware at cheaper prices, says Hans-Joachim Kamp, Hamburg-based CEO of Phonics Germany.

“The collecting societies are not trying very hard to track those [companies] down.”

The new act updates and replaces legislation that was last amended in 2003 to bring it in line with European Union directives on harmonizing copyright law.

In an attempt to stop it from becoming swiftly outdated, the new legislation has been worded to apply to as-yet-undeveloped new technologies. It also makes clear that a previous private-cop ying exemption allowing the public to make personal copies of non-digital-rights-management-protected music they have already purchased does not apply to the copying of files from illegal file-sharing services. That action is now clearly identified as a violation of copyright.

LONDON—The near-simultaneous U.K. launch of three mobile music services is being hailed as an opportunity to kick start the sector in Europe’s biggest music market.

The highest-profile entrant, on Nov. 6, was Apple’s iPhone in an exclusive partnership with wireless carrier O2. The iPhone’s arrival “has kicked the [cellphone] operators and made them realize that music is worth having on mobile,” EMI Music U.K. head of digital sales Graeme Rogan says.

The iPhone faces competition from the mobile-/PC-oriented Nokia Music Store—a late service, which launched Nov. 1—the same day that mobile operator Vodafone and content provider Omnifone launched “all you can eat” subscription service MusicStation.

Each service offers downloads from major and independent labels, and “all three are lifting music to the forefront of mobile services,” Rogan says.

However, Paris-based Jupiter Research mobile analyst Thomas Husson says, “the challenge for all the stakeholders—from the labels through the mobile operators to the consumers—is to convince young consumers to pay for music after being used to free content.”

As the three newcomers join existing mobile music services from T-Mobile, Orange U.K. and 3, O2 is launching its own download service early in 2008.

Meanwhile, such U.K. online music services as hmv.com and 7digital claim they will concentrate on growing their existing digital businesses until technological hurdles to entering the mobile sector disappear.

7digital managing director Ben Drury believes that growth in mobile does not threaten his online business. “We’ve always been interested in mobile distribution,” he says. Currently, Drury views digital rights management as a barrier to entry into mobile music but, he adds, “that will go away.”

“Until then, there are so many different technologies,” Drury says. “If we wanted to transfer one decent application to mobile, we’d have to make it work on hundreds of different handsets and across numerous networks.”

By Julianna Koranteng

GLOBAL

TRIPLE PLAY

Three New Services Jump-Start U.K. Mobile Market

For 24/7 global news and analysis, see billboard.biz

December 8, 2007 | www.billboard.blitz
Breakups And Makeups

A Year Of Splits And Reunions

By design and serendipity, 2007 has turned out to be an unusually fertile year for the breakup and reunion of Latin music groups.

In the breakup arena, the tendency crosses all genres, but there has been a concentration in regional Mexican (Kumbia Kings, K-Paz de la Sierra, Montez de Durango) and pop (La Oreja de Van Gogh, Lu, Sin Bandera, Bacilos), with reasons ranging from financial and personal disagreements to artistic and creative motivations.

As far as reunions are concerned, the most lucrative, by far, is that of Argentine rock group Soda Stereo, which, after more than a decade long split, reunited for a world tour that by year's end will be seen by nearly 1 million people. Label Sony BMG has capitalized on the get-together, so far releasing an album of hits, "Me Verás Volver," and a reissue of the group's "MTV Unplugged" CD as well as, for the first time, a DVD of the program.

Less obviously successful was the reunion of '80s/ '90s Mexican teen pop group Timbiriche, as this was more of a fad group, whose big names—Paulina Rubio and Thalia, among others—have long headed in other directions.

And yet, aided by a reality show that searched for the "new" Timbiriche, album sales soared with "T25" (EMI), a set of new arrangements of old hits performed by the newly reunited group (which does not include the aforementioned superstars), selling more than 150,000 copies in Mexico. The move mimics the Menudo phenomenon being mined in the United States. A nationwide reality show on MTV and MTV Tr3s searched for the new Menudo, while some of the group's former members created a new act, X'M2. Both plan to release albums next year.

And then there are those groups that, despite receiving significant support from their labels, split up. With a group like La Oreja de Van Gogh, together for 11 years and still selling strong, recapturing the label's investment is no longer the issue. Also, the reasons cited—singer Amaia Montero wants to go solo—have artistic validity. But while there are exceptions to the rule, it is hard to re-establish success when a winning formula has been altered.

The Campaign Trail

Growing Monterrey Label Makes Regional Mexican Inroads

If the music industry was a political campaign, American Show Latin (ASL) would be the plucky upstart shak- ing up the race.

The 2-year-old Monterrey, Mexico, label grew out of a political marketing concept that Durango native Pepe Serrano and his wife started seven years ago.

Serrano managed a local group, Los Primos de Durango, bringing it to play at campaign stops for Mexico's current president, Felipe Calderon. He also started a production house to make videos, commercials and photos for artists.

"We did the same thing for the groups that we did for candidates: imaging, good photos and video," Serrano says. "But when it came to a record deal for Los Primos, no record label wanted to sign them, so we said, 'If nobody wants to, we'll do it ourselves.'"

ASL now has 36 acts on its roster and a U.S. distribution deal with Machete Music. ASL/Machete acts Aliados de la Sierra (led by a former Alacranes Musical vocalist), Los Primos de Durango and Ponzoña Musical landed spots on Billboard's Top Latin Albums chart in the Dec. issue.

Also hitting that chart this month were Los Paizaz de Guanacevi. (Los Primos de Durango's songs charted earlier this year via distribution from another company, Mar Internacional.)

The key is breaking young groups with a "light durango- guense" sound and a more pop-friendly norteno feel, Serrano says.

"Their music will always be traditional regional Mexican-sounding, yet they appeal to a younger audience," says Machete president Gustavo Lopez, whose own regional Mexican label, Machete Regional, made similar strides this year.

ASL handles radio, Lopez says, while Machete offers street marketing, video servicing and public relations support stateside.

In Mexico, ASL promoted its groups mostly via dances, with album distribution coming recently through Universal.

ASL has built up its U.S. staff to include promotions and booking for its artists, and provides media training for its acts.

"We want to change the image of regional Mexican. Before, the videos were bad, the photos were bad, the image was bad," Serrano says. But if regional Mexican music "generates the most money both in management and record sales, it doesn't have to be low-quality product."

Other major ASL releases to come are from veterans Beto y Sus Canarios, new artist Julio Chavez and its first female artist, Keyla Caballero.

Reporting by Leiia Cobo.

EN BREVE

JOSE GIL ANSWERS ESTEFANO COMPLAINT
José Luis Gil, who was sued by songwriter/producer Estefano, has denied being an "administrator, employee or even partner" in any of Estefano's business ventures.

Gil responded via e-mail to a Billboard query regarding a Nov. 13 complaint that Estefano filed alleging fraud and unjust enrichment, among other charges. Estefano is one of Latin music's top songwriters and producers, having penned No. 1 hits for virtually every major artist in the genre, from Marc Anthony to Gloria Estefan.

According to his complaint (billboard.biz, Nov. 15), Estefano's relationship with Gil dates back 11 years, and the two had an oral agreement in place through which Gil managed Estefano's business affairs and collected 10% of his earnings. After Estefano nearly died following being shot inside his Miami home in May, the complaint says, he discovered that Gil had taken full control of his business ventures. These included Advanced Business Trading, a company that receives Estefano's royalty payments. Estefano's complaint alleges that a $3.2 million advance he received from Sony ATV publishing shortly before being shot was paid to Advanced Business Trading and that Gil has returned only $500,000 of that money to Estefano.

In his e-mail to Billboard, Gil writes, "I have limited myself in recent years to be a consultant in specific contracts dealing with international rights, writer's rights and publishing, directly or through companies specializing in those areas." He also wrote that his attorney would reply to Estefano's complaint.

RBD READY FOR THE ROAD

Tickets to RBD's Empezar Desde Cero tour go on sale Nov. 30. The 15-city trek kicks off Feb. 15 at the Dogos Arena in Hidalgo, Texas. RBD's tour coincides with the release of its new album, "Empezar Desde Cero" (EMI Televisa). Sponsors for the tour, which is produced by Ruptus, are Verizon, MTV Tr3s and Aeromexico.

Reporting by Leiia Cobo.
On The Road
RAY WADDELL rwaddell@billboard.com

Their Road Goes On Forever
Five Reasons Old Legends Still Rule The Touring Roost

They show up every holiday season, like the ghosts of arenas past: Graybeard rockers who continually dominate the touring charts, 30 years or more into their careers. By and large, the live music industry is still powered by a cadre of acts that saw their best chart and retail success when the prime concert-going generations of today were yet a gleam in their parents’ eyes.

Rod Stewart, the Eagles, Billy Joel, Eric Clapton, Bob Seger, Def Leppard, Rush, Bruce Springsteen, Aerosmith, Elton John, the Allman Brothers Band, Jimmy Buffett, the Who and George Strait—to name a few—have propped this business for many years. What’s their secret, and how do today’s developing artists stack up? Let’s break it down.

■ The old warehouses kick ass live. And they showed their craft by playing show after show for show after year for year—playing, as Elton John put it at the Billboard Touring Awards in 2006, “every shithole” from coast to coast. There is no substitute for experience. Livingstone Taylor, now a performance arts professor at Berklee College of Music in Boston, says playing live time and again teaches an artist how to command the stage. “When you do something that they like, do that again,” Taylor says. “When you do something that they don’t like, don’t do that anymore.” Great artists were born with natural charisma, but the art of entertaining, like anything else worth doing, takes practice. Nothing against “American Idol”—as a touring brand. Its success is proven—but those are artists whose first national tour is at the arena level. We’ll know what this means in a decade.

■ Artists who’ve achieved longevity on the road were built by a model that worked and still works. Premier Talent agent Frank Barsalona helped build a system in the ’60s and ’70s that incentivized promoters to invest in an artist’s career from the club level and as they rose through the ranks to larger and larger venues, hopefully one day graduating to arenas. Prior to promoter consolidation, the system worked very well in the regional world, as a promoter like Larry Magid with Electric Factory in Philadelphia could be in the Springfield business in his town. Loyalty was rewarded by both ends. When the artist delivers and the promoter holds up his end of the bargain by producing a quality show in the right venue, fans come still take place today, but fans don’t experiment when the ticket price is more than $50. The business can’t ask people to pony up big bucks for an unproven entity or one hot song.

■ With the classic artists, it’s certainly not about one hit song. In Head East (“There’s Never Been Any Reason”) selling out arenas today? The radio and label system a generation ago was driven by albums, not singles, though a hit single could obviously provide serious juice. But the album track could always be the big crowd pleaser. Today, when the legends tour, when they break out that seldom-heard album track from 25 years ago, fans eat it up. When being a music fan means filling an iPod with cherry-picked singles, there’s really no such thing as an album cut.

■ Which leads us to the key to why these acts have longevity. Catalog plus performance chops plus a solid foundation and a track record of delivering the goods add up to value for fans. Obviously, boomer fans are conceptually making enough money at this point in their lives to afford a pricier ticket, and that leads to higher grosses. But anyone who goes to a classic rock show knows that the crowd includes plenty of younger fans who were raised on these great artists. In fact, never before has the industry enjoyed such multigenerational audiences. A known entity is worth the money.

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Full Circle

When It Comes To 360-Degree Deals, Digital May Be In The Driver's Seat

The music industry has a new buzzword—360.

The 360-degree record deal is a concept where labels sign artists to contracts that include a cut of not only album sales, but also their merch, touring and other revenue that historically the labels did not get a piece of.

But labels aren't the only proponents of the concept. The touring industry is looking for more complete deals as well, as Live Nation's recent groundbreaking partnership with Madonna attests. Labels want a piece of touring, and promoters want a piece of recordings. Once comfortably parked at different ends of the music street, the two are now driving toward each other at full speed like two semi trucks playing chicken.

And those attending Billboard's Touring Conference & Awards event in mid-November walked away with the sense that, when it comes to 360-degree deals, the touring industry has a real shot at competing with labels.

Ultimately, it could all come down to digital. While digital music distribution has disrupted the major labels' business model, it has only enhanced that of the touring industry.

Revenue from digital music sales—which includes full-song downloads, ringtones and music subscription services—total roughly 20% of the major labels' bottom line. And based on Nielsen SoundScan data, Billboard estimates that so far in 2007, digital albums, CDs sold online and "track-equivalent albums" (a formula where 10 download tracks equal one album sale) comprise 31% of recorded-music sales. Digital income, though, is expected to hit 52% of CD sales, which are now down 18.6% year-to-date compared with 2006. The labels' interest in 360 deals is a reaction to this—looking for more new revenue streams to pick up an ailing bottom line.

By contrast, Ticketmaster executives say 80% of all its U.S. ticket sales—not just music events—are now conducted online and that worldwide ticket sales volume increased 35% from 2002 to 2006. And selling tickets or making concerts available online brings in additional revenue to promoters, venues and artists, without cannibalizing the original—product the concert itself.

The ace up the touring industry's sleeve is the cold hard truth that a concert can't be pirated. You can't steal a live show. You can send it to millions of other users with the press of the button. Sure, maybe some can download a bootlegged recording of a live show or post cell phone videos on YouTube. But ticket sales, merch sales, concession sales, sponsorship dollars—those are pirate-free.

"Touring can't be harmed," Van's Waedtp tour promoter Kevin Lynnman said at the Billboard conference. "Music will be, but touring can't!"

Far more people "steal" music online than buy it. Peer-to-peer traffic monitoring firm BigChampagne estimates some 1 billion songs per month are downloaded from P2P networks for free, while only around 2 billion people have paid to download music from itunes since 2003. The average iPod owner purchases approximately 20 songs per year from itunes.

But fans are far more willing to buy concert tickets and merch online—and therein lies a huge opportunity for tour promoters and ticket merchants. The line between buying an album or song and buying a concert ticket has blurred in the digital age. It's all just links and payments now, so why not consolidate that activity into one provider? Why force fans to go to one place to buy a concert ticket and another place to buy the album?

Ticketmaster is playing with this concept through a deal with iTunes. The two have teamed up to sell concert tickets side by side with digital music downloads and let fans pay for them in a single transaction. If the initiative proves successful, Live Nation and other promoters who are getting a slice of artists' recorded-music revenue may take notice and offer a similar concept on their own Web sites and perhaps on other such services as iLike.

It's by no means a slam-dunk. Having an important role in one aspect of the music industry doesn't mean a company can do equally well in others.

Just look at MySpace. The social networking giant became a de facto hangout for what seems like every band currently in existence—and it has done wonders to help some of their careers. But its digital music strategy with Snopac's MyStore—which lets MySpace members buy downloads directly from artists' profiles—is so far a bust. Fewer than 200,000 of MySpace's 100 million-plus members registered for the service, and only 90,000 of the more than 2 million bands with MySpace profiles ever bothered to create a storefront.

So what does all this mean? Does Live Nation ultimately merge with Universal Music Group? Does Apple buy AEG? Who knows, but the way digital is leveling the playing field, it is inevitable that continued overlap among entities like these will ultimately change the industry landscape.

"We're all looking at the same picture," Live Nation chairman of music Arthur Fogel said during a keynote interview at the touring conference. "It's just a natural evolution. For us, it's not that radical of a departure, but a logical extension."

For 24/7 digital news and analysis, see billboard.biz/digital.
Richard Beckman

With his new "Movie Rocks," the mind behind "Fashion Rocks" is once again reaching TV viewers, digital users, magazine readers and music fans—all at once.

As a university student in Manchester, England, Richard Beckman would book shows at campus venues—a proposition that even then carried a little risk. "It's a little scary when you have to sell your watch and your car to take another ad in the [paper] to try and fill the place," the Condé Nast Media Group president jokes.

The creator of "Fashion Rocks," QQ's "Men of the Year" and the VH1/Vogue Fashion Awards has since developed a much more successful model: offer sponsors a bundled audience of magazine subscribers, network TV viewers and mobile/digital consumers by creating music-heavy entertainment events across all platforms.

Those franchises are growing, with "Fashion Rocks" having just completed its fourth year in September, and a new event, "Movies Rock," set for broadcast Dec. 7 on CBS. The concert will feature music's biggest stars performing iconic movie songs (think Beyoncé singing "Someplace Over the Rainbow" and Carrie Underwood doing "The Sound of Music").

As with the other events, "Movies Rock" has a special companion magazine; focused on the relationship between music and film, it will go out to subscribers of 14 Condé Nast titles.

The media group bought the airtime on CBS and brought in such sponsors as Chevrolet, Citroën, Verizon Wireless and Estée Lauder, which air commercials during the broadcast and place ads in the magazine. (CBS retains a portion of the commercial time to sell on its own.)

Beckman spoke to Billboard about creating well-rounded promotional opportunities for brands and artists.

What gave you the idea to combine music into print and TV projects?

I'm a lover of music, and I think music is one of those things that defines cultures. It touches every part of culture. And I have to say, the ill's of the music business notwithstanding, with all the accessibility that music has to the consumer today and on-demand, whether it's iTunes or everything else, I really feel like enough music is on television anymore.

One of the things we wanted to do was to try and create a couple of forums to explore music's relationships with different parts of culture and try and create multimedia platforms to really present that... What we first wanted to do with "Fashion Rocks" was create a show that explored fashion and music's relationship, which is not a new idea.

Think about that era of the Beatles coming off the plane and how their look dictated the fashion of a generation. Or you think about the grunge movement or you think about John Travolta in "Saturday Night Fever." One trend of fashion movement after another emanates from these musical eras.

These are network television shows designed to take the message to a much broader audience. I want to make the distinction between network and cable. I think cable continues to show music as it does in narrow niches, but I think network has less and less music for the consumer.

Is the broader network audience more appealing to sponsors?

You can't isolate one particular aspect. We take a single idea like "Fashion Rocks," or "Movies Rock" is the new one we're working on, and we create a magazine. The readership of the magazine we created around "Fashion Rocks" this year was read by 45 million people, just this last issue. Then there is the network television show, and then there is the cable rebroadcast on E! and the fact that the show itself got over 2 billion media impressions. What you have is a single idea that resonates across the entire country. You'd have had to have been living in a cave not to have heard about it.

The fact that the network show has the potential to reach a larger audience is a very important fact. You can't pay attention to just one genre of music; you have to embrace all different styles. So this year we have everyone from Mary J. Blige to Carrie Underwood, Jennifer Lopez to Jennifer Hudson.

Why is now the time for such projects as "Movies Rock" and "Fashion Rocks"?

What we do in the media group is try and create original ideas that work in all these different avenues of print and television and the Internet and wirelessly and build a program to try to bundle all those assets for our sponsors. That is an idea that resonates with clients' needs today, because right now the consumer is a little disengaged with media. They're fed up with being bombarded and cluttered with all the different channels. So to create an idea that is built to live in all these different places is something that works.

How does this translate digitally and on mobile?

In the digital space, "Fashion Rocks" had its own streaming to MySpace and all the extensions, whether it was red carpet or backstage stuff... The shooting of the magazine was incorporated into the MySpace streaming. With Verizon, we have some fabulous wireless extensions with "Movies Rock."

We cleared a number of incredible clips from the history of music and film and we put it up on Verizon's Web site and Verizon's customers were invited to log on and vote, and that will be a produced segment within the show. There will be red carpet pre- and post-events that will be VCast to Verizon as well. There will be songs downloadable from the show. It's a very well-

How do the sponsorships work in terms of visibility on the show?

There's some very tasteful integration. You don't want to create the pregnant product placement moment. You want to do something seamless and creative and intelligent and that doesn't insult the consumer.

What was an example of that?

In ["Movies Rock"] you'll see "Diamonds Are a Girl's Best Friend," performed by Nicole Scherzinger as a perfect integration for De Beers. Then you have Disney, who is one of the sponsors, and we have Elton John singing "Can You Feel the Love Tonight?" which he won an Academy Award for from "The Lion King," and there's a whole animated segment. It doesn't feel like product placement because it's so intrinsic to the editorial direction of the show.

Can we expect more of these music/TV/magazine specials from Condé Nast Media Group?

We have two or three strong ideas in the hopper right now. My staff's favorite phrase to me is that "Richard bites off more than we can chew," and I plan to bite off a little bit more. Too much conversation goes into the mode of delivery of content and not enough to actually what goes into the mode of delivery... We are focused on the content, as opposed to the modes of delivery. The partnerships we're forging with the labels and the talent management and the artists themselves are things I think will be incredibly valuable to us, and to the music industry, in helping put the music industry back on track.

Billboard is in the process of finding a new brand columnist. In the meantime, branding and marketing coverage will continue in this magazine and online.

For 24/7 branding news and analysis, see billboard.biz/branding.
In Search Of
As Arbitron Transitions To A Device-Driven Methodology, Radio Objectives Help Postpone The Plan

BY KEN TUCKER, LEILA COBO and DARNELLA DUNHAM

ILLUSTRATION BY BRIAN STAUFFER

When the New York results for Arbitron's summer 2007 ratings survey were released Oct. 15, adult R&B station WBLS was ranked No. 1 in the market among 25- to 54-year-olds, the demographic most advertisers desire. By Nov. 7, the station had fallen to No. 12.

The difference? The summer numbers were based on the decades-old diary ratings service, while the October numbers, reported Nov. 7, were based on Arbitron's relatively new Portable People Meter (PPM) ratings service, which the company wants to roll out to the top 50 markets during the next three years.

Spanish WPTG took the biggest drop in the rankings, falling from No. 7 in the summer to No. 19 in October. Adult R&B WLRS dropped from No. 3 to No. 9, and Spanish tropical WSKQ fell 4-7.

And while the New York data is "pre-currency," meaning it can't be used by stations or agencies to make advertising buying decisions, urban and Hispanic broadcasters in particular fear a negative financial impact when it eventually becomes "currency." Originally scheduled to occur in late December, PPM data won't become currency in New York until fall 2008. While the PPM is up and running in Houston and Philadelphia, Arbitron decided this week to push back scheduled rollouts in several markets.

Four of the largest broadcast groups—Clear Channel, Cumulus and Cox, along with primarily urban broadcaster Radio One—had earlier sent a letter to Arbitron demanding that the company take "immediate action" to fix low PPM samples in the 18-34 and ethnic demographics. Because of the letter, and other concerns about the validity of ratings expressed by broadcasters and advertising agencies, Arbitron pushed back its roll-out of the PPM in New York, Los Angeles, Chicago and Dallas—in some cases, by as much as nine months.

"We remain confident in the audience estimates that the Portable People Meter service is producing," Arbitron president/CEO Steve Morris said in a statement. "However, over the past three weeks, feedback from our customers, the Media Rating Council [which oversees audience measurement for radio and TV] and other constituencies has led us to conclude that the radio industry would be better served if we were to delay further commercialization of the PPM in order to address their issues.

THE RIGHT SAMPLE

 Arbitron's PPM system electronically monitors a survey participant's listening habits via a small portable device, the pencil-and-paper diary system, which has been used in the radio industry since 1965, is one particular concern for what they listened to. In both cases, ratings are based on a statistical sample of a market's population. However, diarykeepers chronicle only one week's worth of listening, while PPM participants can be on the panel for up to two years. The PPM must be carried all the time, and the device has a super-sensitive noise detector; if it remains stationary for even a short time, its data will be discounted. The more hours survey participants carry the device, the more they get paid by Arbitron.

The National Assn. of Black-Owned Broadcasters has argued that Arbitron's PPM methodology is adversely affecting stations targeting urban and Latin audiences. "Declines this substantial raise serious issues about who and what is actually being measured and how the PPM methodology manipulates that data," NABOB executive director/general counsel Jim Winston says.

"The New York PPM numbers showed a substantial loss of audience for all stations, but the loss for the urban- and Hispanic-formatted stations was far worse than for the market as a whole." While the data is difficult to compare because the diary system only counts listening among those 12 years of age or older, and the PPM tracks listening for 6 years and up, it is evident by looking at ratings from Philadelphia that urban and Hispanic stations took a hit in the rankings there as well.

In the most recent diary ratings for Philadelphia, fall 2006, adult R&B/WRKS was No. 2 station in the market among the 12-plus audience. When the first PPM currency ratings came out in April (for the month of March), WDAS had fallen to No. 7 with listeners 6-plus. R&B/hip-hop/WUSL, No. 5 with live diary, fell to No. 10. Another adult R&B station, WRNB, placed 11th with the 12-plus audience under the diary method, but dropped to No. 18 in the first PPM currency book. Hispanic-formatted stations are as prevalent in Philadelphia as they are in New York. Spanish tropical WUBA's ratings were essentially flat.

In Arbitron's view, two primary issues in play are the unavailability of an accurate sample population and the tendency of diarykeepers to merely "vote" for their favorite stations. Arbitron has struggled with low sample sizes, particularly in its 18-34 demographic. While that shortfall has the potential to affect a number of younger-leaning formats, it can be particularly tough on urban and Hispanic formats: The most difficult demos to sample, Arbitron says, are young blacks and Hispanics, groups that have historically proved less interested in participating.

"We already have a number of initiatives in the pipeline for implementation in the first quarter of 2008 that we believe will improve the performance of our PPM samples," Morris said in his statement. "Our intention is to expand significantly this list of improvement initiatives by working closely with customers, industry organizations and community groups.

Before And After

Latin and urban stations took a ratings hit when Arbitron issued its initial PPM results for New York this fall.

DIARY SURVEY

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PRE-CURRENCY PPM

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We also plan to use the additional time to work closely with community leaders to review the workings of the Portable People Meter service and to gather their insights as to how we might improve compliance among persons 18-34, including ethnic young adults, across the diverse communities of New York, Los Angeles, Chicago and subsequent markets," he added.

WBLS GM Deon Levington is among those who believe sample sizes need to be improved. "Arbitron does a great job of sampling over the age of 45," he said before Arbitron announced it had pushed back the PPM launch. "But they've consistently done a horrible job of sampling people 18-24 and 25-34. There are over 3 million African Americans in New York, and the number of people being electronically monitored is 600. I have no idea where those 600 people are or what their listening patterns are as it pertains to them."

An Arbitron spokesman says the number of African Americans in the PPM survey is a statistically correct reflection on the New York population. And while Arbitron admits that, in some markets, sample sizes of certain demographics have been below target levels and it is working on increasing those sample sizes, there is no guaranteed way to do this.

"Arbitron's role is to provide valid estimates of audiences size and composition for radio," Morris said recently. "With random sampling as the basic research platform for measuring, there is never 'perfect' measurement, which is why the Media Rating Council mandates that the data are always to be described by suppliers like Arbitron as estimates."

(The fact that the MRC has accredited only Arbitron's Houston ratings is another bone of contention for broadcasters. The company has completed an MRC audit for Philadelphia and is in the process of completing one for New York, but the MRC has yet announced accreditation for those markets. Some broadcasters believe the PPM should not become currency in those markets without an MRC accreditation.)

Another concern that Arbitron seeks to rectify with the PPM—one that broadcasters have known about for years—involves "voting." Faced with trying to recall exactly which stations they listened to and when, some diarykeepers are known to simply credit their favorite station. Voting is not necessarily unique to any particular format, but urban listeners have proved particularly loyal to their favorites. With electronic measurement in place, stations that received high ratings under the diary system could potentially find out that they don't have the large numbers of listeners they thought they had.

DATA IN DETAIL

Some broadcasters facing the PPM switch believe the real answer is educating advertisers about the changing metrics. "We continue to tell our customers that the audiences did not change, only the measurement changed," Emmis Radio president Rick Cummings said before Arbitron opted to postpone PPM measurements in New York, when they were to be WQRS and WQHT.

PPM data, which is far more detailed than information provided by diaries, can be beneficial, Cummings believes. "We can now categorically prove that the only effective way to reach the tremendous buying power of the African-American consumer is with African-American-targeted stations."

At the Power of Urban Radio Symposium, held in September in New York, ROI Media Solutions partner Mark O'Neil tried to dispel a myth that black listeners can be reached effectively by general radio. "Urban radio is the only way to effectively and efficiently reach urban audiences," O'Neil said, citing his analysis of PPM ratings from Philadelphia showing black listeners' extreme loyalty to urban radio.

Monthly PPM results, which are available to subscribers more quickly than the quarterly diary system, contain heretofore unavailable data including minute-by-minute listening.

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patterns. The ability to "drill down" into the PPM data to a granular level allows broadcasters to see more quickly what station contests or promotions may spike listening and which flat. Ultimately, if they choose, broadcasters can determine which songs positively or negatively affect listening by tracking which songs/listeners stayed tuned in for and which caused them to switch stations.

The quicker result is also more rapidly signaling the success of a flip from one radio format to another. When Clear Channel changed tropical-leaning WUBA Philadelphia to alternative rock WRFF in May, the PPM identified a rapid increase in listeners.

At the time, Bob Michaels, former Arbitron VP of radio and PPM programming services and now head of his own company, MediaSense, told Billboard's sister publication Radio & Records that the quick read happens in two ways. "First, we are moving from four quarterly surveys a year to 13, including the holiday survey period from the middle of December to mid-January," he said. "So the detailed information we used to only get quarterly will now be provided monthly, so you can dig in and analyze any format change sooner."

PPM data would ultimately affect certain Billboard charts as well. As of now Nielsen BDS, which Billboard relies upon for radio chart numbers, is analyzing the PPM data from the two active markets, Houston and Philadelphia. BDS will soon apply it to the audience-based charts it generates for Billboard's use. Some programmers are seeing definite advantages with the PPM system. "The one thing I do like about PPM is the cume numbers," WPHI Philadelphia PD Colby Colb said at the 2007 R&R Convention in September in Charlotte, N.C. "I knew that a lot of people were listening to our urban stations, and the PPM shows through cume how many people are really listening. Cume, or cumulative audience, is the number of different or unduplicated persons listening during a specified period. Other formats could benefit as well. Country stations such as WXRT Chicago have long believed that the format, particularly in the Northeast, has suffered from what is known as "phantom cume"—which is to say, from people who listen to a particularly formatted station, but don't, for cultural or other unknown reasons, acknowledge their listening habits in the diary method. Once the PPM launched in Philadelphia, WXRT's stock rose, making it regularly one of the top five or so cuming stations in the market.

WBLS PD Vinny Brown, who has reservations about the PPM's negative effect on urban and Latino stations, nonetheless sees some positives in the service as well. He believes the PPM "makes radio sexier because it puts us on the same playing field and platform as television." As noted above, the granular and more immediate data it provides allows programmers to quickly determine whether a particular station event had the desired effect. "So, exciting to find out, 'Did that remote really work or was that annoying to listeners?'" he says.

THE PROGRAMMING CHALLENGE

One long-range question on broadcasters' minds is how numbers derived from the PPM will ultimately affect programming. Livingston says the PPM presents urban and Hispanic broadcasters with a new challenge. "Do they disregard what they have done and try to program to their listeners, to their core?" he asks. "Or do they try to play a game and now try to become as mass appeal as possible?" Livingston is adamant his station will not make such a change. "We will not disregard our community like that, we will not."

Under the old methodology, diarkeepers were typically credited with listening to adult (R&B) stations an average of 11 hours per week, Clear Channel VP of urban programming Doc Wylie said at the R&R Convention. "But in the PPM world, it appears that those listening levels were exaggerated, so if you're in a market that has about six urban stations and several were ranked in the top 10, now they might be ranked in the top 36," he said. "Eventually there's not going to be a need for as many urban radio stations, which means [loss of] jobs, and that's obviously a big concern."

Reggie House, OM for CBS Radio in Atlanta—where the PPM won't be currency for another year—provided a hypothetical example. "PPM rolls into the market and suddenly we drop from No. 1 in the 25-54 demographic to No. 7," he said at the R&R Convention. "Then advertising agencies will say, "Your ratings have totally dropped, and we're not going to pay those rates.""

From a business point of view, this [change] is incredibly harmful," says Frank Flores, VP/marketing manager for Spanish Broadcasting System's New York cluster, who notes that five Spanish-language radio stations service New York's Hispanic population of approximately 5 million. SBS, along with Univision, are the two biggest networks in Spanish radio. "If the business changes, maybe we don't have five stations," he says. "Maybe because business isn't good, two or three stations and the community has to wake up because this is a big deal. It's not only a radio station: it's their culture, it's their language." Flores says SBS is looking for solutions at a corporate level and will exert political pressure if necessary. The network is also working with urban stations to find answers. As far as SBS goes, Flores says, "we're not flipping anything. We're in the Spanish-language radio business."

MEASURING THE METRICS

Some in Latin radio—Flores included—remain skeptical about the accuracy of the new technology as well. "We had anticipated some changes, just because there are always changes when you move from a diary to an electronic system," Univision executive VP of corporate research Celil Shagrin says. She notes that through the multichannel com-

Ad It Up

Agencies Support The PPM, But Want It To Be Right

Advertising agencies, already familiar with Nielsen's Personal People Meter ratings service for TV, believe Arbitron's Portable People Meter will bring new accountability to radio. But, like broadcasters, they believe fine-tuning is needed. "We need to work with Arbitron to get better results because the meters are better than diaries, and we can't go backwards," says Brad Adlake, executive VP of broadcast strategy, Janics. "But, Arbitron has begun referring to the metric previously known as "time spent listening" as "time exposed."'

"We expected a little higher exposure to English media among English-speaking Hispanics than the diary would have recorded," says Shagrin, "but it's not getting close enough sample, and they're not able to break it down for Spanish-language usage," he says. "So if a Spanish-dominant person drops out, you have no way of replacing them."

Stone, Flores and Shagrin all say they're concerned that Arbitron's sampling of Hispanics does not take into account, for example, that those of Dominican origin may not have the same musical tastes as those of Colombian extraction: and that a change in a panel may significantly alter the results. "This is not just a Hispanic or urban problem," Flores says. "If our numbers are wrong, everyone's numbers are wrong. It's a marketwide consideration."

The concern extends to advertising agencies, which naturally support electronic measurement because it's perceived to be more accurate (see story, this page). "But it can't be accurate if the sample doesn't represent your industry," Shagrin says. "Everyone wants to support the PPM, but Arbitron has to make the changes that give us credible currency."

Working toward advertising rate parity has always been a struggle for Spanish-language media. But major inroads had been made in recent years, particularly in light of Spanish radio and TV's rising ratings. Shagrin, for one, says Univision is pleased that Arbitron has delayed its PPM rollout to New York and other markets. "We encourage them to make the necessary changes to reduce bias and improve reliability of the data, and we're willing to work with Arbitron and the other users of the data to help them succeed in this effort," Shagrin says. "We encourage Arbitron to make the same changes in Houston and Philadelphia, which remain currency in those markets."

WBLS GM Levinston welcomes the PPM postpone-ment, as well. "I'm glad that Arbitron decided to do it to fix clients and that they're going to take extra time to ensure that they have the most accurate system out there for measuring radio," he says. "That's beneficial in the long run to all the radio stations as well as to all the advertisers."

And once the PPM does finally go into effect, some radio people say they're looking forward to establishing new parameters in targeting programming and connecting with listeners. "We get to reinvent the wheel in a sense, and that's exciting," Clear Channel WYPR New York PD Helen Little said at the R&R Convention. "Everybody talks about creativity—well, here's your chance to really get creative with your measurement." Additional reporting by Katy Bachman, Mike Doyle, Hillary Croxley and Paul Heine.

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'THE BREAKTHROUGH' BROUGHT MARY J. BLIGE BACK TO THE TOP OF THE CHARTS. CAN SHE SUSTAIN HER CREATIVE MOMENTUM WITH 'GROWING PAINS'?

Bringing out a new Mary J. Blige album is a big challenge. That's because Blige, anointed "the Queen of Hip-Hop Soul" in 1992, is on a 15-year multiplatinum run as one of the most electric performers in the urban world, with a wide-ranging crossover base that straddles the R&B, hip-hop, pop and even AC markets. Her last two studio albums, 2003's "Love & Life" and 2005's "The Breakthrough," debuted at No. 1 on the Billboard 200. Even last year's "Reflections-A Retrospective" opened in the top 10. For "Growing Pains," due Dec. 18 via Geffen, it started in late September with the online release of the single "Just Fine." In October and November, Blige completed a whirlwind international promo tour to get audiences ready, and just before Thanksgiving, another new song began appearing in an Apple ad for iTunes and iPod. "Each time, we have to think, 'What do you do to try to make it special?'" Geffen GM Jeff Harleston says. "It's a challenge every time. You've been to one mountain top; now you have to go scale another and just keep moving." So one-upping all that and keeping the buzz strong and alive is a unique task Blige and Geffen face as "Growing Pains" nears release. The Bronx-born singer/songwriter's ninth album is already stirring things up with the uptempo "Just Fine." But as far as Blige is concerned, the music is the key component in maintaining that success.

She says, "I started out with this concept of growing pains because that's how I was feeling during the [2007] Grammy's: Am I good enough for this? Do I really deserve all this in my life? But something in my head said, 'Yes, you are. You're moving at such a rapid pace, you're up in this area that you're forced to start expanding and getting the things you want.'"

Featuring collaborations with Ne-Yo (who wrote the track "Fade Away" from a poem by Blige), Timbaland, Akon, the Dream and Tricky Stewart (the team behind Rihanna's "Umbrella"), Bryan-Michael Cox and the Clutch, among others, "Growing Pains" finds Blige coming to terms with her success, particularly in the wake of the last album's three Grammy Award wins.

It's been a hard-fought battle, through well-chronicled personal travails in romance and substance addictions, and coming out victorious has been an adjustment. As she sings in "Just Fine": "No time for moping around, are you kidding? No time for negative vibes, cause I'm winning."

"This is just the work to get to that part—where nothing bothers you and nothing is stressing you out," says Blige, who also gets help from rapper Ludacris on "Grown Woman" and adopts her strident Brook Lynn alter ego on the track "Nowhere Fast." "That's where I'm headed and that's where I am, but there's a whole other level of that that I have to get to. That might take a lifetime, but that's where I'm headed."

Geffen's Harleston is confident that theme will not only resonate with Blige's fans but also gave the artist some important direction for the new album's songs.

"The Breakthrough" was an incredible album. Where do you go next? he asks. "You keep moving, you keep expanding, and have fun with it. That's what I take away from this album more than anything—here's Mary J. Blige showing you the breadth of what she can do.

Collaborating with Stewart, the Dream and Jazze Pha on "Just Fine" helped set the tone.

"It wasn't presented to me as a complete song initially," Blige recalls. "They began to play this keyboard part and then the drums. Then they explained to me, 'We know what you're used to, but you'll be a part of a whole other party if you go with this record that we're about to make.'" I went back to my room and when I came back the next day, they had the whole song.

"When I heard the beat, I was like, 'Ok, this is hot. This is making my body move, and I'm having fun,'" she continues. "It sounded like something that needed to be more uplifting than, 'Woe is me' [laughs]. So I tried to make the song about how I appreciate the good days I do have and where I'm at right now, even though I still have challenges."

Harleston says bringing out an album as anxiously awaited as "Growing Pains" can be just fine for the label, too—but this year it faces some unexpected obstacles in marketing the release. Usually, Harleston says, the strategy for Blige revolves around a combination of strong radio and personal appearances performing on TV. But the writers' strike has put the talk and variety shows Blige would perform on in dry-dock, limiting those TV opportunities for her, although Harleston says Geffen still plans on an aggressive campaign once the strike is settled.

"It's challenging to not have the television opportunities for an artist like Mary," Harleston says. "But we do have partnerships and we do have a very strong record, so we're very optimistic."

The label is exploring several other avenues. Radio remains a major component, with "Just Fine," already No. 36 on The Billboard Hot 100 after six weeks. The song's Chris Applebaum-directed video had the rare distinction of debuting simultaneously on BET, iTunes, MTV and VH1 Oct. 25. Blige performed Nov. 18 at the American Music Awards and Nov. 20 at the Nokia Theatre in Los Angeles, which Harleston describes as "a celebration of the completion of her album."

BET executive VP of programming Stephen Hill says that Blige "absolutely" remains a core artist for the channel, which has "Just Fine" in heavy rotation. "Every time she comes out, our audience anticipates it," Hill says. After attending Blige's concert at New York's Nokia Theatre, Hill noted how "it was great to see the range of ages that were there and loving her and digging her. She connects with the
You are my sister and my friend. You are the true essence of a woman that I admire and will always have respect for and look up to. Thank you for being an inspiration for a nation that needs you!

Love always!
The Pen!
Getting back to music, what plans do you have for your Matriarch label?

Matriarch is up and running, and Dave Young will be the first artist up to bat. You’ll be hearing from him soon. He’s got a voice that’s been missed in R&B. It’s incredibly soulful: He’s like our Donny (Hathaway) that we don’t have, our Marvin Gaye. Sam Cooke, Tyrone Davis ... He’s an R&B baby from Los Angeles. He also writes songs. He wrote with me on “The Breakthrough” album: “No One Will Do,” “Baggage” and “MJB da MVP.”

If you could use only one phrase or one word to describe the evolution of Mary J. Blige the artist, what would that be?

Then: Starting to wake up. Now: Aware (laughs).

Now that you’re aware, what would you do differently if you were just starting out?

I would probably behave (laughs). I can’t change what I was because I didn’t know any better. But if I’d have known then what I do now, I wouldn’t have done any of that stupid stuff.

Wouldn’t that have affected your music, given that it’s derived from your life experiences?

That’s true. But you know, showing up 10 hours late for an interview or not showing up at all? That doesn’t have anything to do with anything. That’s just stupidity. I wish I’d done that differently instead of [in a mimicking voice], “I’m not going. I’m hung over. I’m staying home” (laughs). Meanwhile, you’ve got interviewers and all these people at photo shoots waiting for you who don’t care about any of that. They’re just there to do their jobs and you don’t show up. And now you’re difficult.

Early on, you were tagged “the Queen of Hip-Hop Soul.” Do you ever tire of that moniker?

There’s nothing I can do about it because it’s something I’ve earned. I would never disrespect it. Hip-hop is not something that you ultimately hear. It’s a culture we grew up in, and it became us. This is the way we think, walk and talk. There’s a lot of intelligence in hip-hop.

A person doesn’t have to slump all over, curse or act stupid to do hip-hop. Look at Erykah Badu, D’Angelo or Jill Scott. They live in that culture and you can hear it in their music. It’s what others labeled neo-soul, but which is an extension of hip-hop/soul. Jill Scott carries herself pretty nice. You can hear in her music those hip-hop influences. It’s where she comes from in her heart. A Tribe Called Quest gave us jazz influences. And the Jungle Brothers was another rap group I loved. If you knew who they were, then you were really a hip-hopper. They made you feel good about the culture.

What are your thoughts on the ongoing controversy about rap lyrics?

Honestly, it’s not just a song’s fault or a lyric’s fault. Parental guidance is very key with everything that’s going on. You can have your child listen to all that, but it’s up to you to say, “Look, that’s what they do, but this is what you’re going to do.” You can’t knock or judge them for what they do. But as your parent, this is what I would like for you to do, and it’s the right thing to do.” It’s society as a whole that’s the problem. It’s not about a song doing the killing or making women promiscuous.

So are children in your future?

I have two young stepchildren, who are 8 and 9. They are my children, and I have to nurture them. I don’t have room or time right now for a baby. At the end of the day ... I don’t know. If it happens, it happens. But right now it’s not something on my radar.

Do you ever get tired of people asking you to tell your story?

I never get tired, because for some reason, they’re asking. Who knows why they’re asking me? It might not always be because it’s their job. What if, out of all those people asking that question, there is one person who needs help? I don’t know which person it is who may be asking the question. So I have to have the patience to answer it. Apparently, people still want to know how I did it, how hard it was for me and how I’m sustaining.

When you first came to prominence, you were called the next Chaka Khan and Aretha Franklin. How did that make you feel?

If you go back in time and read every Mary J. Blige interview, I would not accept that. It’s not something I’d be proud to say I am. I’ve always given respect to the people who have paved the way for me. But Chaka Khan is Chaka Khan and Aretha Franklin is Aretha Franklin. I can never, ever be them or do what they have done. There’s no “next” after an Aretha or a Chaka. But I can definitely do what Mary J. Blige does, and I’ve been doing what I do for years.

Do you want to be singing at age 50 or 60?

I don’t know. That’s up to the people. If they request it, I’ll be there. But I’m not going to force myself into their lives.

“I don’t want to sound biased, but I would have to say ‘Be Without You,’ because it’s near and dear to me. It got us both at a point where we were making a breakthrough in our lives. I was going through as a producer and getting to the next level and making a record like that and finally being recognized for my whole body of work. We were both going through points in our lives where we needed a breakthrough.”

—BRYAN-MICHAEL COX, SONGWRITER/PRODUCER

“My Life,” [It’s] the title track from her second album. Why? It is one of the most melodically and vocally expressive recordings I have ever heard. It encapsulates Mary J. Blige, her world, her struggle and her achievement.”

—JEFF HARLESTON, GM, GEFFEN RECORDS

“I Found My Everything.” I love that song. She sang it for me at my 60th birthday party.”

—ELTON JOHN
Koch Entertainment

Twenty Years

#1 Independent Distributor
#1 Independent Label
#1 Independent

Thanks to all our artists, labels, retail partners, customers and employees!
Koch Entertainment at 20

An indie leader looks to the future

By Ed Christman
Koch Entertainment marks its 20th anniversary this year as a dominant force in the independent music business. But for company founder Michael Koch and his team, earlier milestones brought reasons to celebrate. In June 2005, Entertainment One—a distribution company operating in the United States, Canada and the United Kingdom—acquired Koch in a $80 million deal. Then this past March, Marwyn Investment Management took a majority ownership in Entertainment One. And since then, Entertainment One has acquired other movie and video distributors and Koch has been able to acquire the independent distribution arm of Navarre. For Michael Koch, the sale of his company to Entertainment One not only confirmed the value of this 20-year investment in Koch Entertainment but also guaranteed his ability to continue building the company. "The beauty of the deal was to realize a reward after 20 years of building the company but also to sell the company in such a way that it doesn't get messed up," Koch says. "It is 100% intact; nothing has changed and nobody has lost their job, which is kind of unheard of when a company is bought. I did the deal so the company can live on and become stronger."

Koch's strength is evident on The Billboard, where some 16 albums this year are credited to Koch Records as the distributing label. The most successful are DJ Halle's "We the Best" on Terror Vision, which debuted at No. 8 in June; Jim Jones' "Hustler's P.O.M.E. (Product of My Environment)" on Diplomats; and Uri's "Beat That to Block" on Big Oomp. Jones and Uri both debuted on The Billboard 200 and continued to chart this year.

Other acts on The Billboard 200 this year whose releases were credited to Koch as their distributing label are Aaliyah, Dipset, B.G. & the Chopper City Boyz, Slim Thug, Keith Murray, Sinead O'Connor, Tia Dogg Pound, Project Pat, KRS-One & Marley Marl, 40 Cal. and Otep. (Numerous other artists releases flow through Koch Entertainment Distribution but are not credited to Koch Records as the distributing label.)

Entertainment One CEO Darren Throop confirms Michael Koch's view of his company's progress. "Since we acquired Koch, they have gotten bigger and much better," he says.

But then, that has been Michael Koch's strategy from the start.

Koch Entertainment, then called Koch Import Services, began as a broker selling CD-pressing services for the Austrian replication plant owned by Michael's stepfather, Franz Koch, who subsequently grew his company into one of Europe's leading industries. Almost immediately, the son saw the opportunity in the United States to get into classical distribution. Once he had a foot in the door with classical titles, Koch changed the distribution business model and took product on consignment.

"All that matters is getting the product into the stores and the sell-through," Koch says. "We were more aggressive, professional and dynamic than the competition and soon became the largest classical distributor."

The next evolution was realizing we could only go so far as a distributor of classical and needed pop labels to grow," Koch says.

So he went to Shanachie owner Richard Nevins and said, "Richard, it is very nice to press your CDs, but I want to distribute your product, too," Koch recalls.

"He laughed at me, but I convinced him by pointing out that if he signed with me nationally, I would give him more attention than his regional distributors. I also bought one-third of his label to cement the commitment, to make sure that our interests were aligned." 

Nevins recalls: "One of the reasons for Michael's success is he has these little epiphanies from time to time. One day he said, some guy comes knocking on the door trying to sell CD-pressing services to us, saying he would give us a good price. Since it was the early days, we were pricing $1.50 a disc, so I said, 'Make my day.' And he did."

Years later, Nevins recalls, after Michael Koch had started his distribution company, he remembered how many CDs Shanachie pressed, and he "picks up the thread to convince me" to sign a distribution deal.

I am sure he is always storing little pieces of information like that, which helps him to build a nice little empire," Nevins says. "Before Koch, everything was regional." Along the way, Koch "has plenty of insight, which is why he has been successful," Nevins says.

Michael Koch recalls, "We bet the ranch on the Shanachie deal, which turned out good for them and us. Since then, as a distribution company, we have always stayed a step ahead in terms of systems, infrastructure, logistics and in our business-to-business Web site.

So the next step was to leverage the distribution company to become a major independent label, he says.

Koch Records had begun early on as a classical label in 1990 and started working in pop music in 1994 with the signing of Amy Rigby, among others.

Since then, the label has evolved to the point where it typically issues 250 titles per year, generates annual net

continued on p. 46
CONGRATULATIONS TO
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from >>p44 revenue of $40 million-$50 million and encompasses many genres of music. But it is best-known, ironically, for being a top rap label and a top children’s music label.

“We have had the largest number of independent charting albums for six years in a row,” Koch says. That encompasses the years from 2001, (when Koch tied with TVT) through 2006.

That run began when Koch agreed to buy the Velvel assets from Walter Yetnikoff in 1999. That brought in Bob Frank and gave Koch an international structure for licensing the company’s music. Frank says Koch Records distributes its titles through JVC in Japan, has re-upped with Universal in Europe and is signed with Shock in Australia. But he adds that “85% of our product is America-centric,” which means the bulk of the label’s revenue comes from the United States.

After bringing Frank onboard, Michael Koch made one more talent acquisition that cemented the company’s label stature: the team that put Relativity on the hip-hop map, Alan Grunblatt and Cliff Culterri.

“I was keen on the rap business and had interviewed people and was looking for the right guy,” who turned out to be Grunblatt and Culterri, Koch says. “It’s always about the people. I am not a genius or Mr. ARR, but I have an eye for people.”

That eye extends to starting a Canadian distribution company with Dominique Zargka in 1995 and hiring Michael Rosenberg in 1987, who would go on to become president of Koch Entertainment Distribution.

“We have a diversified group of companies and divisions, and each contributes to the success of the whole,” Koch says.

Indeed, “leadership dictates their success, and Koch is a great, quality independent company,” Navarre chairman Eric Paulson says. “I have a lot of respect for Michael, who is a good leader, and his team. Michael is a staunch believer in what works in the indie sector, and he makes sure not to get crazy in paying for anything; he gives good service and charges for it.”

Likewise, Bar/None owner Glen Morrow says Koch is “as hard a bargainer as he can be, yet he has fostered a family environment. He watches out for his employees and treats them right, and he has a lot of employees who have been there for a long time. Consequently, Koch has some consistencies, year over year.”

The other factor Morrow points to for Koch’s success is that he has a natural enthusiasm for analyzing business.

“He would size things up and did it with relish and pleasure, seeing the pitfalls, but also being willing to totally throw his hat into the ring and go for it. He did that often, and it paid off for him.”

With the support of Marwyn Investment Management, Entertainment One’s largest shareholder, Koch is now poised to be a front-runner in the music industry’s new business model.

That’s the assessment of competitor Tom Silverman, founder of Tommy Boy Records, who sees the potential if Entertainment One is able to make additional strategic acquisitions.

“Koch is in a better position than any of the majors to be in front of the new business,” Silverman says.

“Koch has great distribution; it’s unaffiliated with majors, which could become an advantage in the future, and the unique thing about Koch is the way they manage to make money with new music against all odds.”
TWENTY YEARS and GOING STRONG

Happy 20th Anniversary
MICHAEL KOCH REFLECTS ON THE CULTURE AND GROWTH OF KOCH ENTERTAINMENT

Nowadays, most industry executives know Michael Koch as an unrelenting business executive who is a tenacious negotiator. As Alliance Entertainment Corp. president Alan Tuchman once said of the man's deal-making abilities, "There is no free lunch there." Koch, a native of Austria, graduated from the University of Innsbruck with a law degree in 1984 and came to the United States in January 1987 to sell the services of his father's CD-pressing plant back home. "I didn't know shit," he recalls of the time when the CD phenomenon had yet to ignite.

His stepfather, Franz Koch, opened a recording studio in 1975 and inadvertently got into the record business when a local group of musicians recorded music from his home region, which became a hit with tourists, with Koch International manufacturing and selling the record. At 24 and fresh out of law school, Koch set up shop in New Jersey. "The first thing I did was set up a phone; the second thing I did was get a 'Billboard International Buyer's Guide,'" he says.

Five months later, after hiring Fred Hoefer and Jim Welsh, who worked for German News and imported music, among other things, Koch launched his distribution company in the States. From the beginning, Koch recalls, "we required exclusivity for the U.S. and did a contract. The big catch was getting Teldec, which was a huge classical label at the time. Onboard." But around Christmas of 1987 Koch found out he would have the label for only a year because Warner was buying it. "It had been hush-hush, and when I saw it I said, continued on >p50

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"Shit, this was my Christmas present." But Koch soon landed a distribution deal for Chandos, the prominent classical label from the United Kingdom.

In one year, 1987, Koch recalls, "We started as a CD-pressing broker, then did imports and became a distributor, and then talked labels into the consignment model," he recalls. And Koch that year hired Michael Rosenberg, now president of Koch Entertainment Distribution.

Soon, Koch was distinguishing itself among classical distributors. "We moved units, were professional and dynamic," Koch says, "but classical was too small. so the next revolution for the company was to get into pop labels."

In 1990, Koch convinced Shanachie, a CD-pressing client, to sign a distribution deal. It took effect Jan. 1, 1991. It was the first time that a non-classical label signed an exclusive national distribution deal and marked the beginning of the end of regional distribution.

Since then, Koch has built a $175 million company and Koch Entertainment Distribution is regarded as the largest indie not affiliated with a major. In addition, Koch Records has a diverse roster and is a leader in the rap and children's genres.

In 2005, Koch sold his company—eventually realizing about $80 million—to Entertainment One, which in turn was moved from the Toronto Stock Exchange to the London Stock Exchange's Alternative Investment Market by its largest shareholder, Marwyn Investment Management. Koch remains CEO of Koch Entertainment.

"What role did your stepfather play in building the company?"

Without him, I would not even be in the music business. I saw him build his company in Austria from scratch when I was growing up and when I decided to come to America to try and do the same. His initial help was instrumental in getting the company off the ground. He has always been my most important mentor and supporter.

How do you see the independent distribution landscape right now?

If you exclude major-owned companies like [Alternative Distribution Alliance] and RED and look at it in terms of real indie distribution, we are the 800 pound gorilla, and then there is a big gap between Koch and others.

What about Fontana?

Universal Music Group executives privately claim that company is doing $100 million in annual sales.

Maybe they mean they are doing $100 million in wishful thinking. But if you include them, ADA and RED, the indie distribution sector is vibrant. In fact, it lends itself more to the new environment of selling less units per title than major-label distribution does. Indies are better-geared toward taking a title from a smaller sales base to a higher level.

But a lot of people are predicting consolidation for the smaller independent distributors, which nowadays—with the exception of Select-O-Hits and Allegro—is all the rest of them. There may be some consolidation, but there will always be small indie distributors. They play a role for small labels and operate with a very low cost structure so they can survive.

What will the decline of physical product affect Koch?

Again, the physical world is declining but as an independent distributor you can still grow. The decline of the continued on >>p52
ALEJANDRA TEJADA and EN TIEMPO MUSIC offer our congratulations to KOCH on their 20th anniversary.

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CD affects the majors more than us. The majors are shrinking; Koch is still growing. So while the pie is getting smaller, our slice is getting bigger.

But you have more invested in the physical world than the majors do.

That is true. We are the only real distributor left, from shipping to marketing and even, unfortunately, processing returns—we do it all, from soup to nuts. And I am very happy about this. It gives us a much higher degree of control and we can bring something to market faster than anyone else. We are still investing in our warehouse, buying more automation.

Do you see the future as digital only?

No, it will be growing and at some point it will be the label’s share, but we believe physical will always be a factor. What share it will be in five or 10 years nobody knows, but it will still play an important role. The majors have given up on physical way too soon. In their head, they are already leaving it behind and jumping into the digital world. All of them have gotten rid of their manufacturing and fulfillment facilities, and it also seems they have all given up on trying to get a physical format that is protected, which is disconcerting.

How can anyone pursue a protected physical disc after the DualDisc fiasco?

We are not the ones to do it; we don’t have the resources. The big guys have millions of dollars in copyrights to protect but they don’t seem to be putting much thought into that. After the Strategic Digital Marketing Initiative (to establish a copy-protected physical format) met every month for seven years and we got nothing, and then you add on another eight years of nothing, it is puzzling.

What else can the industry do to deal with declining CD sales?

We need to add more value to the CD and provide a bigger consumer experience than we are now. We like what Warner did with Linkin Park and the music video interactive format, that is a step in the right direction.

So then what’s your view on digital rights management?

It is two different worlds. In the physical world we should have a format that is copy-protected. But we don’t subscribe to digital rights management. We gave our music to eMusic on day one. In digital, you are dealing with track downloads, which are small digital files and if you can’t move them around easily, you will lose sales because you can’t compete with peer-to-peer [file trading] and free. So why devalue the file by making it more restrictive when the alternative is free and easy?

What do you think of industry’s current infatuation with the 360-degree business model?

It’s desperation and it’s wishful thinking. It’s not going to happen. It’s just like the marriage of hardware and software. What did that do for Sony? Nothing. If anything it made them lose out on their Walkman monopoly and then they lost out on the MP3 world too, which is why Apple had to do it.

Now, to put all these things together—a management company, a record company and a merchandising company—to hold their position in the marketplace is ludicrous. It’s too uncoordinated, too complex and not parallel.

While there will be the occasional Robbie Williams deal, that’s not the reality of how these artists work. They won’t give up everything to one company unless they get an insane amount of money, which means the company ends up holding the short end of the stick.

If we are moving to an industry that is selling less music, if anything the artist will hold on more tightly to other income streams.

We are all just going to have to live with an industry where the economics are smaller than what they were in the industry’s heyday.

And if you can’t work with that, then you better get out of the business.

—Ed Christman
She has a relationship and a bond that's really unlike any artist out there.

Hill adds that while changing an artist's look and couture, as Blige does in the "Just Fine" video, can be risky, it seems to be a plus with the singer's fans. "What I love about it is her consistency in exposing a new style whenever she does a video," he says. "It may be a hairstyle or a style of dress, a bag, whatever. It's always interesting and fun."

Some partnerships will also help Blige and Geffen launch "Growing Pains." The singer is continuing her relationship with Chevrolet that will include broadcast and Internet ads and at least one print campaign for the new version of the camcorder's Malibu—which incorporates a lyric from "Just Fine" ("I like what I see when I'm looking at me when I'm walking past the mirror"). Blige also plans to maintain her relationship with the NFL, which will place her music, and possibly the singer herself, into game broadcasts during December and January.

The Apple campaign, which features "Work That," should drive sales from the get-go. By comparison, digital cowloads of Feist's "1, 2, 3, 4" which appeared in an early fall iPod ad, soared from 6,800 to 128,000 in its first three weeks of exposure, according to Nielsen SoundScan.

Blige will also embark on a short promotional tour starting the second week of December, visiting Los Angeles, New York, Chicago, Atlanta, Philadelphia, Washington, D.C., and possibly San Francisco. She'll visit radio stations and "try to have a special event," such as an appearance or performance, "in each of the markets," according to Harleston.

Blige's Web site has been redesigned to support "Growing Pains," and Geffen is lining up some online promotions, including programming with AOL and Yahoo that Harleston says will be "a little sexier than a standard 'Sessions' kind of performance... We'll make sure she's very present in the digital retail space." Geffen is also working on plans for "exclusive content for various retailers," both terrestrial and Internet-based.

There's also a "huge international cam..."
In Europe, "The Breakthrough" went top 10 in Switzerland, while the single "Be Without You" achieved the same distinction in Switzerland and Holland.

"I'm probably in the best shape that I've ever been in my life," says Blige, whose stamina will surely be tested in the run-up to the new album. "I'm really healthy. I make sure I'm not stressed out over a lot of things."

Blige is also expected to hit Europe in December; and Andrea Nelson Meigs, her talent agent at ICM, says she's looking to fit in feature film work in first-quarter 2008. Blige has appeared on such TV shows as "The Jamie Foxx Show," "Ghost Whisperer," "Entourage" and "America's Next Top Model," and she's long been linked to a Nina Simone biopic.

"There's a lot that's pending," Meigs says, "and a lot of things that she's been offered that she's not going to be able to do. The challenge is juggling two careers with the window of potentially one movie a year, which makes it a nice little dance to figure out what it will be in terms of capitalizing on her interests and audience."

On top of all this, Blige is also operating her own label, Matriarch Records. R&B singer Dave Young—who co-wrote "No One Will Do," "Baggage" and "MJB Da MVP" on "The Breakthrough"—is slated to be the imprint's first release, though a date has not yet been set. "He's got a voice that's been missing in R&B," Blige says. "It's incredibly soulful. He's like our Donny Hathaway that we don't have. Our Marvin Gaye, Sam Cooke, Tyrone Davis."

More than anything, however, she's anxious to get her "Growing Pains" out to the public and continue what Blige says has been a career-long dialogue with her audience.

"My fans are like shrinks for me," Blige says. "Any time a person listens to you, they're helping you, and there's 5 million people out there listening to me. I'm like, 'Wow, thank you all for listening."

"So I help them and they help me, and we all help each other. I'm just happy they're happy. All they want to know is that somebody out here understands their pain, their joy or whatever they're dealing with, and I'm so glad they can do that with me."

Additional reporting by Jim Bessman and Gail Mitchell.

For more Mary J. including a full Q&A, see page 29.

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**THE BILLBOARD 200**

Mary J. Blige has been one of the most consistent sellers in R&B in the past 15-plus years, but after dipping below platinum with 2003's "Love & Life," she enjoyed a huge uptick with 2005's "The Breakthrough," which is now just shy of 3 million copies.

**Source:** The Billboard 200 through the Dec. 2, chart, issue through the week ending Nov. 25, according to Nielsen SoundScan. Blige's 2005 series EP "Dance for Me," is not included below. It has sold 90,000 copies.

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Interscope Geffen A&M Congratulates Mary J Blige, the Woman, the Artist, the Inspiration, the Icon, for her tremendous career and the release of her extraordinary new album GROWING PAINS.
We congratulate

Mary J. Blige

Six-Time Grammy Award Winner and The Queen of R&B
on Her New Album "Growing Pains"
REAL LOVE FOR MARY

WITH HER NEW ALBUM DUE, BLIGE’S ADMIRERS LOOK BACK AT HER PATH TO STARDOM

Expectations are high for Mary J. Blige’s Dec. 18 release “Growing Pains,” and if the reverence of her music industry peers is any indication, she is indeed on top of her game.

"Right now, as far as contemporary music, I would say she's the greatest singer out there," Interscope Geffen A&M Records chairman Jimmy Lovine says. "Her work ethic is extraordinary, and she's very clear on what her vision is yet open to a lot of input, which is also extraordinary."

Other illustrious Blige associates offer variations on Lovine’s theme.

“She’s the most evolved and most significant singer of popular music today,” Geffen Records chairman Ron Fair says. “Her appeal is universal, and the combination of this God-given voice and the reality of how she interprets a song puts her in an unparalleled category."

Christopher Hicks plays an important A&R role for Blige as CEO of Noontime Music, as well as being senior VP/head of urban music at Warner/Chappell Music and senior VP of urban music at Atlantic Records. He echoes Fair’s opinion: "Without sounding too over the top, she’s probably the hardest-working artist I’ve ever been in contact with. She makes everything you give her much better—and she’s a living icon, yet still the most humble person to work with, who makes the job not a job but an event. I kid you not."

And then there’s Elton John. “I’ve been a fan since her first album, when she was a really tough hip-hop artist and something struck a chord with me,” John says. “Her voice, for starters, was an amazing instrument, but there was something about her. I followed the interviews and she really was an angry girl—but something fascinated me about her. And then I met her and she was so shy, and I fell in love with her the moment I met her.”

Perhaps producer Jerry Lewis points to the essence of Blige: “She does everything from her heart—with passion. "She’s an incredible workaholic. Lewis continues. "She’s a doer, not a talker, and always has an incredible concept and understanding of who she is and who she’s been and who she’s becoming—and that’s really important, too."

Hence Blige’s new album, “Growing Pains,” the much-anticipated follow-up to her blockbuster 2005 album “The Breakthrough.”

The Bronx-born Blige has been progressing in all facets of her extraordinary career since it began in 1989. That’s when she signed to Andre Harrell’s Uptown Records after label executives heard her cover of Anita Baker’s “Rapture,” which she recorded on a karaoke machine at a local shopping mall.

At first she sang backup for such local label artists as Father MC. But former intern and budding A&R executive Sean "Puffy" Combs took a liking to her and extensively shaped her 1992 debut album “What’s the 411?” from the production and songwriting sides.

“She burst on the scene," Geffen GM Jeff Harleston says, "and what made her so unique at the time, and what I would say contributes to her continued vitality, is creatively she was the first R&B singer to sing over what were considered to be hip-hop tracks, instead of [singing] smoothed-out R&B, which she does as well."

It was also a huge hit commercially. Harleston adds, "instantly connecting with fans because of her realism. She always says it exactly the way it is and has continued to do so musically and when she speaks.""

“What's the 411?" earned Blige Soul Train Awards for best new artist and best R&B album. female. Its 1994 follow-up, "My Life," took the Soul Train Lady of Soul Award and album of the year by a solo female artist, as well as Billboard’s R&B album of the year honor.

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Dear Mary,

It is a privilege and an honor to be a part of your wonderful career and life.

Allen Grubman  Kenny Meiselas  Sonya Guardo
**Pride and Prejudice**

Mary J. Blige Reveals Which Of Her Songs Are Closest To Her Heart

Every artist has favorite songs that define his or her career, and Mary J. Blige is no exception. Among her many songs, there is a string of hits dating back to 1992 are "Love No Limit" and "My Life." However, four other titles immediately come to mind when Blige was asked which songs mean the most to her:

"YOU REMIND ME" (FROM 1992'S 'WHAT'S THE 411?)

"All I ever wanted to do was sing. I know this song doesn't have a lot of heavy content. But this was one of the first songs I wrote, so I call it my first baby, my first child. It makes me feel weird when I hear it... that song came out of me getting a record deal because of my singing in a little singing booth at a galleria mall."

"BE HAPPY" (1994'S 'MY LIFE')

"At that point, I wanted to really, really be happy because I needed to make a choice between life and death. And I didn't even realize I was writing that song as a choice between life and death until later in my life. The lyrics underscore that life can be what you make it. This is definitely an important song for me.

"NO MORE DRAMA" (2001'S 'NO MORE DRAMA')

"I didn't physically write this song, but it feels like I wrote it. It was what my entire life was. I was just tired, tired, tired of hurting so bad.

"BE WITHOUT YOU" (2005'S 'THE BREAKTHROUGH')

"The song marks a place where I never thought I would be: actively singing a beautiful love song about being with—not without—someone for the rest of my life."

—Gail Mitchell

Title track was a big record.

The album earned five Grammy nominations but no wins. MCA then released the album in January 2002 with additional tracks that included "He Think I Don't Know," which did win a Grammy.

Blige continued touring and in 2003 appeared on Sting's "Sacred Love" album, winning another Grammy the following year for its duet "Whenever I Say Your Name." Her own next album, "Love & Life," reunited her with producer Combs and was accompanied by a label change to Geffen.

Now with new management in husband Kendu Isaacs—a himself a musician/songwriter who was heavily involved in the creative process—she returned to the studio, emerging with the aptly titled "The Breakthrough" in 2005. Her seventh studio album was produced by a team of luminaries including Bryan-Michael Cox, Rodney Jerkins, will.i.am, Jam & Lewis, Dre & Vidal, Johna Austin and Raphael Saadiq. It topped the charts and yielded her second No. 1 pop hit in "Be Without You" and won three Grammys out of eight nominations.

On the eve of the release of "Growing Pains," Andrea Nelson Meigs, Blige's talent agent at ICM, notes that with her immense following and coming off the success of her last album, Blige is perfectly positioned for a breakthrough of another sort.

"People see her as every girl's girl; she captures the true essence of everyday life."

—WyCLEF JEAN

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**BEST OF BLIGE**

Billboard asked Mary J. Blige's collaborators and industry colleagues to tell us their favorite Blige song and what makes it special.

Quotes compiled by Jim Bessman.

"'No More Drama.' It's her 'Stairway to Heaven,' her 'Born to Run.' The song of hers that encompasses all the emotions in her life that her audience relates to.

—JIMMY IOVINE, CHAIRMAN, INTERSCOPE GEFFEN A&M RECORDS

"I'm an in-depth Mary J. Blige fan, and she did 'You Gotta Believe' on 'My Life.' Music is a time stamp, and I was at an interesting point in my life then and it stuck with me. Even though it was never a single, it's definitely my favorite."

—CHRISTOPHER HICKS, SENIOR VP OF A&R AND HEAD OF URBAN MUSIC, WARNER/CHAPPELL

"'What's the 411?' 'Cause as a producer, she captures the true essence of everyday life."

—WYCLEF JEAN

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MARY J. BLIGE TALKS TO BILLBOARD ABOUT GAINING SELF-AWARENESS THROUGH GROWING PAINS
BY GAIL MITCHELL

Everyone loves a good comeback story. And this time last year, Mary J. Blige was the central character in her own inspiring fable. The husky-voiced Queen of Hip-Hop Soul was just days away from a career-crowning achievement: the artist with the most Grammy Award nominations (eight) for her 2005 studio album, "The Breakthrough." The aptly titled release, featuring the mega-hit "Be Without You," musically symbolized Blige's hard-won, years-long fight against the personal demons—a troubled childhood, drug addiction, an abusive relationship—that fueled the raw, painful honesty of her fan-winning artistry.

On the eve of flying to South Africa to begin promoting her December follow-up album, "Growing Pains," an ever-frank Blige shared her perspective on life after "The Breakthrough."

When you were recording "The Breakthrough," did you get a sixth sense that it was going to be the album?
Yes, I knew exactly what I had and that everything was going to work out because I had done the work. I had separated myself from depending on other people, my husband and I just depended on each other and on God. We just rocked out. It was us: back to back, laughing and fighting (laughs), and that's how we're doing this one. As many people as want to get involved now, we're like, "OK, that's cool. You can get involved." But at the end of the day, we're going to be the ones to do the rest of the work on this album.

Was it more or less intimidating going back into the studio after the success of "The Breakthrough?"
We were coming out of a valley, so to speak, with "The Breakthrough." Everyone had run away and turned their backs on us. And that was cool. We love them still, and we forgive them. But it's been easier doing "Growing Pains" because now you don't have anything to try to conquer. It's like you've accomplished everything you set out to do. You've done the hard work to be where you are.

Now, though, you've got to work harder to deliver based on that confidence. Not that I was lax on anything or taking anything for granted because "The Breakthrough" did so well. I worked just as hard, maybe even harder, on this album.

Talk about your recording process.
I have to come from a place of honesty within myself. Not from a place that everyone is expecting to hear, like something already on the radio. I can't duplicate what everyone else is doing. That's almost like I'm comparing myself to other people, and I don't like to do that. So I sit and write down where I'm coming from at that time. I start writing based on my reality, then I pick songs based on my ear and the reality of what radio sounds like.

So I cross the two worlds with the youth of the situation where people just want to have a good time and not really listen to any content. But how do you get them to listen to something with content? They had the whole song.

When I heard the beat, I was like, "OK, this is hot. This is making my body move, and I'm having fun." It sounded like something that needed to be more uplifting than "woe is me" (laughs). So I tried to make the song about how I appreciate the good days I do have and where I'm at right now, even though I still have challenges. But some of my days are fine. That's what I wanted to say lyrically. People do enjoy the good days that they have and where they are in their lives. If they're asked how they're doing, most will say, "Just fine. I've got a job. I've got my health." So that's how that song came about.

Among your collaborators on this new project is Ne-Yo. Ne-Yo is an incredible kid. He nailed everything. I began writing for this album in February around the time of the Grammys and the [Academy Awards] parties. I started out with this concept of growing pains because that's how I was

"I was part of the production [of "Be Without You"] that went on to become the longest-running No. 1 on Billboard's [R&B/hip-hop] chart—and that's, of course, a major, major thrill. And I conducted and arranged her performance of it at the Grammy Awards: It was a privilege for a music guy like myself to work with an artist of her stature who is also the most disciplined professional person I've ever worked with. To see somebody with that level of success working that hard and putting in the hours and doing the rehearsals and still be working like it's her first year is an inspiration."

—RON FAIR, CHAIRMAN, GEFEN RECORDS

" 'Real Love.' This is just classic, vintage Mary. I was in law school at Duke in January 1992 and went to her concert with a bunch of friends in Durham, N.C., and it was a true highlight of my law school experience."

—ANDREA NELSON MEIGS, BLIGE'S AGENT AT INTERNATIONAL CREATIVE MANAGEMENT

MARY J. BLIGE performs Oct 21 at the Grand West Arena at Grand West Casino in Cape Town, South Africa.
Thank you for the privilege of collaborating with you on this masterpiece.

Management: Mark E. Stewart & Judi Acosta-Stewart

[CONTENT]

Mary
CONGRATULATIONS

on this special occasion
celebrating your extraordinary
career and accomplishments.
We have had the pleasure
of working with you since
the beginning and look forward
to many more years in the future.
We wish you continued success
and the best of everything in life,
you certainly deserve it!

ALAN HAYMON
and your friends at
Haymon Events, LLC.
Dear Mary,

I am so happy for all of your success. No one deserves it more. Your drive is inspiring, your strength is unbreakable, and as far as your class goes...well darling, your class deserves a class of its own. I salute you as a queen. But most of all I am proud to say that I lived in the time of a giant. I am proud say that I lived in the time of Mary J. Blige!

Love always,

JOHNTA
You also worked with Timbaland and reunited with Bryan-Michael Cox and the Clutch. What must a songwriter/producer bring to the table when working with you?

Writers definitely have to come with something that relates to where I’m at and where I’m going. It has to be like I’m [the one] writing when I’m writing with them.

Was any thought given to working again with Dr. Dre?

I’m flending to work with him again. But he’s recording his new album, “Detox.” He hasn’t done his own album in a while, so he’s busy with that. And I understand about doing your own thing. But I’ll wait for him to do a remix, anything, no problem.

Does your alter ego Brook Lynn from “Enough Cryin’” make another appearance?

She does. She doesn’t have a really great voice. But she actually sings on this song called “Nowhere Fast,” and she’s really pissed off. She’s singing for all the women who are in these long relationships and got all these kids by these men. And the men are walking out. She’s telling them, “You ain’t going nowhere till you give me some child support, love or something.” It’s such a stretch, though, musically. But hot, lyrically. You have to hear it.

You’re on TV now with a car commercial and have done some occasional acting in the past. Now that you’ve conquered the music world, is acting the next frontier?

It’s my goal to do more acting if it works for me. I’m not trying to get into the film business just because I’m Mary J. Blige. I don’t want to make a fool of myself with everybody laughing and talking about me like a dog. I want to get it right [laughs]. A lot of scripts have come my way, it’s just about choosing the right one.

I actually went to read for a film role and could have gotten the part. It was for a director who, being new himself, didn’t want to take a chance on a new person. So he went to do a more seasoned actress. But the feedback I got behind the scenes was that I was great at my reading. So the word is out that I can do this.

Was it a dramatic role?

Yes, I would have played the part of woman named Linda, whose husband was a crooked cop who got killed. In the

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DYNA MIC DUETS

Blige’s Take On Her Hitmaking Partners

Usher, Akon, Ludacris and Busta Rhymes are among the guests due to sing with Mary J. Blige on her new album, “Growing Pains.” It turns out her favorite artists are just as big of fans of hers as she is of theirs.

“People will put in calls to my management, saying they want to work with me,” she says. “What’s strange is that a lot of these calls are from people whose work I love and they don’t even know it. So when they call, it’s like, ‘Wow, this is a blessing; a dream come true.’ ”

Among the duet partners on earlier recordings who have helped Blige realize her dreams:

LUDACRIS, “Runaway Love”: “Ludacris and I had a whole lot of chemistry on ‘Runaway Love.’ The people I choose to work with like him, George Michael [on Stevie Wonder’s “As”] and others are not full of themselves. They don’t have airs and don’t get on my nerves with that superstar stuff.”

METHOD MAN, “I’ll Be There for You/You’re All I Need to Get By”: “He is one of my all-time favorite duet partners. Method Man really cares about me. I’m like the little sister

he watches over. This duet was done during a time when we were having fun and just living any kind of way. But at the end of the day, Method Man was and is very supportive of Mary J. Blige.”

ARETHA FRANKLIN, “Don’t Waste My Time”: “My mother is also such a huge fan of hers that I had to bring her to the studio. She was like a little kid around Aretha [laughs]. But Aretha is the mother of all of us, and we respect her like that. She is beautiful, strong and not taking any prisoners. Aretha is coming for everything you’ve got.”

CHAKA KHAN, “Disrespectful”: “That’s my dog, let me tell you. I’ve loved my Chaka Khan ever since I was a kid. I must have bought the ‘Ask Rufus’ album at least 20 times because I would wear it out. I love her because she’s real and speaks her mind. She also reminds of my mother, because my mother makes me laugh like that.”

WYCLEF JEAN, “911”: “I don’t think he knows how funny he is. He’s got this great sense of humor. He’s like family as well; he always tells us what’s really going on, and he’s built to give you some kind of hit.”

COMMON, “Come Close to Me”: “Oh, my God. This is another one of my favorites. Common is really nice, mannerable, a gentleman.”

U2, “One”: “They’re great people, if I ever needed them for anything, I know I could call them. Most people will say a person can’t be that nice, but Bono truly is.” —Gail Mitchell

‘No More Drama.’ That was the one where she finally summed it all up and started to turn her life around, kind of where she started to acknowledge where she was and try to make changes in her life—to do better and be better. It was the sum of everything she was going through, and I remember when we played it and gave her the concept, she said, ‘You guys know me so well,’ and I think that’s why her delivery of it is so powerful.”

—TERRY LEWIS, PRODUCER

‘Be Happy.’ It’s the one that was probably the most impactful to me as far as back when I thought I was running her fan club from my studio. It was the first single from the second album—just a real simple song, and the formula of that record was to take great sample loops and have her do her thing over the top. I liked it because it’s one of the first attempts in her life lyrically where she could be happy and feel better about herself, when the rest of the album is sort of downbeat.”

—JIMMY JAM, PRODUCER

www.americanradiohistory.com

MARY J. BLIGE and SEAN ‘DIDDY’ COMBS

In October 2001 at a Los Angeles studio to remix the single Tia Kofi Drama, which peaked at No. 15 on The Billboard Hot 100.
20 MILLION ALBUMS SOLD • 6-TIME GRAMMY® WINNER

Mary,

YOU INSPIRE US WITH YOUR TALENT, DEDICATION AND TRIUMPHANT SPIRIT.

CONGRATULATIONS ON YOUR CONTINUED SUCCESS!

LOVE,

DOUG &

THE ENTIRE UNIVERSAL MUSIC GROUP FAMILY

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INTERSCOPE GEFFEN A&M RECORDS | UNIVERSAL MUSIC PUBLISHING GROUP | ISLAND DEF JAM MUSIC GROUP | GEFFEN RECORDS
RONDOR MUSIC INTERNATIONAL | UMG NASHVILLE | UNIVERSAL MOTOWN RECORDS GROUP | UNIVERSAL MUSIC CLASSICS GROUP
UNIVERSAL MUSIC ENTERPRISES | UNIVERSAL MUSIC LATINO | VERVE MUSIC GROUP
MJ,

I was trying to find the right word to describe you.

**Icon** – (noun) \( \text{i-kän} \) – One who is the object of great attention and devotion.

You are truly the very best.

Chris

From the Office of Christopher Hicks
One, a publicly traded company on the London Stock Exchange's Alternative Investment Market, it can now consider catalog acquisitions.

"We know publishing; it's a valuable asset and one of the few parts of the music industry still growing," Frank says. "But a deal has to make sense. We won't pay a 20-times multiple NPS," or net publisher's share, the amount of publishing funds remaining after the songwriter has been paid.

To help grow the Koch Music Publishing company, Frank says he brought in publishing veteran Michelle Bayer, who has set up administration deals around the world for Koch, including Universal Music in Japan, Shock in Australia and Talpa in Europe. Koch handles its own administration in the United States.

In doing publishing deals, Koch "wants to be in the business for the long haul," Frank says. "We want to be an indie publishing powerhouse."

—Ed Christman
Koch Entertainment found the right opportunity to enter the video business in the United States in 1999 after the previous success in the video market of Koch Entertainment Canada. Today, Koch Entertainment Distribution president Michael Rosenberg also is head of Koch Vision. The label includes the imprint Koch Lorber Films and has a catalog of 400 titles, with about 130 of them coming from the latter entity. Koch also distributes video labels including AnimEigo, which has a catalog of about 130 movies including Japanese martial arts titles, military movies and anime; Passport, which reissues classic TV comedies and has 300 titles; DPTV, which has almost 100 titles, mainly special interest and music DVDs; and about one dozen new titles from PBS Soundstage.

“We continue to sign what we think are up-and-coming video labels, like our deal with Coming Home Studios,” Koch senior VP of sales Rob Scarcello says.

Coming Home Studios, based in Los Angeles, has recorded and will release Steve Miller's first concert video. Scarcello labels the video “phenomenal” because Coming Home employed more than 100 people to capture all ingredients of the concert, using 21 cameras and recording it in 5.1 stereo.

In addition, two-DVD set “Nickelback Live at Sturgis” is coming out soon from Coming Home.

With its growing DVD catalog, the company now has seven salespeople devoted to video, which is overseen by VP of video sales Dan Gurlitz. Rosenberg is in charge of Koch Vision content acquisitions.

While Koch is a growing power in video, Rosenberg says the company started off slow in 1999, issuing a licensed “Yoga Zone” video. Since then, fitness titles have been the label's focus and generally branded with Self magazine, although the company also issues British TV shows on DVD.

Also, Koch Vision is co-producing with Bill Schwartz a documentary on Philip Pullman's "Golden Compass" trilogy, which is being
made into a $150 million motion picture. The first film in the series will open this month.

“We recently produced a series of military documentary programs called ‘The New Technology of War,’ branded with Popular Mechanics, and we have done other deals with Hinar magazine,” Rosenberg says. “Beyond that we have licensed a bunch of other special-interest and TV programs. ‘McLoud’s Daughters’ from Australia is a huge success for us.” Rosenberg says. And music is a focus for the company. “We just put out a Les Paul PBS documentary, which so far has scanned more than 5,000 copies,” Gurlitz says. “This title is an example of us putting product wherever we can. It’s in guitar stores nationally.”

Rosenberg says that alternate outlets are important due to the deterioration of the account base, which is a problem for everyone, not just Koch. “We miss Tower and Musicland,” he says. “They were among the best video accounts.”

That’s why such accounts as Newbury Comics are “very important to us in music and now in video.”

Meanwhile, Koch Lorber—a joint venture with Richard Lorber, who is in charge of finding content—mostly focuses on issuing arthouse, foreign and classic movies in DVD. The company also does some theatrical distribution. One of its titles, the documentary “The Monetary,” recently opened at the Film Forum in New York.

Rosenberg reports that Koch Lorber’s biggest success has been a beautifully, expensively restored “La Dolce Vita.”

While Koch releases videos only on DVD, Rosenberg says, “Some of our labels have done Blu-ray and HDTV formats. As the pricing comes down, we will start to issue titles on Blu-ray in 2008.” —Ed Christman
Never Say ‘Never’

After Label Switch, R&B Star Has Quick Hit Ahead of Next Album

"Not much has changed. It's like going from momma's house to daddy's house. And like a caddy in the waiting room pacing back and forth, I can't wait for my baby to come out." That's how former Warner Bros. artist Jaheim describes his segue to sister-Atlantic Records and the impending release of his first project for the label, "The Makings of a Man" (Dec. 18). "Never," the fast-moving lead single and wedding-a-thon-in-the-making, is No. 32 on Billboard’s Hot R&B/Hip-Hop Songs chart after just seven weeks.

Produced by Daniel Farris of Earfull Music/Woodworks, "Never" is one of several first-time collaborations for the multi-platinum singer who also produced four cuts on the album. Joining longtime Jaheim collaborator Kay Gee (Naughty by Nature) are R. Kelly, Babyface, Keshia Cole, Ivan Barkas and Carvin Haggins of Kama Productions (Musiq Soulchild, Jill Scott) and Jasper Cameron (Nelly, Christina Aguilera).

"This is what's so different about "Makings" and my previous albums," Jaheim says. "I'm not saying we didn't have hit records before. We were doing our own thing and blessed to do that." However, Atlantic chairman/CEO Craig Kallman, president Julie Greenwald and others at the label "put their hands on this album, taking it to another level.

Manager James "Pookie" Gill adds: "In the past, Jaheim has always had nice ballads on his albums. But we never got the opportunity to actually get to one of those records, make it single and put a visual behind it. What we're trying to do this time is step outside of the ghetto vibe."

Signed to Warner Bros. in 1997 and the Million in the late '90s, Jaheim (his last name is Hoagland) immediately drew comparisons to soulful crooners Teddy Pendergrass and Luther Vandross with his hot-uttered-r&b vocals. That paired with his rapper image/dress spawned the genre nickname "thug R&B" and three albums chronicling inner-city life.

The first was 2001's "Ghetto Love," featuring the singles "Could It Be" and "Just In Case." That was followed in 2002 by "Still Ghetto" (with the hits "Fabulous" and "Put That Woman First") and 2006's "Ghetto Classics" including the singles "'Valentine's Day" and "Chosen One." Combined, they have sold more than 3.5 million copies in the United States, according to Nielsen SoundScan.

Pookie is quick to point out that the album holds no left-field surprises, like a "02 beats per minute record, and that he and Jaheim don't mind the continual comparisons to Van-cross and Pendergrass. In fact, the new album includes a song, "Really Love," dedicated to Vandross, who was Jaheim's ma ma or musical influence. (It was done with the late singer's former producer, Nat Adderley Jr.) Another track features original music from the vaults of legendary Philadelphia songwriter/producer Gamble & Huff.

"It's going to be real hard to get away from that," says the comparisons. "He's got that niche: old-school flavor over a hip-hop beat. Plus with Luther and now Gerald Levert gone, he's the perfect person to fit into that situation. He can pull off shows with both 50 Cent and Patti LaBelle. And that's how we're looking to sell this record: from 6 to 60."

Pookie and Atlantic executive VP of urban promotion Maurice Handy agree that there are at least three hit singles on the album. With that in mind, Pookie says they are planning additional single releases around two days that have been key selling dates for Jaheim in the past: Valentine's Day (2006's "Ghetto Classics") debuted atop The Billboard 200 that day, the singer's first No. 1 album and Mother's Day.

Noting the long chart run that Atlantic has had with another label convert, former Def Jam artist Musiq Soulchild, Handy says, "We're hoping to have the same success because this album definitely has legs. While his sweet spot is definitely urban AC, Jaheim can hit multiple formats from R&B to mainstream with the way people are embracing 'Never.'"

Prior to the release of "Never," Jaheim appeared on the Atlantic soundtrack to the recent Tyler Perry film "Why Did I Get Married?" starring Janet Jackson and Jill Scott, among others. Plans are also afoot for Jaheim to move into film. Though negotiations have stalled owing to the writers strike, Jaheim is due to star in a music business-oriented film through Paramount based on a true story.

In the meantime, with four albums under his belt, Jaheim is intent on fulfilling his own musical prophecy: "Anything can happen but, God willing, I'm myself doing this for the next 30 years."
**In Her Own Words**

**What's a 21-year-old reality show graduate to do when she's sold more than a million copies of covers albums?**

If you're Mexican pop star Yuridia, you pick up a pen and write songs for the first time in your life. And if you're Sony BMG, you make sure they're hits.

Yuridia FranciscA Gaviola Flores was the runner-up on the 2005 season of TV Azteca's "La Academia" singing competition. Though she came in second, her two albums of covers sold a combined 1 million copies in Mexico, according to record industry trade group AmprofON—an almost unheard-of feat these days in a market rife with piracy.

In the United States, those albums shifted 186,000 copies, according to Nielsen SoundScan, despite almost no outside promotion from the artist herself, though the contest was televised in the States on the Azteca America network.

Yuridia's handful of stateside radio hits includes a feature spot on Victor Manuelle's 2006 "Nuestro Amor Se Ha Vuelto AYer" and "Como Yo Nadie Te Ha Amado," a Bon Jovi cover that went to No. 16 on Billboard's Hot Latin Songs chart in February.

Now the pop star, who had a baby last year, is Ready for the next phase in her career. She co-wrote three songs on "Entre Mariposas," her first album of original material, due Dec. 4 on Sony BMG.

"Life has given me the opportunity to go on and do something of my own, not just covers of songs that have been made by other artists and have already been out there," says Yuridia, who has done Spanish versions of Robbie Williams' "Angels," Roxette's "Listen to Your Heart" and even Billy Joel's "Piano Man." "It's time that I risk it."

Full of radio-friendly power ballads and a couple of catchy uptempo numbers, "Entre Mariposas" isn't too big of a gamble. The album counts on songs written especially for Yuridia by Sony BMG's most successful singer/songwriters, including Julio Ramirez from the group Reik, Reyli Barba, Ian Chester and Noel Schajris from Sin Bandera. The album was produced by Javier Calderon, who also worked on Yuridia's previous two albums.

Single "Ahorita Entendí" was co-written by Mario Domm of the group Camila, whose latest album topped the U.S. Latin and Mexican sales charts. The single is climbing the Latin pop airplay chart, where it stands at No. 30 this week.

Sony BMG Mexico/Central America GM Miguel Trujillo says the writing collaborations have been worked into the album's marketing, from radio to the CD sticker to spots on TV Azteca.

Trujillo says the success of "American Idol" contestants with albums of original material shows what can be done with the right songs. "They haven't done covers or things they did in the show," Trujillo says of artists like Kelly Clarkson and Carrie Underwood. "We felt that people wanted to see that as well." The key is to use "that platform and keep trying to do great music."

Yuridia, a single mom, admits a couple of the songs were inspired by her life, but "more than just my life. I try to see what other people are feeling so that when they listen to the CD, they can like it and see themselves in that song."

That relatability is a big part of Yuridia's appeal, Sony BMG Norte VP of marketing/A&R Nir Seroussi says. "Yuridia kind of grew up with the people. She's an idol of the masses."

The U.S. marketing plan includes the basics lacking on previous albums—Yuridia's presence on the talk show presence, a music video and a concert tour early next year, though dates have yet to be announced.

Though she did a limited U.S. tour with other "La Academia" contestants in 2005, Yuridia, who spent her teenage years in Masa, Ariz., says she relishes the prospect of gaining new U.S. fans—and of some day recording in English. Her last album did include an English cover of "The Rose."

But for now, the big step is presenting original material in Spanish. "Now that I get to do my own stuff, I don't think I'm going back," she says.

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**The Veronicas' Double Vision**

Aussie identical twins the Veronicas created double chart history in their home market when single "Hook Me Up" (Sire/Warner Music) topped the Australian Recording Industry Assn. chart Nov. 4. Not only was it their first No. 1, it was the first by an Australian female duo.

A week later, the act's sophomore album, also titled "Hook Me Up," debuted at No. 2, selling 70,000 units, according to the label. "They're hotter than they've ever been," says Warner Music Australia president Ed St. John, who expects double-platinum sales (140,000 units) by Christmas. "They're the most aspirational outfit for teenage girls," St. John adds. "With a pop sensibility, but just the right amount of bad girl attitude."

Jessica and Lisa Origliasso struck a chord with teen audiences when they arrived on the Aussie chart scene two years ago. Debut album "The Secret Life of the Veronicas" (2005) eventually went quadruple-platinum, shipping 285,000 units.

Having signed to Sire/Warner in 2004 for a reported $2 million advance, the duo based itself in Los Angeles for 18 months in an attempt to break the U.S. market. However, "The Secret Life" stalled at No. 133 on The Billboard 200 following its February 2006 release.

With "Hook Me Up," St. John says Warner will focus on European and Asian territories. At present, the album is available internationally as an import; overseas releases are not yet finalized. A domestic tour booked through Frontier culminates Dec. 12; overseas bookings are handled by California-based United Talent Agency.

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**LET'S DUET:** Eros Ramazzotti has taken his native Italy and much of Europe by storm with his double-CD compilation, "EZ" (Sony BMG), which places the best tracks from the pop singer/songwriter's 25-year career alongside new recordings that see him rework several of his hits with celebrity guests, including Wyclef Jean, Carlos Santana and Steve Vai.

The album rolled out internationally between Oct. 26 and Nov. 9.

The album has shipped 400,000 units in Italy and a further 700,000 in continental Europe so far.

Sony BMG Italy international exploitation senior director Marco Cestoni says, "It made No. 2 on Billboard's European Top 100 chart. When you consider that it wasn't released in the United Kingdom [Europe's biggest music market], that's a pretty remarkable achievement."

Cestoni adds that the various guest artists' own commitments "meant that this was quite a complicated project to develop—it took almost a year. Among those guests is Ricky Martin, whose duet with Ramazzotti, "Non Siamo Soli," topped the FIMI singles chart one week after its Sept. 21 release. Ramazzotti is published by EMI Publishing; live shows are booked by Clear Channel in Milan."

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**The Veronicas**
The first press release I received about a holiday album crossed my desk in September. Needless to say, I wasn't exactly in the holiday spirit at that time.

Now I'm warming up to the idea. Helping me get there are a few holiday projects I've unearthed among the piles of CDs surrounding my desk.

Being a traditionalist, it's really not Christmas to me until I hear David Letterman announce that one of tonight's guests will be Darlene Love. That's because the former Phil Spector protégé has sung her Spector-produced, Charles Brown classic, "(Christmas) Baby Please Come Home," for 17 straight years on Letterman's "Late Show."

That song is one of 12 selections on Love's first Christmas album, "It's Christmas, Of Course" (Shout Factory). It's the only '60s-era song on the album. Working under co-producer and Shout Factory VP/A&R Shawn Amos' "leave the '50s and '60s behind" rule, Love recorded songs from the '70s and '80s originally done by a line-up of artists ranging from the Pretenders to James Brown.

Tracks include "Christmas Wish" (NRBG), "2000 Miles" (Pretenders) and "Thanks for Christmas" (XTC). Love, who currently appears as Motormouth Maybelle in "Hairspray," will stage her annual Christmas concert Dec. 17 at New York's Lincoln Center.

If you want a jazz/R&B mix added to your holiday celebration, there's "Christmas Present" from Boney James (Concord Records). Joining the sax man on some yuletide carols are Angie Stone ("Merry Christmas, Baby"), Chanté Moore ("Santa Baby") and Anthony Hamilton ("Silent Night").

Speaking of jazz, a mellow version of the aforementioned "Merry Christmas Baby" can be found on the Ramsey Lewis Trio's "Sound of Christmas" (Verve). Originally released in 1961, this album of holiday standards ("Winter Wonderland") and two smokin' Lewis originals ("Christmas Blues" and "The Sound of Christmas") still sounds amazingly mellow and fresh after 40-plus years.

Def Soul Classics/Def Jam ushers in the holiday season with two new albums: The Isley Brothers featuring Ronald Isley with "I'll Be Home for Christmas" and Patti LaBelle with "Mia Patti's Christmas." Both projects are executive-produced by Jimmy Jam & Terry Lewis.

On their first holiday outing, the Isleys bring their trademark sound to such classics as "Have Yourself a Merry Little Christmas," "White Christmas" and "The Christmas Song" featuring Doc Powell.

LaBelle's Christmas album follows last year's "The Gospel According to Patti LaBelle" (Bungalo Records). The inimitable LaBelle brings a spirited turn to "Do You Hear What I Hear?," "Jesus, Oh What a Wonderful Child" featuring the Soul Seekers and the Richard Marks/Luther Vandross-penned "Every Year, Every Christmas."

Still getting busy in the kitchen, LaBelle is also promoting her new Patti LaBelle—Good Life brand. The rollout includes a third cookbook and her first instructional cooking DVD. Food products are also part of the brand, starting with a lineup of five custom-blended hot sauces and relishes available at major food outlets: Diced Fine Jalapeños, Sweet Hot Jalapeño Relish, Rich Red Blended Cayenne & Habanero Pepper Sauce, Hot Flash Blended Habanero & Jalapeño Sauce and Pepper Clear Mild Pepper Sauce.

"Talk about a hot and spicy Christmas!"
**INDY ROCK**

After U.K. Breakout, The Hoosiers Set Sights On The States

They’re not from Indiana, but they might be visiting in 2008. Sony BMG is preparing Anglo-Swedish alt-rock trio the Hoosiers for a 2008 international rollout, with U.S. shows high on the agenda.

The U.K. chart-toppers relish the seemingly contradictory associations their name carries. One—probably apocryphal—source for the nickname for Indiana natives suggests it came from a 19th century contractor named Samuel Hoosier, working on the Louisville and Portland Canal, who was impressed with the locals’ hardworking ethic. But elsewhere, it has been synonymous with “layabouts” and “rabbit-rovers.”

“We like that combination,” the band’s singer/guitarist Irwin Sparkes says with a laugh. “We’re really motivated and committed to the band, so definitely [hard workers]—but we’re layabouts as well.” Sparkes and drummer Alfonso Sharland (the band is completed by Swedish bass player Martin Skarendahl) discovered the term while spending 2001 at Indiana University on soccer scholarships. But after failing to live up to their billing as budding MLS stars, they were sent on their way.

“We knew it was time—we’d had a year of failing,” Sparkes says. “When we got home we had all these ideas and songs to get out. Coming to terms with failure definitely informed the music.”

Failure might have helped shape their songs, but the Hoosiers’ upbeat guitar pop has found nothing but success since. After signing to RCA U.K., the band’s debut single, “Worried About Ray,” reached No. 5 on the Official U.K. Charts Co. listing in July, while October follow-up “Goodbye Mr. A.” went one higher.

The label cites sales of 136,000 for debut album “The Trick to Life,” a U.K. No. 1 in November. “It’s been a fantastic few months,” says London-based Rak Sanghvi, managing director of Sony/ATV Music Publishing U.K., which has an exclusive worldwide publishing deal with the Hoosiers. “They’re bright, sensitive kids with a great sense of humor. I’d compare them to the likes of the Cure, Flaming Lips and XTC.”

In the United States, the album will appear in March through Epic, London-based Sony BMG international marketing manager Melissa Thomas says. Although U.S. plans are at an early stage, Thomas says...
they will include May tour dates, booked by Creative Artists Agency (CAA). Various entry points are being considered for the marketing campaign, particularly with online initiatives and the college market.

"The digital plot in the U.K. has been amazing and we're going to be using those tools," Thomas says. "We're planning a digital EP in the U.S. and an EP for college stations."

Sanghvi acknowledges the role online linkups—with the likes of MSN, Yahoo, Google, Faceparty and iTunes—played in the United Kingdom. "The iTunes plot alone was pretty special," he says. The band's next U.K. single, "Worst Case Scenario," due in January, was initially released as an online-only warm-up in April. "It was iTunes' single of the week," Sanghvi says, "and got 33,000 downloads. There was also a five EP (exclusively through iTunes) and an iTunes version of the album with extra tracks.

Nine "week in the life of the Hoosiers" podcasts were also made available through iTunes. "The marketing picked up on the band's character and humor," Thomas says. "We'll be looking to replicate [that] in markets worldwide." Germany and France lead the international rollout in late January. "We're cherrypicking markets which we believe have the greatest initial potential," Thomas says. "The first single has been added to mainstream radio in both countries."

The Hoosiers recently completed a 38-date U.K. tour beforedevoting December and January to European promotion. Another 25 U.K. shows through CAA will precede European arena dates opening for James Blunt in March/April.

Variations On A Theme
Music Came First For New Film ‘August Rush’

I f you were among the thousands who saw “August Rush” during the Thanksgiving holiday—the Warner Bros. film finished No. 7 at the box office for the week ending Nov. 25, according to the Hollywood Reporter—you heard the fruits of Anastasia Brown’s labor. The movie, which stars Keri Russell, Jonathan Rhys Meyers and Robin Williams, among others, is the tale of an orphaned musical prodigy who believes he will find his musician parents if they answer his music.

To explain the importance of Brown’s work as one of two music supervisors for the film, it’s important to know that all but 60 seconds of the movie contain music. And unlike many movies, in which music is placed after filming is complete, the score for "August Rush" had to be completed before filming could begin. "Every movie is different, but traditionally you do most of your work during postproduction and you select songs at that time with the producer and director," Brown says. "But with this film, we started working on music before the film was even cast."

The process took Brown and fellow supervisor Julia Michaels nearly three years. Brown worked to cast all the on-screen musicians, produced all performances that are seen in the film, cast the songwriters who wrote the original music, took Rhys Meyers into the studio and hired Phil Ramone to produce the music. She also arranged for vocal and/or instrument lessons for the cast. "Everyone on-screen who performs is actually playing an instrument," she says. "We brought in guitar and organ teachers for our lead actors. Keri [Russell] took cello lessons."

Brown also executive-produced the soundtrack, which features John Legend, Five for Fighting’s John Ondrusik, Paula Cole and Chris Botti, among others. Rhys Meyers covers Van Morrison’s “Moondance” in the movie, while Botti and Cole duet on the Billie Holiday classic “God Bless the Child.”

Not all the music written for the film made it into the movie. “Some of the most amazing songs we couldn’t use because it’s a two-hour movie,” Brown says, citing songs from Dennis Rice, Rodney Crowell and Holly Williams as examples. “Rodney has two people fighting over the song he wrote for that film, so it still worked out great.”

The wife of Music Row producer Tony Brown (George Strait, Reba McEntire), Brown has made her own path in the music community. She started her career as Miles Copeland’s partner and director of operations for Firstar Nashville. There she worked with Keith Urban, Sting, Peter Frampton and Junior Brown, among others.

As VP of A&R for Copeland’s Ark 21 Nashville, she served as executive producer for the late Waylon Jennings’ “Closing In on the Fire,” an album that included appearances by Sting, Sheryl Crow and Mark Knopfler. She was also involved with Leon Russell’s “Legend in My Time,” which featured guests Willie Nelson, Marty Stuart and the Oak Ridge Boys.

While attending the Nashville Screenwriters Conference in 2002, Brown got bitten by the music supervision bug and convinced Les Bohem, one of its organizers and a Hollywood screenwriter/producer, to give her a shot. He hired her for “Taken,” a 40-hour mini-series he was working on with Steven Spielberg.

Once hired, Brown also secured a soundtrack deal for the series, which featured music from such artists as Emmylou Harris, Bob Dylan, Jackson Browne and Breeda Lee. She parlayed that experience into supervi-

sion roles on the movies “Charlie’s War” and “Dear Mr. Cash,” and is now the president of of 821 Entertainment Group, a media, entre-

prise and technology company.
GIRLS ALOUD
Tangled Up
Producers: Brian Higgins, Xenomania
Fascination/Polydor
Release Date: Nov. 19
With a lineup assembled on a U.K. talent show and a willingness to "fess up to merely "fronting" songs for their powerhouse producers, Girls Aloud is the most artificially manufactured pop group since the Monkees. And yet the Girls are actually every bit as representative of the culture as those rather cooler sissians, the Arctic Monkeys. Now on their fourth album, they've long since ceased to be mere Svenega playthings. Only in Girls Aloud's perfectly manicured hands would the moody "Call the Shots," the sassy "Can't Speak French" and the stomping "Fling" become such kitschy, yet irresistible slices of knowing girl-group pop perfection. Time, surely, for the rest of the world to acknowledge the United Kingdom's premier pop phenomenon.—MS
VARIOUS ARTISTS
Live Earth: The Concerts for a Climate in Crisis
Producers: varios
Warner Bros.
Release Date: Dec. 4
Here's hoping for a little more excitement next time.—MC

CASSIDY
B.A.R.s.: The Barry Adrian Reese Story
Producers: varios
Full Surface/
Release Date: Nov. 6
With lines like, "Christ died on the cross, now that's a pimp," it's clear that life has changed for Cassidy. After serving time for involuntary manslaughter and suffering a near-fatal car crash, it seems like this kid can't catch a break. Still, "B.A.R.s.: The Barry Adrian Reese Story" does a solid job of portraying the crossroads at which Cassidy finds himself, wandering between freestyle and street rhymes. On "Celebrate," featuring John Legend, Cassidy says his "old style died and went to punch line heaven." But why ditch the formula that drew your fans in the first place? Elsewhere, appearances by Bone Thugs-n-Harmony, Mashonda and Angie Stone don't prepare the listener for Cassidy's collaboration on "Innocent" with Mark Morrison of "Return of the Mack."—FM

WYCLEF JEAN
The Carnival II: Memoirs of an Immigrant
Producer: Jerry Duplessis
Columbia
Release Date: Dec. 4
Wyclef Jean has spent the 10 years since the original "Carnival" in projects of scattered ambition and success, some that hit ("Hips Don't Lie") and some that didn't (anyone remember his reworking of "The Gambler" with Kenny Rogers?). But hip-hop loves its Roman numerals, and it probably was only a matter of time before he revisited the concept. "The Carnival II: Memoirs of an immigrant" isn't nearly as fresh as its older cousin, mostly because it only seems partly interested in its timely concept, but it's a stronger showcase and collection that succeeds more when Clef sits back ("Heaven's in New York" and the Norah Jones-assisted "Any Other Day") than when he works hard at showing off his sprawling pedigree (the needlessly overdone "Hollywood Meets Bollywood" and the too long "Touch Your Button Carnival Jam"). Things feel much weightier when Paul Simon shows up for a moving cameo on "Fast Car," proving that on the whole, "Carnival II" sounds louder when it's quieter.—JV

BLUES
LURIE BELL
Let's Talk About Love
Producer: Matthew Skoller
Aria B.G.
Release Date: Nov. 12
This is only the third album Chicago blues artist Lurie Bell has released in the last eight years, and "Let's Talk About Love" is his most convincing effort during that span of time. The record is a solid testimony to Bell's Chicago pedigree. He's working these tunes with a sturdy group of session players, including Felix Crews, Kenny Smith, Johnny Iguana, Anthony Palmer and guest Billy Branch on harmonica. Favorite tracks begin with a soulful cover of Pop Staples' "Why (Am I Treated So Bad)") and downtown acoustic number "Feeling Good," which Bell sings with guest vocalist Jimmy Johnson. Bell also lays down the beautiful "Bluff Jumper/ Missing You," accent by his incisive lead guitar. The CD closes on a rowdy note with "Wine Head Woman," featuring producer Matthew Skoller on harmonica.—PVV

JAZZ
GÉRALDINE LAURENT
Time Out Trio
Producers: Allo Romano, Christian Polgand
Dreyfus
Release Date: Nov. 20
French alto saxophonist Géraldine Laurent laid a buzz on New York's Winter Jazzfest in January, and now Dreyfus has delivered a Laurent trio disc that should make the buzz available west of the Hudson River. Working with ultra-solid rhythm cats Yo

NINE INCH NAILS
Y34RZ3r03m1x3d
Producer: Trent Reznor
Nothing/Interscope
Release Date: Nov. 20
Trent Reznor has become something of a nouveau-marketing poster boy lately, and from the liner notes of this remix disc, you might think it was just another Interactive, nontraditional, band-positioning tactic. But everywhere you need to get started remixing every track from "Year Zero," it reads, going on to break down the process for NIN-devoted bedroom producers. But you've got to hand it to Reznor: The reinterpretations here are so good that the fan engagement tactic is just icing (or perhaps scaffolding). The Fact exploits the jauntiness of "Meet Your Master" and pushes it further into electro-bop territory, Italian trio Pirate Robot Midget makes "My Violent Heart" less hearty and more violent. Ladytron even sneaks the keys from NIN classic "Closer" onto the back of its "The Beginning of the End" redo. OK, Trent, you win.—KM

BLAKE LEWIS
ADD: Audio Day Dream
Producers: varios
19 Recordings/Krasta
Release Date: Dec. 4
One can't help but proceed with caution when an album is named after Attention Deficit Disorder, especially when the artist caught his break by beatboxing on a reality TV show. But possessing the enviable and unique gifts that make American Idol a favorite of the mainstream market, Blake Lewis can relax. "American Idol" season six runner-up Blake Lewis' debut, "ADD: Audio Day Dream," is indeed a little all over the map, but, surprisingly, it works. Unlike other run-of-the-mill debuts from former Idol contestants, "ADD" is packed with electro-funk jams, hip-hop beats and soaring ballads that explode with Lewis' personality and uniqueness. Taking cues from Justin Timberlake ("Break Another"), Erasure ("End of the World"), Prince ("She's Makin' Me Lose It") and the Police ("1,000 Miles"), Lewis gives fans plenty to get excited about here, even those with short attention spans.—JM
THE BILLBOARD REVIEWS

SINGLES

MELISSA ETHERIDGE
California (3:51)
Producers: Melissa Etheridge, David Cole
Writer: M. Etheridge
Publisher: not listed
Island
The second single from Melissa Etheridge's 10th album, "The Awakening"—following top 25 AC hit "Message to Myself"—is another autobiographical acoustic strummer, offering a picturesque storytelling lyric about her journey from hometown Lebanon, Kan., to the West Coast: "Raised on Midwest dollars/ I took my family's burden and strapped it to my chest, with 100 bucks and a kiss for luck/I am almost free." Vocally, Etheridge holds onto the title word with joyous conviction, as if celebrating all the meaning it holds for her. As she marks 20 years in an industry that: seldom embraces artists as long, how satisfying to hear that Etheridge has as much to say as she ever has. At 45, maturity has only served to make her a finer singer. Always a pleasure. —CT

CRITICS' CHOICE #1

BIG & RICH
Loud (7:23)
Producers: Big & Rich
Writers: K. Mann, D.R. Perlaizzi, D. McNichols
Publisher: Kirtz/Manpower/Perlaizzi, ASCAP, Soundide, BMG Warner Bros.
The title of Big & Rich's latest single says it all. There's nothing collision of interest making it for a season's ballad, for sure, as this loud, raucous party anthem will bring fans to raucous mania, while shaking country radio out of the winter doldrums. With aggressive guitars and personality-packed vocals, this is Big & Rich at their Wolffy and woolly best, as they proclaim: "We like it loud/We like it honky/The party won't be revvin' till we crank it to 11." It's a slice of sonic fun that will turn the dullest day into a Saturday night. —DEP

NEW & NOTEWORTHY

CASS DILLON
Christmas in Fallujah (4:22)
Producers: Tommy Byrnes, Jay Baumgardner
Writer: B. Joel
Publisher: Impulsive Mulberry Street
Billy Joel has a maze of emerging artists (and fellow Long Islander) Cass Dillon, to whom the legendary singer/songwriter passed along the

EDUCATED BY JONATHAN COHEN (ALBUMS) AND CHUCK TAYLOR (SINGLES)

CONTRIBUTORS: Marcella Docis, Hillary Cipriani, Kimi Kats, Kenzi Mason, Jill Menie, Deborah Evans Price, Hank Sutherland, Chuck Taylor, Christina L. Titus, Philip Van Vleck, Jacqui Wilkins, Niklas Wood

CHOOSE A: A new album of good potential, highly recommended for musical merit.

COUNTRY
CHRIS GOLDEN
CenterStage
Producers: various
24K Records
Release Date: Nov. 27
As a singer/songwriter and multi-instrumentalist, Chris Golden previously earned props for his work in the band Golden Speer and with the Goldens, a Capitol duo with his brother Rusty. But "CenterStage" showcases a gifted artist perfectly comfortable alone in the spotlight. He represents "the Fath," a favorite from the Goldens' catalog, and delivers engaging covers of Karla Bonoff's "Isn't It Always Love" and the Tennessee Ernie Ford classic "Sixteen Tons." "Love Won't Let Me" is a tender tune about a man holding on tightly to a relationship, while "Walk These Hills" is a beautiful, wistful ballad about the memory of a love that wasn't to be. Culling great songs from such top Music Row songwriters as Bobby Tomberlin, Jeffrey Steele, Al Anderson, Paul Overstreet and Mac McAnally, Golden delivers a thoroughly satisfying record. —DEP

PICK A: A new release predicted to hit the top half of the chart in the corresponding format.

CHRISTIAN
SARA GROVES
Tell Me What You Know
Producer: none listed
IHO Records
Release Date: Nov. 6
In recent years, Sara Groves has emerged as one of the most compelling singer/songwriters in the Christian genre. She has a warm, evocative voice that quickly engages listeners, drawing them into her pensive, powerful lyrics. Groves has a unique way of grappling with life's most complex issues and emotions and distilling them into polished pop songs that are intellectually stimulating, yet entertaining. "I Saw What I Saw" was inspired by her trip to Rwanda, and the accompanying video recently topped the Gospel Music Channel's video rankings. New single "When the Saints" is gaining steam at Christian radio, while "Love Is Still a Worthy Cause" is an upbeat reminder about the power of love. Groves has the ability to inspire, educate and entertain in equal measure, and that gift produces some truly memorable music. —DEP

Additional reviews online this week at billboard.com:

• Six Organs of Admittance, "Shelter From the Ash" (Def Soul)
• Sir Richard Bishop, "Polythyestis Fragments" (Drag City)

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www.americanradiohistory.com
SEX SELLS: CSS STRIKES GOLD WITH IPOD AD PLACEMENT

The iPod ad continues to bestow commercial gain on up-and-coming artists. The latest: Brazilian electro-rock band Cansei de Ser Sexy (CSS), whose “Music Is My Hot, Hot Sex” entered The Billboard Hot 100 four weeks ago and stands at No. 78 this week.

The cut is featured in an iPod ad that began airing Oct. 28. CSS’ self-titled first album was released in July 2006 and has sold 26,000 copies, according to Nielsen SoundScan.

The greatest jump has been in digital sales; “Music Is My Hot, Hot Sex” sold 62,000 copies in the last two weeks, out of a total of 109,000 sales since the song was released.

Sub Pop is planning an online marketing campaign in cooperation with Apple, and is shipping the track to radio. “We found out about the comments at the last minute so we’re just now bringing in the radio pros,” Sub Pop A&R honcho Tony Kiewel says. “It’s tough for us, because the band hasn’t even started recording their new album, and they won’t be able to come to the States until January. So, we’re hoping that radio will pick it up and help build it.”

—Courtney Harding

ROCK

Eleventh Heaven

Months After Its Release, Rock Band’s Single Hits Its Peak

Wind-up Records president Ed Vetri says he knew Finger Eleven’s “Paralyzer” would be a “monster hit” the first time he heard the demo. “But I told the guys it was going to take a while,” he says. “This isn’t like [fellow Wind-up act] Evanescence, where there’s a female lead or something different going on. This is five guys in a band. There’s a lot of those out right now.”

True to Vetri’s word, “Paralyzer” took its time getting where it has gone: Released in March as the lead single from Finger Eleven’s fourth album, “Them vs. You vs. Me,” the song debuted on The Billboard Hot 100 at No. 97 in the June 23 issue. This week, it stands at No. 11 on the Hot 100 and No. 9 on Hot Digital Songs, according to Nielsen SoundScan, it has sold 833,000 digital copies.

Vetri says the label’s strategy for breaking “Paralyzer” was simple: Start working the single at rock radio, then move to active rock, alternative rock and, finally, “at the right moment, cross over to pop.”

Scott Anderson, the Burlington, Ont.-based group’s lead singer, admits it has taken a while for him and his bandmates to learn the sort of patience Vetri recommends. “No one ever moves at the speed of your land,” he says. “Even if a record seems like it’s been out forever, “it’s still brand new in a lot of people’s eyes. We’re used to working our records for two years at a time.”

Wind-up plans to continue working singles from “Them vs. You vs. Me” throughout 2008. While for Vetri, the next up is “I’ll Keep Your Memory Vague,” a ballad Vetri predicts will be “as big or bigger than ‘One Thing.’”

Scott Anderson

PENNYWISE, FREE WISER

Punk Vets Team With MySpace For No-Charge Download

After more than 15 years on Epitaph, punk troupe Pennywise has left the label for different, digital pastures. The veteran foursome has inked with MySpace Records for its as-yet-untitled ninth full-length effort, and teamed with the social networking site to offer the album to fans for free.

A high-quality audio version of the album will be made available for free digitally March 25, sans digital rights management, to MySpace users who befriend mobile distributor Textango through the popular Web site. It not only marks the first time the label has married one of its signees to an ad-supported distribution model, but the first time MySpace as a platform has collaborated with a mobile distributor on a music promotion.

“This happens in a time when the record industry has such a black eye,” MySpace VP of marketing Josh Brooks says. “It’s a nice opportunity and a way to get your music out there.”

The free download will be obtainable for two weeks following its release, with full artwork. Physical copies of the record will also be made available the same day to traditional retail outlets online and in stores via MySpace Records.

The collaboration among artist, label, mobile distributor and social network can be a step toward each reaching new audiences in the future. Textango CEO Shawn Dornan is hopeful the band’s loyal fan base might help expose the company to new adopters, including other new acts.

“What [the band] stands for and what they’ve done resonates well with other bands and artists,” he says. Pennywise’s high-water mark on The Billboard 200 occurred in 2003 with the release of “From the Ashes,” which bowed at No. 54. The group’s last set, “The Fuse,” peaked at No. 78 and has moved 58,000 copies in the United States, according to Nielsen SoundScan.

Los Angeles-based Textango delivers music to users’ mobile phones, purchased via text, with the order invoiced directly on the customer’s phone bill. The overarching spirit is it’s breaking new barriers, doing new models and going against the status quo, which are all things we stand for,” Dornan says.

Pennywise lead vocalist Jim Lindberg says, “We can also potentially expose our music and message to people around the world who may have never had the opportunity to hear it because they either couldn’t afford to buy a CD or they didn’t have access to music outlets or good distribution.”

—Ayala Ben-Yehuda

RBD DEBUTS ATOP LATIN CHART, BUT CAN’T TOUCH LAST YEAR’S NUMBERS

RBD’s “Empezar Desde Cero” debuts at No. 1 on Billboard’s Top Latin Albums chart this week with 22,000 copies sold, according to Nielsen SoundScan. That pales in comparison to first-week sales of RBD’s last Spanish-language studio album, “Celestial,” which scanned 117,000 in the three days after its Black Friday debut in 2006. The album has sold 486,000 copies in the United States.

But unlike the Mexican pop group’s latest EMI Televisa release, “Celestial” benefited from a massive marketing campaign with Wal-Mart. The retailer packaged “Celestial” last year with a DVD of the first season of “Rebeldes,” the teen soap that spawned the group; sponsored a Univision TV special with RBD just prior to release, and screened RBD’s “Soundcheck” performance in stores on Wal-Mart TV.

Wal-Mart is offering the new album with an exclusive DVD containing videos and other bonus content. But without a campaign on the “Celestial” scale, and with the rest of it’s 2007 tour postponed until next year, RBD still shifted more first-week copies this time around than it did with “Nuestro Amor,” its Spanish studio album before “Celestial.” That 2006 album debuted at No. 3 with 13,000 first-week copies sold.
**Over the Counter**

GEORGE MAYFIELD gmayfield@billboard.com

---

**Groban's Christmas Album Tops Billboard 200**

Some of Josh Groban's fans think he has the voice of an angel, so it seems appropriate that his first attempt at a Christmas album carved out a rare niche in chart history.

With Thanksgiving week's store traffic and an appearance on "The Oprah Winfrey Show" accelerating an album that had momentum, its "Noel" captures an 81% sales increase and No. 1 on The Billboard 200. That makes that the first Christmas album to lead the chart in 13 years, and only the second to top the list since 1962.

"Noel" garners 405,000 copies (21), the strongest week of Groban's career and the largest by a Christmas set since Celine Dion's "These Are Special Times" topped 400,000 in two different weeks of 1998. Groban's up 182,000 copies easily seals The Billboard 200's Greatest Gainer award.

The last seasonal set to crown the big chart was Kenny G's 1994 release: "Miracles - The Holiday Album," which, like Groban's, rose to the top rung during the Thanksgiving sales week. Held at No. 1 the following week and jumped back to the summit during the Christmas frame.

When the smooth jazzer's "Miracles" moved to the top of the page, it marked the first time in decades that a Christmas album had reached No. 1. The last to do so was Mitch Miller's "Holiday Sing Along With Mitch," a byproduct of the leader's popular NBC series, "Sing Along With Mitch," released in 1961, the same year that Miller's series hit the air, the album ascended to the chart's throne in January 1962. It was Miller's third No. 1 album and his second seasonal offering to lead the list.

It will take years to find out whether Groban can match Miller with a second chart-topping Christmas album. In the near term, "Noel" has a real shot at notching multiple weeks at No. 1, as G's "Miracles" did.

The week after Thanksgiving, Groban was booked to revisit "Oprah," along with appearances on NBC's "Christmas at Rockefeller Center" special and the Nov. 30 and Dec. 1 airings of "Good Morning America."

Between now and Christmas, Groban is also lined up for "Live With Regis and Kelly," "Rachael Ray," "Larry King Live" and a Christmas Eve return to "Good Morning America," along with a rerun of Oprah Winfrey's "No. 20: My Favorite Things" episode, which fueled this issue's rise to the top.

With all that TV exposure and the album already showing more sales oompf than any Christmas collection of the last nine years, combined with a soft release schedule for the remainder of the gift-buying season, it would not be a large surprise if Groban rally more weeks at No. 1. As its, "Noel" has already sold 1 million copies in seven weeks, according to Nielsen SoundScan.

This marks Groban's second chart-topper. He scored his first when second studio album "Closer: Shot 1-1" during a soft week in January 2004, a rise fueled by defying pricing from Target. His 2006 album, "Awake," peaked at No. 2, while his self-titled 2001 debut grew 15 weeks to No. 8 the year after it was released.

---

**DRY TURKEY:** It's almost as if the music industry forgot Thanksgiving was happening (see story, page 5).

The holiday week's release schedule was void of the Pied Piper kinds of releases we've seen in Thanksgivings gone by, like Jay-Z's "Kingdom Come" last year, U2's "How to Dismantle an Atomic Bomb" in 2004 or Creed's "Weathered" in 2001, which each started well above the half-million mark. "Kingdom Come" launched last year with 680,000; the U2 and Creed titles each opened with more than 800,000.

Even compared with Thanksgiving slates that didn't yield No. 1 albums, this year's crop is folks, the lone top 10 bow belonging to reigning "American Idol" champ Jordin Sparks.

With 119,000 sold, she scores The Billboard 200's Hot Shot Debut at No. 10, but does so with the lightest opening week if an "I Idol" winner's first album. The previous low start for an "I Idol" champ had been 240,000 for Fantasia in 2004.

Last year's Thanksgiving frame saw five new entries in the top 10 among 19 albums that surpassed 100,000 for the week. Only 11 beat that threshold on this issue's list.

---

**Market Watch**

* A Weekly National Music Sales Report

### Weekly Unit Sales

<table>
<thead>
<tr>
<th>Week</th>
<th>Total</th>
<th>No. Week</th>
<th>Week</th>
<th>Previous</th>
<th>Year Ago</th>
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**Weekly Album Sales (Million Units)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
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<tbody>
<tr>
<td>06</td>
<td>$52.6 million</td>
<td>$0.7 million</td>
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<tr>
<td>07</td>
<td>$73.5 million</td>
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**Sales by Album Format**

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<tr>
<td>Pocket</td>
<td>9,000,000</td>
<td>4,000,000</td>
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<tr>
<td>Other</td>
<td>822,000</td>
<td>919,000</td>
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**For more details, see** Billboard.biz for complete chart data | 79
<table>
<thead>
<tr>
<th>ARTIST</th>
<th>Title</th>
<th>Label</th>
<th>UK Peak</th>
<th>US Peak</th>
<th>Genre</th>
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<td>ALCIA</td>
<td>Keys</td>
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<td>1</td>
<td>R&amp;B</td>
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<td>VARIOUS ARTISTS</td>
<td>The Ultimate Hits</td>
<td>EAGLES</td>
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<tr>
<td>GARTH BROOKS</td>
<td>Long Road Out Of Eden</td>
<td>CARRIE UNDERWOOD</td>
<td>5</td>
<td>9</td>
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<td>CARRIE UNDERWOOD</td>
<td>Carnival Ride</td>
<td>CINELE DION</td>
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<td>KEITH URBAN</td>
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<td>JORDAN SPARKS</td>
<td>Jordan Sparks</td>
<td>TAYLOR SWIFT</td>
<td>6</td>
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<tr>
<td>JAY-Z</td>
<td>All That Is Within Me</td>
<td>LED ZEPPELIN</td>
<td>7</td>
<td>8</td>
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<tr>
<td>THE II</td>
<td>Dreaming Out Loud</td>
<td>COLE B IALL</td>
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<td>15</td>
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<tr>
<td>DANE COOK</td>
<td>Rough Around The Edges</td>
<td>JONAS BROTHERS</td>
<td>22</td>
<td>33</td>
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<tr>
<td>JAY-Z</td>
<td>Enjoy The Ride</td>
<td>JASON ALDEAN</td>
<td>25</td>
<td>16</td>
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<tr>
<td>JASON ALDEAN</td>
<td>The Duckess</td>
<td>JAMES BROWN</td>
<td>32</td>
<td>32</td>
<td>R&amp;B</td>
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<td>JASON ALDEAN</td>
<td>Just Like You</td>
<td>RAYE CINCUT</td>
<td>37</td>
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<td>GEORGE STRAIT</td>
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<td>ROBERT PATTINSON</td>
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<td>JASON ALDEAN</td>
<td>Raising Sand</td>
<td>SOULJA BOY TELLEMM</td>
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<td>Rap</td>
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<tr>
<td>JASON ALDEAN</td>
<td>Daughter</td>
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<td>39</td>
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<td>JASON ALDEAN</td>
<td>Heart And The Door</td>
<td>CASTING CROWNS</td>
<td>46</td>
<td>46</td>
<td>Christian</td>
</tr>
<tr>
<td>JASON ALDEAN</td>
<td>Graduation</td>
<td>JAY-Z</td>
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<td>47</td>
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<tr>
<td>JASON ALDEAN</td>
<td>Montana</td>
<td>ANGIE BOCELLI</td>
<td>54</td>
<td>54</td>
<td>Classical</td>
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<td>JASON ALDEAN</td>
<td>The Altar And The Door</td>
<td>CASTING CROWNS</td>
<td>56</td>
<td>56</td>
<td>Christian</td>
</tr>
<tr>
<td>JASON ALDEAN</td>
<td>Just Who I Am: Poets &amp; Pirates</td>
<td>KENNY CHESNEY</td>
<td>66</td>
<td>66</td>
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<tr>
<td>JASON ALDEAN</td>
<td>Blackout</td>
<td>BRITNEY SPEARS</td>
<td>71</td>
<td>71</td>
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<tr>
<td>JASON ALDEAN</td>
<td>Free At Last</td>
<td>FREEDOM</td>
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<td>JASON ALDEAN</td>
<td>All The Reasons</td>
<td>NICKELBACK</td>
<td>112</td>
<td>112</td>
<td>Rock</td>
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<tr>
<td>JASON ALDEAN</td>
<td>Classic Christmas</td>
<td>TOBY KEITH</td>
<td>45</td>
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<td>JASON ALDEAN</td>
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<td>VARIOUS ARTISTS</td>
<td>12</td>
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<td>JASON ALDEAN</td>
<td>Enchanted</td>
<td>FOUR ROOMS</td>
<td>43</td>
<td>43</td>
<td>Pop</td>
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<tr>
<td>JASON ALDEAN</td>
<td>Everything Is Fine</td>
<td>Hairspray</td>
<td>6</td>
<td>6</td>
<td>Musical</td>
</tr>
</tbody>
</table>

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- **ALICIA KEYS**
- **TIMBALAND**
- **BRUCE SPRINGSTEEN**
- **JASON ALDEAN**
- **DIERKS BENTON**
- **JAMES BROWN**

**INTERNATIONAL ARTISTS**

- **GARY ALLAN**
- **TIM McGRATH**
- **JOHN DENVER**
- **JORDAN SPARKS**
- **TAYLOR SWIFT**
- **JAY-Z**

**LABELS**

- **REPRISE RECORDS**
- **ATLANTIC RECORDS**
- **WARNER BROS RECORDS**
- **BAD BOOKS**
- **LION HEART RECORDS**
- **MLG RECORDS**

**GENRES**

- **POP**
- **COUNTRY**
- **ROCK**
- **R&B/HIP HOP**
- **CHRISTIAN**
- **PUNK/HARDCORE**

**CHARTS LEGEND**

- **UK Peak**
- **US Peak**
- **Genre**

**DATA FOR WEEK OF DECEMBER 8, 2007**

- **#1**
- **#2**
- **#3**
- **#4**
- **#5**

**SOUNDSCAN**

- **Billboard 200**
- **Heatseekers**
- **Genre Charts**
- **Top Independent**
- **Digital Songs**

**MORPHEUS**

- **CDs**
- **Vinyl**
- **CD-Rs**
- **CD-ROMs**

**APARTMENT NUMBER 1**

- **Live Concerts**
- **Live Recordings**
- **Live CDs**
- **Live DVDs**
Congratulations

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hmv.ca

Happy 20th
from your friends at Parthenon Entertainment
Who would have guessed in 1991 that the No. 1 independent classical distributor in the United States would be the No. 1 independent rap distributor in 2007? But that’s the kind of evolution that Koch Entertainment Distribution has undergone to become today’s largest independent distributor not affiliated with a major, behind only Warner-owned Alternative Distribution Alliance and Sony-owned RED.

Today, Koch Entertainment Distribution employs 194 people—with around 50 in sales and marketing—and commands annual net revenue of about $175 million, Billboard estimates. With a 100,000-square-foot distribution center in Port Washington, N.Y., and regional sales offices in New York, Boston, Nashville and Minneapolis, the company distributes approximately 100 active labels, with about 180 imprints. Its catalog encompasses 25,000 titles.

Along with its owned and affiliated labels, Koch distributes an impressive lineup of leading indie labels: Among them are Acoustic Disc, AnimEgo, Babygrande, Bar/None, Brunswick, Chandos, Cleopatra, Cooking Vinyl, DPTV Media, Equity, KinkySweat, Lifeside Entertainment, Midar, Pinnacle, Passport Video, Putumayo, Real Talk, Red House, Righteous Babe, Shanachie and Sheridan Square Entertainment.

A snapshot of its 10 best-selling titles, as of Nov. 4, includes Project Pat’s “Walkin’ Bank Roll,” Otep’s “The Ascension,” DJ Khaled’s “We the Best,” Little Big Town’s “The Road to Here,” BeBe Winans’ “Cherch,” Diplomats Present Hell Rell’s “For the Hell of It,” Rissi Palmer’s self-titled album, the branded compilation album “The Weather Channel Presents the Best of Smooth Jazz,” Sophie Milman’s “Make Someone Happy” and 2Pac’s “All Eyez on Me.”

Earlier this year, Koch acquired its closest competitor in terms of size, Navarre’s independent distribution operation.
Congratulations on 20 years of success!

From your Entertainment One family
Jonathan Farrell and the Firm congratulate
Koch Entertainment on
their 20th Anniversary —
leaders in the music
industry.

Koch has one of the industry's more
sophisticated warehouses, employing
a high degree of automation.

Still an issue in the evolution of the format.
But within three months, he had started a dis-
tribution company, joining forces with the clas-
sical buyers for German News, the company
that distributed his stepfather's growing label,
among others.

Soon, he hired Michael Rosenberg, who was
working for a small classical label called North-
eastern Records. But when Rosenberg went
to California, he began selling for Koch and
its main rival at the time, Portland, Ore.-based
Allegro, before switching full-time to Koch
and eventually becoming the company's pres-

2007

from >>p54

What's more, Koch Entertain-
tainment has one of the industry's more so-
phisticated warehouses, incorpo-
rating a high degree of automation.

"Michael [Koch] has built such a great dis-
tribution company that it gave us the ability
and must grow quicker than we would have
been able to otherwise," Koch Records pres-
ident Bob Frank says.

Indeed, because Koch Records is one of the
few independents that regularly lands success-
ful albums, its warehouse has to be much more
responsive than other labels that are mainly
in the catalog business.

"We can get product out quickly whether we
are picking hit or cata-
log titles," Koch Entertain-
tainment Distribution presi-
dent Michael Rosenberg says. "It's
just as important to ful-
fill catalog quickly,
which is why our ware-
house is designed for
both types of product."

The distribution center's high-speed
Amadeus machine
fulfills fast-turning in-
ventory daily. The com-
pany "still spends sig-
nificant dollars" every year to update the
warehouse automation, Koch Entertainment
Distribution senior VP of sales Rob Scarcello
says. This year, the company is retrofitting its
returns automation system to appease retail-
ers' requests to speed up the process.

Likewise, the company's business-to-
business Web site is about as sophisticated as it gets
in the independent world. In fact, Koch's in-
formation systems approach the capabilities
of the major distribution companies, execu-
tives who have worked for labels in both camps
say. It's not complicated to use, and it can slice
dice information in any way users want it.

Koch Entertainment Distribution
president MICHAEL ROSENBERG,
right, greets RINGO STARR at a 2005
Soundstage concert.

Rosenberg says.

Koch "has good relationships with retailers,
and they have surprisingly evolved their infor-
mation systems up to the level of the majors," says Dan Storpa, owner of Putumayo Records,
which Koch has distributed since 1999. "Their systems are unparalleled in the indie sector and
are really helpful in managing our business."

One of the big focuses at Koch Entertainment
Distribution is on digital distribution be-
cause "we are doing millions of dollars a year
in that," Rosenberg says. "New labels that want
to be distributed physically by Koch must sign
up for digital as well."

Digital sales and mar-
teting go hand in hand
with physical sales, "so it
only makes sense to have
them under one roof,"
Rosenberg says.

Digital distribution is a
long way from where
Koch came from, back
when founder Michael
Koch launched the com-
pany in 1997.

Koch originally came to
America to build business
for the CD pressing plant
owned by his stepfather,
Franz Koch, at a time
when plant capacity was

continued on >>p58
Two things we love about Canada:

1. Hockey

&

2. KOCH ENTERTAINMENT

but...

this is only a 1/2 page ad, so we had to combine:

KOCHOCKEY ROCKS!!!

Happy 20th

from your Savoy Peeps!

Happy Birthday,

KOCH Entertainment

20 Years of
Vision  Innovation  Music  Power

We are proud to help you deliver exciting, “outside the box” music to fans around the world. Your friends at Shorewood Packaging.
What initially helped Koch’s distribution business grow in the United States was landing Teldec for a one-year contract. But six months into that distribution deal, Koch learned that Warner would acquire Teldec. When the Teldec contract was up, Koch would lose the label, “which was disconcerting,” as it supplied 50% of Koch’s business, Michael Koch remembers.

But Koch soon signed a distribution deal with the well-regarded U.K. classical label Chandos, which more than made up for Teldec’s loss, Koch says.

By the end of 1990, Koch was one of the leading distributors in the classical genre, but Michael Koch knew he would have to move into pop distribution to grow his business.

Along the way, Koch had invented national distribution. The independent community at the time was dominated by regional distribution companies, but Koch wanted to extend the national distribution concept beyond classical.

Shanachie Records, which Michael Koch counted as a client when he was selling his stepfather’s CD pressing service, wanted to move away from regional distribution.

“I was able to convince Richard Nevins and [his partner] Dan Collins that I could do it,” Michael Koch says, and his business became the first single company to implement the national distribution concept for the mainstream genres on Jan. 1, 1991.

“Before Koch, everything was regional distribution,” Nevins recalls. “Rounder was one of our biggest regional distributors, and I remember one of their staff telling me, ‘You’re out of your mind for doing with them. These Koch guys are just classical music people.’ A year later, that Rounder employee was working for Koch.”

“It worked out well,” in that Koch increased Shanachie’s sales, says Rosenberg, who was named Koch International national director of sales and marketing at the end of 1991.

That experiment helped Koch land other labels like Silva Screen, Red House Records and, subsequently, Bar/None, Razor & Tie and Righteous Babe. Along the way Koch also acquired one-third of Shanachie and half of DRG.

“Once we expanded beyond classical, the philosophy was to have a broad range of music genres. Back then, Edwyn Collins’ ‘Gorgeous George’ album was the first Koch-distributed album to reach The Billboard 200. And we had Ciedus T. Judd’s first release through Razor & Tie,” Rosenberg says.

Today, Koch does indeed distribute a broad range of music, which Rosenberg points out, allows the company to also service a broad account base.

With the Koch label as its anchor, Rosenberg anticipates further growth in rap and hip-hop, and consequently has formed a label services division headed by Chris Isidori.

Beyond urban, the company predicts growth in the metal, country and Christian markets. Koch Entertainment Distribution already distributes gospel and Christian labels like Light and Syntax; country labels like Midas, Equity and Lofon Creek; and expects to do more.

Also, since forming Koch Vision in 1991, the company is still seeking video labels to distribute. It recently signed Coming Home Studios, which has issued live DVDs from Nickelback and Steve Miller.

Koch Entertainment Distribution executives greeted Little Big Town last month at the Nokia Theater in New York. From left are the band’s JIM WESF BROWN and KAREN FAIRCHILD, Koch Entertainment Distribution president MICHAEL ROSENBERG, senior VP of sales and marketing ROB SCARCELLO, VP of business development ERIC LEMASTERS, senior video label manager JASON NEINAND, VP of sales and marketing GERALD MOSS, new media manager ERICA MUNDAY and the band’s KIMBERLY ROADS SCHLAPMAN and PHILIP SWEET.

While Koch Entertainment Distribution will continue to sign new record and video labels, “what also differentiates us is we will try new product lines,” Scarcello says. “Right now, we are selling a ‘Shrek’ browser for kids.”

Of course, the other thing that distinguishes Koch from other distributors is that “we are one of the few companies expanding our staff and service offerings to labels,” he adds.

For example, Koch “added an export division for other territories, a service that we never supplied to labels before,” Rosenberg says. “We can do the back end of fulfillment for Web sales.”

VP of digital Eric Lemasters adds. “We are also working with [labels] to give them the ability to sell ringtones and downloads off of their artist pages. We are working with the ringtones companies to get short codes so the label can more easily sell ringtones.”

“And we can archive their music,” Scarcello adds.

Beyond the company’s capabilities, “the thing I love about working with Koch is that their sales reps are about the music,” says Susan Tanner, head of sales for Righteous Babe Records, which Koch has distributed since 1995. “They know our company and our artists; we are not just product to them. They get excited about our music and like it.”

—Ed Christie

www.americanradiohistory.com
To the Best in the Biz...
Congratulations KOCH Entertainment on 20 Successful Years!

Home of your favorite Public TV artists:

Daniel O'Donnell
Dr. Michael Roizen
Helmut Lott

Congratulations
KOCH ENTERTAINMENT
on your 20th Anniversary
And Farewell!!!

From Your Friends at:
babygrande
While the Koch Records label is almost 18 years old, its evolution into the indie-label powerhouse it is today really began when the current executive regime came aboard in 1999. True, Koch Records' year-to-date market share of 0.65%, as counted by Nielsen SoundScan, may be up only slightly from 0.62% in the corresponding period last year. But with non-digital sales up 10%, "we are having our biggest and most profitable year in history," says label president Bob Frank, who joined Koch in 1999 when Koch acquired VelVel Records. What's more, Koch Records remains the largest label in the Koch Entertainment Distribution portfolio, giving its parent company a stability found only at the major labels. Most important, Koch Records is well-suited to the advancing digital era. "Digital growth has been exponential at Koch," Frank says. "In the label's first quarter, digital sales comprised 33% of our net revenue. That was a bellwether moment, when we realized the pace of the growth was accelerating." A big part of those sales were driven by Jim Jones' "We Fly High" and Unk's "Walk It Out" and "2Step," which among them have rung up about $7 million in sales so far this year.

Koch Records president BOB FRANK negotiates a deal with Elmo of "Sesame Street."
Joe Serling

&

Serling, Rooks & Ferrara

Congratulate Koch Entertainment and its Artists on 20 Amazing Years:

Michael Koch, Bob Frank, Michael Rosenberg, John Franck,
Shadow Stokes, Dee Sonaram, Alan Grunblatt, Scott Givens,
Michael Healey, Eric LeMasters, Rick Meuser, Esq., Deborah Rigaud, Esq.,
Ani DiFranco and Righteous Babe Records, Straight Line Stitch,
A New Revolution, mr. RAY, Sundazed Music, and the Entire Gang!

Serling Rooks & Ferrara LLP

Attorneys At Law

119 Fifth Avenue, Third Floor / New York, NY 10003
Tel: (212) 245-7300
Best Wishes
to Michael Koch and KOCH Entertainment
on your 20th Anniversary!
Continued Success!

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Happy 20th Anniversary
to Michael Koch and KOCH Entertainment

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Group Insurance and Benefit Consulting Services

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Beyond ringtones and hit track downloads, Frank says digital sales are beginning to spread to classic catalog titles from such acts as the Kinks, although he concedes those sales still represent small numbers.

While Koch participates in iTunes, the label has been an advocate of non-digital rights management downloads since the beginning. “We laugh when we see the majors just now thinking about going that way,” Frank says. “It was foolish to think everyone is going to have their own form of copy protection.”

Now one of the largest non-major-affiliated indies, Koch Entertainment initially got into the label business as a small classical imprint and then buying an equity stake in Shanachie Records and DRG. It expanded into a mainstream label in 1995 with the release of the Beastie Boys’ “Little Rascas” album.

With Barry Feldman at the helm in 1995, the label signed Amy Rigby and put together a deal for World Wrestling Entertainment albums.

But prior to the arrival of Frank and G/Executive VP Alan Grunblatt, the label’s most successful venture was hitting about $25 million in 1999. Today, Koch Records typically racks up $40 million-$50 million in net sales and has 38 employees.

Things started out great for the new team in 1999, with the release of World Wrestling Federation’s theme-song album “WWF Vol. 4;” which scanned 1.1 million units, and the “Pokémon 2BA Master” album, which has scanned 455,000 units.

Also that year, Koch executives signed foreign licensing deals and digital was on the rise.

The next two years proved tough due to a couple of rap and soundtrack albums that didn’t deliver as expected. But since 2001, “we have been growing every year,” Frank says. He notes that Billboard’s year-end Top Independent Labels recap has credited Koch with the largest number of charting albums from 2001 (when it tied with TVT) through 2006. “Most of that success has come thanks to two genres: rap and children’s music,” Frank says.

Koch, the industry leader in children’s music, has achieved sales success with the current Wiggles album, “Yummy Yummy,” which has shipped 1.5 million units and scanned 363,000; “I Love to Sing With Barney,” which has shipped almost 400,000 units and scanned 200,000; a Strawberry Shortcake album, “Berry Merry Christmas,” which has shipped some 300,000 units and scanned 148,000; and “Barbie Sings: The Princess Movie” has shipped 125,000 units and scanned 61,000.

In addition to its big-selling brands, the label’s “Hampton the Hamster: The Hamster Dance” has sold 250,000 digital downloads. And the label expects more big hits from the deal it just signed in October with Sesame Workshop.

But rap is even bigger for Koch. Grunblatt, a former RCA executive, is the main reason why Koch is now the No. 5 label in rap.

As of Oct. 28, it had a year-to-date market share of 5% in the genre.

Grunblatt and Cliff Culter had successfully built Relativity into an indie rap powerhouse, and they proceeded to do it all over again for Michael Koch.

The first rap hit for Koch was from Mo Thugs, a spinoff group of Bone Thugs-N-Harmony, the duo that had success at Relativity before moving to Epic.

“Yummy Yummy” from THE WIGGLES has been on Billboard’s Top Kid Audio chart for more than 200 weeks.
Soon, other rap artists who still had fan bases but weren't achieving the kind of sales the majors used to expect from them were signing with Koch.

"Initially, Koch was known as the rap graveyard because we came out of nowhere and started selling a lot of rap records, which upset the applecart," Grunblatt says. "But then we broke the Ying Yang Twins, and have since broken Jim Jones, Unk and DJ Khalad."

But before Koch started breaking new rappers, "the thing that made us was the Death Row distribution deal, which gave Koch credibility and financial stability," Grunblatt adds.

Today, Grunblatt works with Koch senior VPs of promotion Shadow Stokes and Dee Santaram and urban label manager Marlini Dominguez to achieve success for the label's rap roster.

Last year, Bone Thugs-N-Harmony's "Thug Stories," which has scanned 101,000 units, debuted at No. 1 on the Top Independent Albums chart. No. 4 on Top Rap Albums and No. 25 on The Billboard 200.

Also, Koch hopes to grow rap sales through its new division, Koch Urban South, which is headed up by Big Oomph.

Koch also has formed a marketing alliance with Sony Music, through which Koch is working two artists for Epic, Young Berg and Sean Kingston. "We do the urban marketing and hire the street teams," Grunblatt says.

While that urban success is great, about 50% of the label's sales comes from rap, which is why Koch is trying to diversify. Frank says, "That's why we just launched three divisions, bringing in Chuck Mitchell, a former president of Verve, to oversee jazz; Barry Landis, a former president of Word, to oversee Christian; and Scott Givens, who has been at Roadrunner and Ozzy Osbourne's label, to oversee metal," Frank says.

Koch also has comedy and dance records, and with those genres and a release schedule that has been known to reach 250 albums per year, the label is beginning to look like a major.

But Frank disagrees. "We don't want to compete with the majors, but we picked areas where we can be dominant players," he says. "For example, the Otep record deal signed by Scott Givens will be a big record for us and lets the metal community know that our entree into the genre is for real."
In 1995, Dominique Zgarka made one of the best decisions of his life when Michael Koch approached him with an either/or proposition. "Michael told me I would either come work for him or he would start a competing company," Zgarka recalls. At that time, Zgarka was running Electric Distribution and also World Music Sales, which distributed Shanachie Records in Canada. So, Zgarka and partner Cyril Kaye cut the deal through which their companies evolved into Koch Entertainment Canada. "Koch brought in financing, computerization, and helped grow our management structure and ultimately our business," Zgarka says.

But it also turned out to be one of the best decisions for Koch, because many of the labels that would help his company grow in the United States were first signed for Canada. The company's thrust into video also began up north.

Today, Koch Entertainment Canada employs 42 staffers and has $34 million Canadian ($41.1 million) in annual revenue in its most recent fiscal year. It has been named distributor of the year 10 times at the Canadian Music Week Awards.

Back then, one of the first labels signed for Canada under the new company was Beggars Banquet. The label soon issued the Prodigy's "Fat of the Land" album, which sold 340,000 copies, triple-platinum in that country.

While Koch never distributed Beggars Banquet in the States, other labels signed first in Canada—such as Moonshine, an electronic dance label—eventually were distributed by Koch in the United States.

Similarly, Putumayo was signed by Koch Canada and remains with the company in
Canada and the States. In fact, Putumayo is Koch Canada’s second-biggest record label, behind its own label, Koch Records.

A turning point for Koch Canada was when it launched Koch Vision eight years ago. “We started out big distributing videos for the then-named WWF, the Discovery Channel, Goodtimes label and Gaiam,” which produced programs on yoga, fitness and wellness products, Zgarka says.

The latter label helped Koch Canada in selling such health-minded items as balance balls, mats and other related products. Those product lines opened the door to the mass merchants in Canada for Koch, which previously relied on Handelman for those types of accounts.

Also, while many studios can distribute their own product in the States, for the smaller Canadian market they choose to go through Koch. And many do so via a license deal rather than a distribution agreement.

Zgarka says that “40% of our business here is licensed rather than third-party distribution.”

While Entertainment One, which acquired Koch in 2005, likes the possibilities offered by Koch Entertainment’s U.S. operation, Koch Canada’s business profile more closely aligns with its new parent company.

Entertainment One is the largest video and music distributor in Canada, in that it represents all the major music and video labels. In fact, Koch Canada is now a part of Entertainment One rather than Koch Entertainment, and Zgarka reports to Entertainment One CEO Darren Throop.

Entertainment One has a division called Paradox that distributes A&E, Image and Koch. Meanwhile, following Entertainment One’s move to the London Stock Exchange’s Alternative Investment Market, with the support of its largest shareholder, Marwyn Investment Management, the company has engaged in a series of synergistic acquisitions.

It has bought Seville Pictures and Contender Films, two deals that are expected not only to grow Entertainment One’s DVD deals, but they also put the company into theatrical production and distribution. That business is headed by Patrice Tierroux.

Zgarka says he expects more sales growth, thanks to those acquisitions. But he notes that since Koch Canada began, “we have never seen a drop in our business.”

For the last 12 months, Koch Canada’s sales are up 5%, which is not huge, he admits, but at least it’s still growing.

In a move to fuel growth, Koch Entertainment Canada recently cut a deal with Synergix to offer sales and marketing services to Koch-distributed labels for Mexico, South America and the Caribbean. So far, seven labels have signed on.

— Ed Christman
Koch Entertainment may have started its publishing company late, but it's a nicely growing business, according to Koch Records president Bob Frank. In five years, Koch Music Publishing has built a 2,500 song catalog, including 200 added this year, Frank says. "Our target is to add another 1,000 songs over the next 24 months." But that growth will probably be organic, as Koch doesn't sign publishing deals with artists or songwriters unless the label is going to put out an album by them. "We are not saying we won't do that, but we have more than we can handle from our deal flow" to put out albums, Frank says. Also, initially Koch didn't try to sign publishing deals with artists, only record deals.

Nowadays, Koch tries to sign artists for publishing also, and not just for the songs it will release on record. Koch initially got into publishing when it bought a couple of masters and publishing for songs that featured Norah Jones as a vocalist. Those albums, by the Peter Malick Group, include "New York City" and "The Chill Album." The company wound up selling 1 million copies of those albums globally. But after that deal, Koch focused on the urban side, signing mostly Koch acts to publishing deals, and also cutting admin deals with artists such as Goodie Mob, which was very beneficial due to all of their outside collaborations, including OutKast, Frank says.

He adds that the company is flexible in how it will structure publishing deals, i.e., outright ownership or percentage stakes. On the other hand, now that Koch is part of Entertainment
### HOT 100 AIRPLAY

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<td>One Night</td>
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<td>3</td>
<td>One More Time</td>
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<td>One Love</td>
<td>JASON Mraz (TOKIN RECORDS)</td>
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<tr>
<td>5</td>
<td>One Thing</td>
<td>THE BLACK EYED PEAS (AMBASSADOR)</td>
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<td>6</td>
<td>One Love</td>
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### ADULT TOP 40

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### ADULT CONTEMPORARY

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**Data for week of DECEMBER 8, 2007**

| Weekly Billboard of the Hot 100 Airplay | For chart reprints call 646.654.4633 | www.billboard.biz for complete chart data | 83 |
## R&B/HIP-HOP Top Albums

<table>
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<tr>
<th>No.</th>
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<td>Interscope</td>
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<td>6</td>
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<td>Konvicted</td>
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## R&B/HSOPE Top Albums

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<td>BOYZ IN THE ORBIT</td>
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<td>Exclusive</td>
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<tr>
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<td>KEYSHA COLE</td>
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## REGGAE Top Albums

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<tr>
<td>1</td>
<td>BOBBY MARLEY</td>
<td>Forever Bob Marley</td>
<td>VP Records</td>
<td>16</td>
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## FREEWAY DRIVES BACK TO CHART

Rapper Freeway returns to Top R&B/Hip-Hop Albums after more than four years away from the chart with his second album, "Free at Last," debuts at No. 5. It also bows at No. 42 on The Billboard 200 with 36,000 sold overall. His debut set, "Philadelphia Freeway," peaked at No. 3 on the R&B list and at No. 5 on The Billboard 200, selling 132,000 in its debut week. Mary J. Blige's Circuit City exclusive charity album, "Mary J. Blige & Friends," starts strong at No. 8 while the Chris Brown-led soundtrack to his film "This Christmas" ranks the bell at No. 11. The latter title also takes Hot Shot Debut honors on Top Holiday Albums this week at No. 14. Meanwhile, Beyoncé's "I Am...Sasha Fierce" earns Greatest Gainer honors at No. 9 (see Hot Box, page 79). —Keith Caulfield

Data for week of DECEMBER 8, 2007 | For chart reprints call 646.654.4633

Go to www.billboard.biz for complete chart data
The season's first holiday titles bow on Hot Country Songs, led by Taylor Swift's "To Be Loved" at No. 48. "Last Christmas," Swift's track opens with 992,000 audio impressions at 45 monitored stations, while her current single, "Our Song," competes inside the top 10 (97). Concurrently, Carrie Underwood spends a second week atop the chart with "So Small," while her take on "I Hear What I Hear" pops on at No. 53 (852,000 impressions).

**HOT COUNTRY SONGS**

<table>
<thead>
<tr>
<th>No.</th>
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<td>1</td>
<td>&quot;To Be Loved&quot;</td>
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<td>48</td>
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<td>&quot;Last Christmas&quot;</td>
<td>Carrie Underwood</td>
<td>53</td>
<td>852,000</td>
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<td>3</td>
<td>&quot;I Hear What I Hear&quot;</td>
<td>Carrie Underwood</td>
<td>58</td>
<td>840,000</td>
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<td>&quot;Our Song&quot;</td>
<td>Carrie Underwood</td>
<td>97</td>
<td>730,000</td>
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<td>&quot;Red&quot;</td>
<td>Jake Owen</td>
<td>105</td>
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<td>Carrie Underwood</td>
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<td>&quot;You Don't Know Me&quot;</td>
<td>Carrie Underwood</td>
<td>108</td>
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<td>&quot;The Only Exception&quot;</td>
<td>Carrie Underwood</td>
<td>109</td>
<td>670,000</td>
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**TAYLOR SWIFT GETS SEASONAL**

Also noteworthy is Alan Jackson's Greatest Gainer nod for "Small Town Southern Man," which improves 24 million impressions and sprouts 34-30. Drawing 6 million impressions during the tracking week, Jackson's new song is the lead single from his next studio album, titled "Good Time." No street date has been announced for the new set but label sources say an early-'08 release date is planned. —Wade Jessen
<table>
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<tr>
<td>Argentina</td>
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**Go to www.billboard.biz for complete chart data**

Data for week of DECEMBER 8, 2007 | CHARTS LEGEND on Page 94
Sales data compiled from a comprehensive pool of U.S. music merchants by Nielsen SoundScan. Sales data for R&B/Hip-Hop albums and tracks is compiled by Nielsen SoundScan from a national subset of core stores that specialize in those genres.

Albums with the greatest sales gain this week:

- MANNHEIM STEAMROLLER
- TRANS-SIBERIAN ORCHESTRA
- TONY KEITH
- MICHAEL BUBLE
- VARIOUS ARTISTS
- LARRY THE CABLE GUY
- VARIOUS ARTISTS
- RUDOLPH THE RED NOSED REINDEER
- TRANS-SIBERIAN ORCHESTRA
- THE CHER HOLIDAY ALBUM

Additional albums and tracks with significant sales gains include:

- IL DIVO
- CHRISTMAS TIME
- THE CHER HOLIDAY ALBUM
- MARK MCNAIRY
- CHRISTMAS TIME
- THE CHER HOLIDAY ALBUM
- MARK MCNAIRY
- CHRISTMAS TIME
- THE CHER HOLIDAY ALBUM
- MARK MCNAIRY
- CHRISTMAS TIME
- THE CHER HOLIDAY ALBUM
- MARK MCNAIRY

Sales data provided by Nielsen SoundScan. Copyright © 2007 Nielsen Media Research. All rights reserved.
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<tr>
<td>A</td>
<td>AFTER TONIGHT</td>
</tr>
<tr>
<td>B</td>
<td>BEAUTIFUL GIRLS</td>
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<tr>
<td>C</td>
<td>ALRIGHT</td>
</tr>
<tr>
<td>D</td>
<td>DO YOU KNOW? (THE PING PONG SONG)</td>
</tr>
<tr>
<td>E</td>
<td>FAKE IT</td>
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<tr>
<td>F</td>
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<td>G</td>
<td>GET BACK IN HERE</td>
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<td>H</td>
<td>THE HAND CLAP</td>
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<td>I</td>
<td>MAKE ME BETTER</td>
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<td>J</td>
<td>JUST PAIN</td>
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<td>K</td>
<td>KISS KISS</td>
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<td>T</td>
<td>SHERATON</td>
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<td>U</td>
<td>SHUT UP AND LISTEN</td>
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Kevin DuBrow, 52

Kevin DuBrow, 52, singer of Quiet Riot, died Nov. 25 at his home in Las Vegas. The cause of death has not yet been confirmed.

Growing up in Hollywood, DuBrow was an early fan of British rock. In the mid-'70s, he formed Quiet Riot with guitarist Randy Rhoads, who left to tour with Ozzy Osbourne before his death in an airplane accident while touring.

The band's Slade cover, "Cum On Feel the Noize," reached No. 5 on The Billboard Hot 100. Its 1983 album "Metal Health" reached No. 1—one of the first albums by a metal band to do so—selling more than 6 million copies. Follow-up album "Condition Critical" featured a second Slade cover, "Mane Weer All Crazee Now," which reached No. 51 on the Hot 100.

After slowing success and member changes led Quiet Riot to disband, the group reunited for a live album in 1999 and a studio compilation in 2001. The band's final studio album, "Rehab," was released in October 2006. DuBrow released a solo album in 2004, "In for the Kill," that featured a number of cover songs.

DuBrow is survived by his wife, Andrea Barber.

Paul "Wasso" Wasserman, 73, entertainment publicist to the stars, died Nov. 18 at a Los Angeles hospital from respiratory failure.

Wasserman, whose clients included the Rolling Stones, Bob Dylan, U2 and the Who, was regarded as one of the most important rock publicists in L.A., building a client base that spanned from rock 'n' roll greats such as actors as Lee Marvin, Jack Nicholson and Dennis Hopper.

Wasserman was born in the Bronx. He attended the University of Southern California in Los Angeles and later dropped out of law school at Stanford University. Working as a journalist, he was hired by Bob Hope's publicist for his impressive writing and soon partnered with Hollywood PR exec Jim Mahoney, making partner and renaming the firm Mahoney/Wasserman Public Relations. The firm worked with Frank Sinatra, the Beach Boys and the Beatles' Apple Records.

After two decades in the business, Wasserman helmed a new entertainment publicity wing for ad agency D'Arcy, Masius, Benton & Bowles, before creating his own company, the Wasserman Group, in the early '90s. His career came to an abrupt end in 2000, when he was charged with grand theft for selling false shares and investment options using names of his clients.

Other clients of Wasserman's included Neil Diamond, Tom Petty, Paul Simon, the Mamas & the Papas, Linda Ronstadt, James Taylor, Jack Lemmon and George C. Scott, as well as such films as "Cat Ballou," "Easy Rider," "Annie Hall" and "Star Wars."

Casey Calvert, 26, guitarist for rock band Hawthorne Heights, died Nov. 24. He was found unconscious on the band's tour bus outside Washington, D.C.'s 9:30 Club. The band had played a show the previous night in Detroit, marking the start of its Winter '07 Tour. The cause of death has not yet been determined.

Joining the band, then called A Day in the Life, in 2003, Calvert appeared on both of the band's albums, "The Silence in Black and White" and "If Only You Were Lonely." The latter reached No. 3 on The Billboard 200.

The band toured in support of "If Only You Were Lonely" for the last two years on Fall Out Boy's Black Clouds tour as well as the Nintendo Fusion tour. Hawthorne Heights has reportedly recorded 21 songs for the release of a new album.

Calvert is survived by his wife, mother, father, two stepbrothers and his stepmother.

Elaine Lorillard, 95, co-founder and inspiration behind the Newport Jazz Festival, died Nov. 25 in a Newport, R.I., nursing home, not far from the festival's birthplace and residence for more than 50 years.

The festival's July 1954 debut heralded performances by Oscar Peterson, Dizzy Gillespie and Billie Holiday, attracting an attendance of 11,000. Lorillard's acclaim for her contribution to the genre included an invitation to a White House jazz concert held by Bill Clinton for the festival's 40th anniversary.

Lorillard is survived by her daughter, Didi; her son, Pierre; and two grandchildren.

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THANKING THE TROOPS

Billy Joel, Josh Groban, the Fray, Montgomery Gentry, Jewel, Melissa Etheridge, Five for Fighting, Sarah McLachlan and Brooks & Dunn, among others, have contributed to "CD for the Troops," a free album for those with a valid military ID. The compilation is available for download through April via the Army and Air Force Exchange Service Web site (afes.com). Tangible versions of the CD were distributed in November to approximately 200,000 troops, according to Five for Fighting's John Ondrasski, who spearheaded the project.

BROOKS TO HIT L.A. STAGE FOR FIRE VICTIMS

Garth Brooks will play a benefit concert Jan. 26 at the Staples Center in Los Angeles to raise money for victims of the Southern California wildfires. Tickets will be available Dec. 1 for $38.60 (plus service fees) via Ticketmaster. The show came together after California officials asked Brooks to help raise funds for those affected by the October blazes, according to a representative for the country singer. Proceeds will go to the Southern California 2008 Fire Relief Campaign, a campaign of the McCormick Tribune Foundation.

INSIDE TRACK

Afghan Whigs aficionados were thrilled when the band reunited after a six-year break to record two new songs for this summer's Rhino reissue, "Unbreakable." But the Greg Dulli-led group quickly want its separate ways without any further activity. "We actually did it as a favor to a friend of mine at Rhino," Dulli tells Track of the reunion. "We got closure when we broke up. We all have remained very good friends so it was certainly fun, but that was that. We went into it knowing it would go no farther than that. People tried to talk us into playing again, but it's just not going to happen." Dulli is gearing up for the March 4 Sub Pop reissue of "Saturnalia," his first album with Mark Lanegan as the Gutter Twins. Headley appears on several tunes pegged for a new songwriting partner Joseph Arthur's next album, "All You Need Is Nothing."
INSIDE TRACK

'STRANGER' THINGS HAVE HAPPENED

Fans of '90s Midwestern hardcore will be well-acquainted with Split Lip, which later morphed into Chamberlain and pursued a more rootsy sound before splitting in 2000. Now, former members David Moore (vocals) and Adam Rubenstein (guitar) have reunited to record an album for Doghouse Records under Moore's name. Tentatively titled "My Lover, My Stranger," the project is due next summer and was produced by up-and-coming Christian artist John David Webster. Among the contributors are My Morning Jacket's Carl Broemel, who plays steel guitar, former Chamberlain member Seth Greathouse on banjo and bassist Chris Donohue (Sixpence None the Richer, Solomon Burke). Look for Moore and Rubenstein to tour next year, beginning with a performance at South by Southwest in March.

PHOTO: COURTESY OF ROBERT KNIGHT

From left, Megadeth's Dave Ellefson, the Who's Roger Daltrey, Monty Python's John Cleese and producer/songwriter Mark Hudson celebrate the 40th anniversary of Rock in Rio. Fantasy Camp No. 9 at Las Vegas MGM Grand Garden Arena. (Photo courtesy of Monty Python)

Worchester, Mass., hard rock band Killswitch Engage, along with the Sounding Management, held a fight to make the band's 'End of Heartache' certified gold by the RIAA. Released in 2004, the album is Killswitch Engage's first gold record. In the back, from left, are Strong Management's Kathy Gabor, Killswitch's Adam Dutkiewicz, Roadrunner Records senior director of A&R Mike Gitter, Killswitch's Howard Jones, Roadrunner Records president Mark Brown and Killswitch's Adam Dutkiewicz.
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