



PHOENIX ENTERTAINMENT PARTNERS



**KARAOKE LIBRARY VOLUNTARY AUDIT
ACKNOWLEDGEMENT OF TERMS
AND QUESTIONNAIRE**

Thank you for requesting a voluntary audit of your karaoke system(s) for compliance with our Media Shifting Policy for Sound Choice® and Chartbuster Karaoke® tracks. Your agreement to this voluntary audit is an important part of our efforts to stop karaoke piracy. Our purpose is simple: By verifying 1:1 correspondence between the karaoke tracks on your computer hard drive(s) and the original media you own and possess, we can focus our anti-piracy efforts elsewhere. We value your cooperation.

If you have any questions, please contact Customer Care at 704-588-7778, option 0, or email CustomerCare@phxep.com.

You can complete, sign, and save this form with the free Adobe Acrobat Reader. Please email your completed, signed form to CustomerCare@phxep.com, fax it to 704-588-8893, or mail it to Phoenix Entertainment Partners, LLC, 12245 Nations Ford Road, Suite 501, Pineville, NC 28134-8444.

PHOENIX ENTERTAINMENT PARTNERS, LLC - CERTIFICATION PROCEDURES KARAOKE LIBRARY VOLUNTARY AUDIT – ACKNOWLEDGEMENT OF TERMS

THIS DOCUMENT MAY AFFECT YOUR LEGAL RIGHTS. DO NOT SIGN IT WITHOUT READING IT.

As a convenience to karaoke operators, Phoenix Entertainment Partners, LLC ("PEP") tolerates, but does not authorize, the shifting of its accompaniment tracks from the original medium to another medium, such as a computer hard drive, provided that the KJ strictly follows PEP's media-shifting policy (found at <https://pep.rocks/policies>) by maintaining "one-to-one correspondence". Part of that policy requires that the KJ gets his system certified that it is in compliance with the policy. You have requested that your karaoke library be audited in order to verify your compliance with the terms and conditions of legal operation according to law and according to standards established by us, Phoenix Entertainment Partners, LLC, 12245 Nations Ford Rd., Suite 501, Pineville, NC 28134. Your signature below indicates your acknowledgement of the following terms:

1. **VOLUNTARY AUDIT.** This Karaoke Library Voluntary Audit - Acknowledgement of Terms is for use **only** if you have **not** been named as a defendant in a lawsuit filed by us. If you are presently a defendant in a lawsuit, please request our post-suit audit form.
2. **YOUR REQUEST FOR AUDIT.** Your signature below constitutes your voluntary request for an audit of your karaoke library.
3. **SCOPE OF AUDIT.** PEP, or an appointed representative, will conduct an audit of your karaoke library to determine whether you have legitimately acquired a legal copy of every Sound Choice[®] branded and Chartbuster[®] branded karaoke accompaniment track stored in your karaoke library. A Sound Choice track is deemed to have been legitimately acquired only if you **own** an original CD+G (compact disc plus graphics) disc containing that track. If you have transferred the track to another format or media ("media-shifted"), you must own an original CD+G disc containing that track for each system to which you have transferred that track, in order to be considered in compliance. A Chartbuster track is deemed to have been legitimately acquired only if you **own** an original product (CD+G, hard drive, SD card or other manufacturer's original product) which contains that track. If you have media-shifted any track you must own an original product (CD+G, hard drive, SD card or other manufacturer's original product) containing that track for each system to which you have transferred that track, in order to be considered in compliance. As part of the terms of your audit you must email PEP a copy of your complete songbook listing in a searchable and sortable electronic format such as Microsoft Excel.
4. **AUDIT PROCEDURES.** The following procedures will be used to conduct the audit:
 - A. **EXPENSE.** There is a charge for this audit which helps offset the significant labor and management expense to provide this service. However, as a KJ, there are benefits of participating in this program. A certified KJ is listed on our website so any venue can confirm you meet the high standards necessary to be certified. In addition, you are issued a Certificate indicating you have been certified by us as well as a Covenant Not To Sue. This helps you keep your gigs and defend your pricing, which you should be able to raise because as a certified KJ you do not put the venue at risk for being sued for secondary infringement. This certification is also a great sales tool when you are soliciting new business from another venue who may be employing an infringing, non-certified KJ. More and more venues asking for proof that a host is legitimate before they hire them. The cost for a voluntary in person or voluntary remote field audit is found at <https://pep.rocks/cert>. Most single system audits can be completed in less than 3 hours, depending on the quantity of Sound Choice discs or Chartbuster original products in your collection.
 - B. **TIME/PLACE.** A PEP representative will contact you to arrange for a mutually acceptable time and place for the audit. Attachment A, the Phoenix Entertainment Karaoke System Audit Questionnaire, must be completed fully, truthfully and accurately and returned to us within 5 days of signing and returning this Karaoke Library Audit Acknowledgement of Terms. Any falsification or misrepresentation will be considered grounds for failing the audit.
 - C. **EQUIPMENT/DISCS.** You should assemble for inspection all of your Sound Choice karaoke discs and Chartbuster original products (in numerical order), CAVS machines, computers (including laptops), and any other apparatus containing karaoke media, whether being used for active or backup purposes, in the designated location at the designated time. If any additional equipment is necessary to access the media (including but not limited to keyboard, mouse, monitor, power supply or the like), you should bring that equipment as well.
 - D. **DOCUMENTS/BOOKS.** You should also assemble for inspection all of your song lists/song books and receipts from the purchase of Sound Choice discs or Chartbuster original products made within the last five years. Receipts for purchases

may be verified against seller records to prevent falsification. If you do not have receipts, you should declare that to us before the audit begins.

- E. **MARKING.** Before, during, or after the audit, each disc will be identified by stamping an indelible, nearly invisible and unique audit number traceable to you on the hub of the disc. This marking will not interfere with your ability to play the disc but will prevent that disc from being re-used in an audit of another company. If we determine that you have "shared" discs (either borrowed or loaned) you may fail the audit and any parties involved may be subject to a lawsuit.
 - F. **YOUR PARTICIPATION.** You should be prepared to explain the process you used to move tracks from one medium to another medium. If you purchased a hard drive or CAVS machine pre-loaded with Sound Choice tracks, you should be aware that PEP nor its predecessors have ever authorized a transfer of Sound Choice tracks to other media. In that situation, an audit would be inappropriate. Instead, we would suggest you work with PEP to acquire discs or another appropriate license from PEP.
5. **SUCCESSFUL AUDIT.** The target you should be shooting for is where for every audited track, you own one legitimately acquired original Sound Choice disc or Chartbuster product containing that track for every individual machine (CAVS machine, laptop, or other device you use for media storage for a karaoke show) that contains that track. This is known as "1:1 correspondence." We recognize that discs do get lost, stolen, damaged, or destroyed from time to time. **A successful audit means the Sound Choice and Chartbuster tracks stored on your hard drive can be traced to a unique disc or other manufacturer's original product owned by you and in your possession.** You will be required to delete tracks that you don't have a disc or other manufacturer's original product for. If you successfully complete the audit, PEP will, in a separate written agreement (Covenant Not To Sue), agree not to sue you in the future, provided that you agree to adhere to all applicable copyright and trademark laws with regard to the use of Sound Choice and Chartbuster accompaniment tracks and to submit to future audits at our reasonable request and at no charge to you. You will be provided with written documentation that you may use to tell others about your audit status.
6. **USE OF AUDIT RESULTS.** You acknowledge that PEP may use the results of the audit it conducts in any way it deems appropriate. If you pass your audit, we will promote you on our website as being "certified" for being 1:1 compliant and your song book/song list may be posted on-line. If you legitimately add to your library via the purchase of additional discs, we encourage you to contact us for a "mini-audit" at no charge to you so we can keep your certification up-to date. This can be as easy as marking your new discs or other manufacturers original products with your unique identification number, and sending photos of the new products, and your receipts and the new song list you want posted.
7. **FAILED AUDIT.** If you fail the audit, PEP will offer you a limited opportunity to become compliant with our policies. Failure to become compliant within the prescribed time may result in adverse legal consequences.
8. **ADVICE OF COUNSEL.** You acknowledge that you have had the opportunity to review this document and to obtain an opinion of counsel regarding it prior to signing it.

Your signature below constitutes an acknowledgement of the terms of audit.

IF YOU DO NOT AGREE TO THE TERMS ABOVE, OR IF YOU BELIEVE YOU WILL NOT BE ABLE TO COMPLY WITH ALL OF THE TERMS ABOVE, DO NOT SIGN THIS DOCUMENT.

SIGNATURE

PRINTED NAME

COMPANY NAME

TITLE

DATE

E-MAIL ADDRESS

TELEPHONE NUMBER

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ATTACHMENT A

KARAOKE SYSTEM AUDIT QUESTIONNAIRE

You are being asked to complete this questionnaire because you have requested your karaoke library be audited in order to determine your compliance with federal law and PEP's standards for compliant operation. You should be aware that PEP will take steps to verify the information you provide. If you provide services as a corporation, LLC, partnership, or other entity, this document must be completed by an owner, manager, or authorized agent of the entity.

This Attachment A must be completed and returned to us within 5 days of signing and returning the Karaoke Library Voluntary Audit - Acknowledgement of Terms.

SECTION 1. COMPANY INFORMATION. Please complete the following information about you and your company.

YOUR NAME	YOUR DRIVER'S LICENSE/ID NUMBER & STATE
YOUR COMPANY NAME (IF ANY)	YOUR TITLE (IF ANY)
COMPANY TYPE <input type="checkbox"/> SOLE PROPRIETORSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> LLC (STATE _____) <input type="checkbox"/> CORPORATION (STATE _____) <input type="checkbox"/> OTHER _____ <small>IF YOUR COMPANY IS A PARTNERSHIP, LLC, CORPORATION, OR OTHER ASSOCIATION, LIST ALL MEMBERS/SHAREHOLDERS/OFFICERS ON A SUPPLEMENTAL SHEET.</small>	
PHYSICAL ADDRESS (INCLUDING CITY/STATE/ZIP) (NO P.O. BOXES)	
MAILING ADDRESS (IF DIFFERENT FROM ABOVE) (P.O. BOXES ACCEPTABLE)	
TELEPHONE NUMBER (INCLUDING AREA CODE)	<input type="checkbox"/> WIRELESS <input type="checkbox"/> HOME <input type="checkbox"/> OFFICE
E-MAIL ADDRESS	EBAY USER ID(s)
COMPANY WEBSITE	COMPANY FACEBOOK PAGE

SECTION 2. OPERATIONS. Please complete the following information about your operations.

A. Approximately how many karaoke compact discs do you/your company own?	
B. Approximately how many of those compact discs contain Sound Choice accompaniment tracks?	
C. Do you own any media with Sound Choice or Chartbuster tracks that are not original (e.g., homemade or burned discs)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
D. How many karaoke systems ("rigs") do you/your company own?	
E. Approximately how many karaoke shows do you produce in an average month?	
F. Approximately what month and year did you begin hosting as a professional KJ?	

G. In order to produce a karaoke show, I: (check as many as apply)

<input type="checkbox"/> use a CD changer or carousel system <small>(commonly referred to as "playing from CDs")</small> <i>If you checked the box above, and you <u>do not</u> play from a hard drive or CAVS system, you may check below and skip Section 3.</i> <input type="checkbox"/> I do not play from a hard drive/CAVS system.	<input type="checkbox"/> use a CAVS system or other dedicated hard drive-based system <input type="checkbox"/> use a computer (music on internal hard drive) <input type="checkbox"/> use a computer (music on external hard drive) <i>If you checked any of the three options above, please answer the following. Approximate answers are OK.</i> How many karaoke tracks are stored on your system? _____ How many of those tracks are Sound Choice tracks? _____ How many of those tracks are Chartbuster branded tracks? _____
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SECTION 3. REPRESENTATIONS. Please indicate which of the following statements are TRUE, FALSE, or do not apply to you (N/A):

	TRUE	FALSE	N/A
I have the ability to produce more than one karaoke show at the same time (i.e., multiple hard drives/systems).			
I own and use multiple hard drives, and the contents of those hard drives are identical or nearly identical.			
My hard drive/CAVS system came pre-loaded with Sound Choice tracks when I purchased/acquired it.			
I have an original Sound Choice disc for every karaoke track stored on my hard drive system(s).			
In order to put Sound Choice tracks onto my hard drive, I ripped the tracks from original Sound Choice discs.			
I store my Sound Choice tracks on more than one hard drive at one time.			
Some of my original Sound Choice discs have been lost, damaged, stolen, or destroyed.			
When my original Sound Choice discs were lost, damaged, stolen, or destroyed, I deleted the tracks from those discs from my hard drive(s).			
My hard drive/CAVS system came pre-loaded with Chartbuster tracks when I purchased/acquired it.			
I have Chartbuster original manufacturer's products for every Chartbuster track stored on my hard drive system(s).			
In order to put Chartbuster tracks onto my hard drive, I ripped the tracks from Chartbuster original products.			
I store my Chartbuster tracks on more than one hard drive at one time.			
Some of my Chartbuster original manufacturer's products have been lost, damaged, stolen, or destroyed.			
When my Chartbuster original manufacturer's products were lost, damaged, stolen, or destroyed, I deleted the tracks from those products from my hard drive(s).			
I sometimes store tracks from patrons' discs or other media on my hard drive to make it easier to play those tracks the next time the patron wants to sing.			
I sometimes make copies of songs for my patrons for sale or give-away.			
I sometimes offer video or audio recordings of my patrons' renditions for sale or give-away.			
I produce a song book listing all (or almost all) of the songs available for my patrons to sing.			

If you believe any of your answers above need further explanation, please add supplemental pages with your clarifications or information.

SECTION 4. WARRANTIES, REPRESENTATIONS, ACKNOWLEDGEMENTS, AND AUTHORIZATIONS.

By signing this document:

- I hereby warrant, represent, and declare under penalty of perjury that the statements above are true to the best of my knowledge and information, and that I believe them to be true.
- I represent that I believe my karaoke systems are fully compliant with all applicable laws regarding trademarks and copyrights, and that I believe I am in full compliance with PEP's policy regarding media-shifting and compliant operation.
- I authorize PEP to take reasonable steps to verify that the statements made above are true and to share this information with other karaoke manufacturers.
- I acknowledge that I have been given the opportunity to review PEP's policies regarding media-shifting and compliant operation, and that I may have this document reviewed by counsel at my own expense prior to signing it.
- I acknowledge that my participation in this audit and my completion of this questionnaire are entirely voluntary.
- I acknowledge that my agreement to participate in this audit and to complete this questionnaire does not imply any covenant by PEP not to sue me in the event that I am not operating in compliance with applicable laws.
- I acknowledge that the information provided herein may be used freely by PEP in connection with its efforts to enforce its intellectual property rights.
- If I am signing this document on behalf of a corporate entity, LLC, or partnership, I am authorized to sign it on behalf of that entity.

AUTHORIZED SIGNER

DATE

PRINTED NAME

TITLE