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YOUR DAILY ENTERTAINMENT NEWS UPDATE

INSIDE

Inside the Troubled Past and Uncertain Future of CMJ, New York's Long-Running Indie Incubator

BY ANDREW FLANAGAN AND DAN RYS

In the past few weeks it's become fairly clear, despite overtures to the contrary, that the CMJ Music Marathon, the indie-focused music festival and industry conference that has woven itself throughout lower Manhattan and Brooklyn each autumn for the past 35 years, will not be celebrating its 36th edition in the coming weeks. After its acquisition by Adam Klein, the former CEO of eMusic, in 2014, the executive laid out an ambitious and promising plan to renew the brand. The many assets that CMJ has at its disposal -- foremost the thousands of passionate and knowledgable volunteers and employees of college radio stations across the country -- made it a promising acquisition, and to hear its new leader lay out his plans to leverage these music die-hards was promising for a much-beloved brand.

But Klein and his latest company, Abaculi Media, don't appear to be the saviors, at least for the immediate future, that the company requires, with a growing raft of legal issues of its own working against any effort to bring CMJ back from the brink: for all those who want to see it continue, CMJ may have too many problems to see the sunrise. Its relatively recent history in and out of court may be a death sentence, mired as it is in litigation between an ever-growing cast of former owners and financiers. And even though the core of the company arguably holds more potential than ever, its past lays out a complicated future.

In the early 2000s, over 20 years after Robert Haber founded the College Media Journal in 1978, and along with Green introduced its annual marquee event two years later, Haber and Green reacquired CMJ from co-owner Rare Medium Group, making the company whole under the umbrella of a company called CMJ Network, Inc. By the end of the aughts, however, CMJ Network was undergoing financial problems, and in May 2009 announced a lifesaving merger with a long-familiar name to those in the New York music industry: John Scher and his Metropolitan Talent company. Metropolitan expected to acquire 80 percent of CMJ Network, Inc. at a valuation of $2.4 million -- "We're living together but not married yet," Scher told Billboard at the time -- and Haber and Green even moved CMJ's

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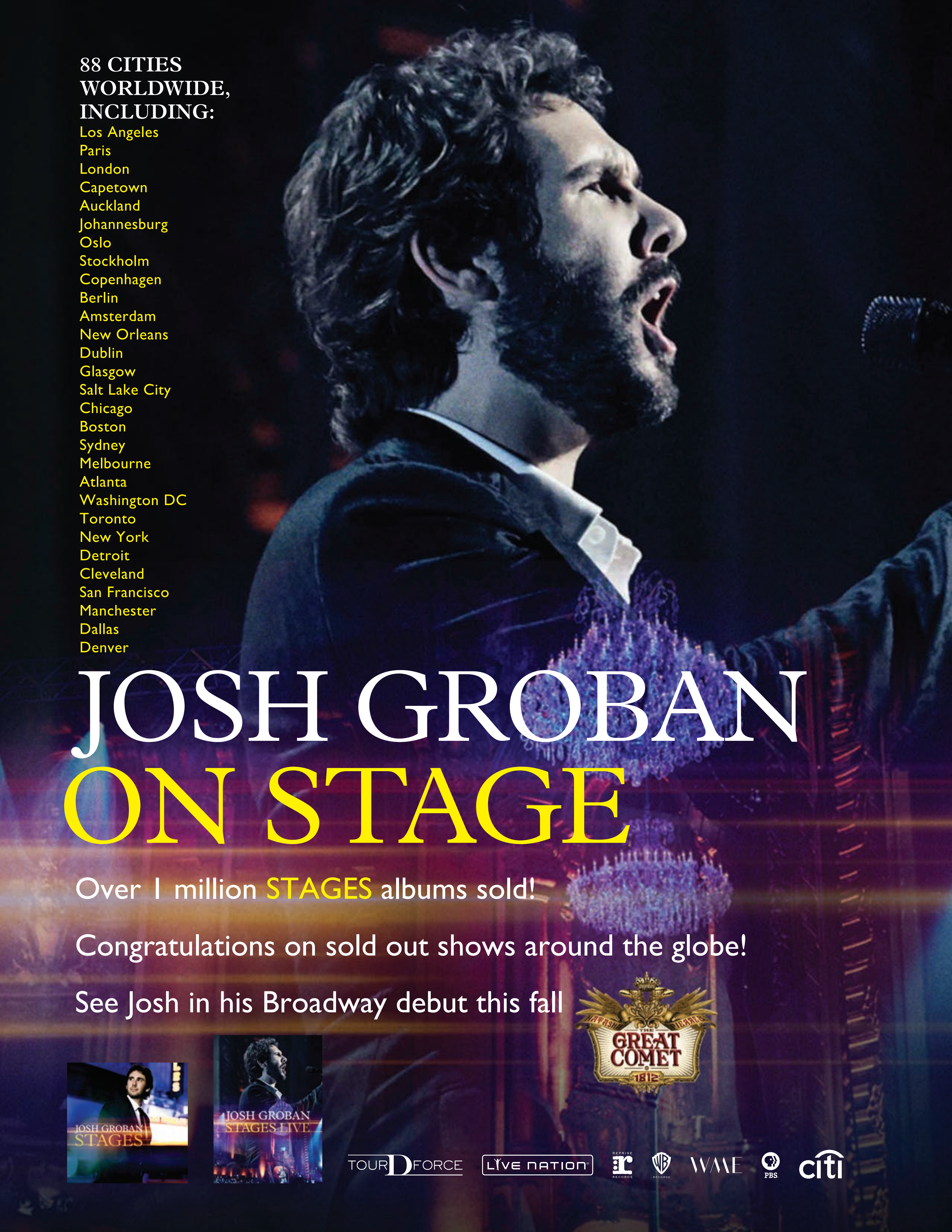
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[In Brief]

operations into Metropolitan's Manhattan offices. As that deal was finalized, Metropolitan loaned CMJ stay-alive money a total of 27 times between 2009 and 2010, according to court filings reviewed by Billboard, amounting to about $600,000.

This is the point where the modern CMJ, both on paper and in reality, began to fall apart. Despite the announcement and its cheery tone, Scher and Metropolitan's acquisition was never finalized; financiers brought in to cover the remaining $2.4 million of CMJ's valuation backed out over a reported $1 million tax bill the company owed, according to a source familiar with the company's finances at the time.

With a handshake deal still in place, however, Scher and the Habers continued to look for alternative sources of money. But in April 2012, with financing still not forthcoming, Haber and Green instead sold that 80 percent stake of CMJ Network, Inc. to a group of investors led by longtime Aerosmith associate Keith Garde for $100,000 and the assumption of certain liabilities, a far cry from its worth just three years prior. Garde's group of investors reformulated CMJ Network, Inc. into CMJ Holdings Corp., installed entertainment executive Alexis d'Amecourt as CEO, with Haber and Green remaining in executive positions at the company under him on yearly contracts, and struck a deal with the IRS to settle its tax bill as well. The money owed Scher, however, was not included in the sale, court documents say, and the new owners claimed that outstanding debt was the responsibility of the now-redundant CMJ Network, not Holdings. They were, in effect, trying to dump that debt into limbo.

Garde did not respond to multiple requests for comment. When reached, Alexis d'Amecourt declined to comment.

So Scher, not surprisingly, sued -- everyone, from CMJ Network, Inc. to CMJ Holdings Corp. to Haber and Green -- in May of 2013. Scher was calling into question every twist and turn of the company dating back to its sale to Garde, who remains based in Boston and was an infrequent visitor to the CMJ office, says one source, and the investment group he led.

Even before Scher's lawsuit began making its way through the courts -- despite mediation talks as recently as June, as of today (Sept. 14) the suit is set to go to trial in January -- a source with detailed knowledge of CMJ's business says Garde was desperately trying to sell the company, with tire-kicking a regular occurrence at the dorm-like office to which CMJ had moved after the Metropolitan deal fell apart. Making matters more complicated for potential buyers was a March 17, 2014 ruling by the New York State Supreme Court that CMJ Holdings' motion to dismiss Scher's lawsuit would not be upheld, ruling that Holdings was still liable for Network's debt to Scher, which had by then risen to approximately $1 million with interest and fees.

The cracks were beginning to show. The magazine CMJ New Music Monthly, which had been in operation since 1993, stopped publishing in mid-2009; the once-essential CMJ New Music Report, the flagship Haber started in 1978 and re-named in 1982, went digital-only shortly thereafter and seemed to have been folded into the "charts" section on CMJ.com by mid-2012. The following year, the entire operation had been reduced to fewer than 10 full-time employees, supported by unpaid interns and seasonal freelancers each Marathon season, many of whom had trouble getting paid on time, or at all, according to multiple former employees contacted by Billboard.

Those who worked there were kept in the dark about the financial troubles that the company was enduring while moves were being made behind the scenes. "They kept everything quiet," says a former employee. "All we ever heard was, 'Here's another promising new investor who is going to save us and move us to new offices.'"

At the same time, the internet's ubiquity had cut into college radio's vitality as a source for breaking new artists, and

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the evolution of SXSW in Austin from a similarly-minded indie conference and artist showcase into a global behemoth had begun to suffocate the market that CMJ had once ruled.

CMJ was quickly losing its cultural footprint and reputation within the music industry and, combined with its financial issues, was in desperate need of a buyer. One of those was a British journalist-turned-entrepreneur, Paul Campbell, who had founded his own successful company, Amazing Media, which focuses on independent music. "We had been looking for a way to expand to the U.S.," Campbell tells Billboard. "To grow our brand to its full potential, it needed to become bigger in the States, so thus CMJ. In the end we didn't do a deal, and the main reason was that I didn't want to spend the rest of my life in court."

Campbell and Amazing Media passed on the acquisition. But during the company's survey of CMJ's assets and viability, Campbell had retained an executive named Adam Klein, who was fresh off the sale of eMusic to an e-books startup, to look into CMJ (among other companies) on his behalf. Klein, in the course of his investigation, developed his own interest in the company. "Adam was doing a consultancy for us when he left eMusic -- I don't think he'd ever heard of CMJ, we introduced him to it," Campbell says. "Shortly after he stopped working for us, it emerged he was buying it." Klein tells Billboard it was CMJ who approached him for the purchase.

On June 6, 2014, Klein finalized the purchase of CMJ Holdings Corp. from Garde's investment group, which had bought out the Habers' 20 percent stake prior to the deal. Klein, under the auspices of his new company Abaculi Media, took the reigns.

The takeover initially meant two things: CMJ Holdings Corp. would be re-branded as Abast Holdings Corp.; and the Habers' contracts were summarily terminated, ending their relationship with the company they helped found and foster 36 years before and since. A source, well-placed in the pre-Klein CMJ, described news of Klein's purchase as "heartbreaking"; another characterized Haber and Green's termination as the two having been "kicked out."

Abaculi Media, founded by Klein in late 2013, was created, according to a description presumably approved by Klein, to leverage "WiFi tech and data analytics to create new value through new consumer experiences and the economics for live event business." (Abaculi's own site is less forthcoming.)

Scher's pursuit of his money quickly caught up to Klein, Abaculi and CMJ's new corporate home. In an August 2015 decision, a New York State judge allowed Scher to add both Abaculi Media and Abast Holdings Corp. to his original lawsuit. As its new owner, the court ruled that Abaculi may end up being held responsible for some of that debt, including certain assets that had been designated as collateral against Scher's loan.

Adding to the headaches for Klein, Abaculi and Abast, the latter two were sued in May 2015 by Haber and Green, who alleged breach of contract dating back to CMJ Holdings' original takeover of CMJ Network. Haber and Green also say their contracts were terminated without cause or warning on June 6, 2014 -- the date of the sale to Klein and Abaculi -- and that the new owners refused to pay termination fees that had been agreed upon. They are seeking $500,000 in damages, legal expenses and costs. Haber declined to comment on CMJ's operations since the sale, and did not return an additional request for comment on the lawsuit. His lawyer declined to comment on the ongoing litigation.

Outside of purchasing CMJ and its attendant headaches, Klein and Abaculi stayed busy in at least one other way, producing the broadcast of 2014's Veracruz Games. That deal, however -- the only business transaction other than Abaculi's acquisition of CMJ of which Billboard was able to find evidence -- resulted in a lawsuit brought by the Boston-based Remote Facilities Consulting Service which was hired, for $510,000, to provide broadcasting equipment and the personnel to operate it from Veracruz. In its suit, Remote Facilities says Klein paid, in a series of relatively small transactions, $170,000 of that $510,000; including work above and beyond the initial contract, Abaculi was said to owe the company $416,088.17. The defendants in the case were Klein, his two properties (one on Central Park West, the other in Chatham, Mass.), Abaculi and CMJ. It also named every current business that Klein was allegedly receiving payment from (a legal option in Massachusetts called "trustee process"), including $100,000 per year from Sizmek Corp., on whose board Klein sits, and which recently merged with San Francisco-based investment firm Vector Capital, and Klein's own Media Leader LLC, the purpose of which Klein explained in a presentation from 2010. (No projects or ventures from Media Leader were found).

While a settlement was agreed upon between Remote Facilities and Abaculi this past June, payments were never made by Abaculi and resulted in a judgment on Aug. 28 against the company for $425,000. If it is unable to pay that amount, Remote Facilities could seek compensation in the form of a chunk of the already-strapped CMJ.

Earlier this year, rumors began to circulate that CMJ's Music Marathon would not, for the first time in 35 years, be taking place in 2016. But in June, when contacted by Billboard, Klein insisted that this year's Marathon was still very much on the table. "When I acquired CMJ, it needed to go through quite a radical turnaround," he said at the time. "We'd been rethinking, investing, growing, rethinking how to protect its core value and grow that value. We've been putting our pieces in place." When contacted again, a statement that Klein provided to Billboard last week was also somewhat guarded, and also made no mention of the Marathon. "A little patience and a whole lot less wild and unsubstantiated speculation is what we need right now. CMJ will continue as an innovative force and a strong presence going forward. We'll share more about our 2016 and 2017 program soon."

That program will very likely not

include the Marathon, as multiple sources previously involved in the event confirmed to Billboard that CMJ had not contacted them about this year's edition -- with one saying outright that there was too much debt for the Marathon to overcome this year.

Despite all this, when contacted again this week about the Marathon's fate, Klein continued to insist it was on the table for this year. Asked how an event as large and wide-ranging as the Marathon, with hundreds of artists and dozens of panels typically part of its schedule each year, would be feasible by year's end, Klein would only say the company is "completing the logistics" and "developing a strategy" that he would discuss when ready. Regarding the lawsuits pending against Abaculi, Klein either denied involvement or declined to comment.

And while Klein continues to put a cheerful, if exasperated, spin on CMJ's coming fortunes, its longtime core business -- college radio and the charts it has compiled for almost 40 years -- has gone silent, with one blog reporting that several college stations haven't been contacted by the company in months, and that now fewer than 200 radio stations regularly report to the company, down from well over 500 just a few years ago. The charts on CMJ's website, its life blood since 1978, have not been updated since Feb. 5; its site as a whole has not been updated since June, and its Marathon landing page still advertises its 2015 edition.

A cynical view could paint CMJ's fate as self-inflicted; years of accumulating debt combined with poor management and serious cash flow issues brought on by an increasing number of lawsuits that have brought down a company that for decades played a huge role in bringing countless underground artists into the spotlight. But plenty will mourn the decline of an institution dedicated to shining a light on artists who just needed a break, and supporting the college radio infrastructure that has given so many industry professionals their first taste of the business.

Haber and Green, for their part, have moved on: today they are set to launch the inaugural Mondo.NYC music-tech-industry conference and festival, taking place at CMJ's longtime home at NYU and covering much of the same ground that CMJ's Music Marathon had in the past. When asked this week about the comparisons between the two events, Haber was determined to keep things positive. "I can only tell you that we're real proud of our accomplishments at CMJ while we were there," he tells Billboard. "We have had nothing whatsoever to do with the company over the last couple of years, we have no idea what their plans are or what their strategy is... Whether [CMJ] happens or not, I have no opinion."

Whether Mondo can fill the CMJ-sized gap in New York City's fall music agenda will be determined in the coming years. But if CMJ truly is done for good, it will represent the death of a staple of the industry, and one that many had a personal connection with.

"It's such a bummer," says one former employee of CMJ's current situation. "I always thought of CMJ as the scrappy but fucked-up little engine that could."

European Commission President Calls Out YouTube, Presents Copyright Reforms in State of the Union

BY RICHARD SMIRKE

New proposals around copyright and user-generated services like YouTube and Dailymotion were unveiled at the European Commission's (EC) annual State of the Union address, delivered by EC president Jean-Claude Juncker in Strasbourg today (Sep. 14), in which the governing body set out its plans and goals for the year ahead.

User-generated services like YouTube and Dailymotion will be forced to pay more to rights holders and take tougher measures to prevent the illegal distribution of music and video content on their platforms under new plans from the EC. The proposals follow a very public campaign from the global music industry over the perceived "value gap" between services like Spotify and YouTube, which began in April.

When asked for comment, YouTube pointed to a blog post from today by its vice president for global policy Caroline Atkinson, in which she writes that "there is a better way." Music usage on the platform was not addressed.

Included on the agenda were proposals for a revised and highly anticipated copyright framework, which forms part of the EC's Digital Single Market strategy and follow extensive consultations with stakeholders across the music and tech industry. The last time that the European Union radically overhauled its copyright laws was in 2001, long before Spotify, SoundCloud and -- at the heart of the matter for many copyright stakeholders -- YouTube existed.

"I want journalists, publishers and authors to be paid fairly for their work, whether it is made in studios or living rooms, whether it is disseminated offline or online, whether it is published via a copying machine or commercially hyperlinked on the web," declared EC president Jean-Claude Juncker during his State of the Union address in Strasbourg.

The new rules, while falling short of totally abolishing safe harbour regulations, are significant in that they vow to "reinforce the position of rights holders to negotiate and be remunerated for the online exploitation of their content on video-sharing platforms such as YouTube or Dailymotion."

Video sharing platforms will also be obliged to ramp up their automatic "content recognition technologies" (like YouTube's Content ID) -- a proviso that will both improve "notice-and-take-down" procedures and lead to more transparent reporting structures, theoretically enabling rights holders to better identify when their works are played and how often.

Specific details on how platforms such as YouTube will be forced to implement these measures, what form they will take, or what happens if they fail to comply, are not included in the draft proposals, but the EC is clear that the responsibility for doing so lies firmly with them.

"The proposal solely addressed the services, as they are the ones distributing the content and, most importantly, making a profit out of it," states the Commission.

Responding to the tech industry's complaint that such regulations will have a negative impact on start-ups and new online services, the EC says that the proposals will only apply when platforms "gain a significant" mass of protected content and that its aim is to create a "level playing field" between subscription services likes Spotify and Apple Music and user-generated services that pay lower revenues to rights holders.

"Europe's creative content should not be locked-up, but it should also be highly protected, in particular to improve the remuneration possibilities for our creators," said Andrus Ansip, vice-president for the Digital Single Market, following the directive's unveiling.

The Commission also said it was looking at tougher measures to prevent advertising on sites that hold copyright infringing content, as well as the companies that process payments for pirate platforms.

The proposals, which will now be presented to the European Parliament and Council, were largely welcomed by the music industry, with Helen Smith, chair of IMPALA, calling the directive "a good first step to help the legal framework to catch up with market reality by clarifying the situation of platforms which provide large scale access to music and other protected works."

She went on to say that the EC's modernized copyright framework would "help remove some of the friction in the licensing market" and "stop services providing discriminatory access to their content identification systems."

That view was echoed by Robert Ashcroft, chief executive of U.K. collecting society PRS for Music, who welcomed the EC's attempt "to redress the current imbalance of interests between user upload platforms and rights holders."

"The law must clearly establish that those user upload platforms that provide search and other functionality, as distinct from being mere hosts of content, require a license from rights holders," Ashcroft continued, saying that the EC proposals "provides the framework for this essential legal clarity."

Geoff Taylor, Chief Executive of British labels trade body BPI, also called the EC's plans "encouraging" saying that "the explosion of music streaming offers the prospect of a new era of sustained growth. But this potential will only be realised if the EU and UK Government fix the fault-line that lies at the very heart of the digital music market."

However, not everyone was happy with the draft directive with some stakeholders expressing disappointment that it didn't go far enough in addressing the value gap between online music consumption and levels of remuneration paid to artists and rights holders.

"The provisions designed to address the issues are not sufficiently robust or concise," said Pierre Mossiat, presidentof the Independent Music Publishers Forum (IMPF), representing indie music publishers worldwide.

"Without clear regulatory guidance the interests of big business will continue to jeopardize the livelihoods of songwriters all around Europe," warned Mossiat, who said that while the draft proposals were "a step in the right direction" they still have "quite some way to go to achieve the level of compensation for the use of their work that songwriters and indie music publishers -- the core small businesses in the creative music field in Europe -- need."

Spotify Hits 40 Million Paid Users, But Loses Its Chief Revenue Officer

BY BILLBOARD STAFF

A week after Apple Music updated its subscription numbers (17 million) and quick on the heels of Pandora announcing licensing deals that should bring it closer to its own streaming service, Spotify has ust revealed an impressive bit of news of its own: 40 million -- as in, paid users to its premium tier.

It was also announced that Spotify's Chief Revenue Officer Jeff Levick has decided to leave the company -- actually, he left a week ago -- to free up time for family and other "passions that I haven't even really begun to explore because frankly, I just haven't had the time." Levick, formerly of AOL and Google, recently celebrated five years at Spotify and explained his decision in a post on Medium.

"Working hard is hard work," he writes. "And, I truly believe if you want to be on a winning team, you need to be your hardest working self. So, in looking at another five years on team Spotify, it started to become clear that maybe a change is in order."

Levick departs as Spotify prepares for its IPO, which sources peg for late 2017.

Roughly the same time Levick made his announcement, Spotify CEO Daniel Ek logged onto Twitter to tease the new subscriber tally, telling his followers that "40 is the new 30." The last time the Sweden-based service released paid sub numbers was way back in March, when it hit 30 million. Spotify, with its free tier, hasn't said how many monthly active users it has since it crossed 100 million in June.

Attracting and/or converting 10 million users to its paid tier in roughly six months is a positive sign for the company, which has steadily grown while its biggest premium-only competitors, Apple Music and Tidal, duke it out by trying to lure in subscribers with exclusive releases. So far, Spotify has stuck to its all-tiers-or-nothing approach to releases, though the service is said to be close to softening that stance.

Songwriting Group Sues Department of Justice Over Licensing Mandate

BY ANDY GENSLER

The Songwriters of North America (SONA), a grassroots advocacy organization of 200 working songwriters and composers, along with three individually named songwriters, have filed a lawsuit against the U.S. Department of Justice over its music licensing statutes.

The suit is the result of the DoJ's recent decision to not amend the consent decrees, which dictate the processes for song licensing, telling the two largest U.S. performing rights organizations, ASCAP and BMI, to allow for "full-work" licensing of songwriters' works, meaning a song with multiple songwriters can be licensed in full by any one of them.

"The decision will only make it harder for songwriters who are already being harmed by government overregulation in this space," Representative Doug Collins of Georgia says in a statement provided to Billboard. "Under current law, songwriters are being paid pennies on the dollar for their creative works, particularly when it comes to streaming. That's why I've introduced the Songwriter Equity Act to ensure that fair market value is taken into account when rates are set."

SOMA contends that the majority of commercially successful songs are co-writes by authors affiliated with different performance rights organizations, and requiring full-work, or 100-percent, licensing from one PRO will negatively affect songwriters' ability to license their songs in the marketplace. The lawsuit stated that the 100-percent ruling is "an illegitimate assertion of agency power in gross violation of plaintiffs' due process rights, copyright interests, and freedom of contract, and needs to be set aside."

"Songwriters and composers have been standing on the sidelines for way too long on an issue that directly affects their livelihoods," says attorney Dina LaPolt who, along with Jay Cooper, Esq., advises SONA. "It's time for them to take matters into their own hands."

""The creative community must use every weapon in its arsenal to combat the decision by DOJ to upend songwriter control of their works,," The Recording Academy's president and ceo Neil Portnow, in a statement on the news. "We support today's legal action by SONA and, combined with other efforts in every branch of government, we hope to overturn this harmful interpretation of the consent decrees."

The three individual litigant songwriters are SONA executive director Michelle Lewis (who has written for Cher, Little Mix and is a full-time composer for Disney, and affiliated with ASCAP), Pam Sheyne (a writer for Christina Aguilera, Jessica Simpson, Seal, Backstreet Boys and currently without a U.S. PRO) and Tom Kelly (Madonna, Whitney Houston, Cyndi Lauper, Phil Collins, The Pretenders and affiliated with Global Music Rights).

The lawsuit specifically cites Sheyne's plight who, because of the 100 - percent mandate, has had difficulty changing PROs:

Plaintiffs are being, and will continue to be, significantly harmed by the 100-percent Mandate. The experience of plaintiff Sheyne is illustrative. Sheyne was a long-time member of BMI until recently, when she determined it would be in her interest to leave BMI and join SESAC—in part because SESAC is not itself subject to the 100-percent Mandate. By any standard, Sheyne is a highly successful songwriter, and, on information and belief, SESAC would like to sign her. Although Sheyne provided notice of her resignation to BMI, she has not yet been able to join SESAC due to the fact that some of her most valuable songs are co-written by ASCAP and BMI writers, and are thus subject to 100-percent licensing. Because SESAC may not be able to collect for Sheyne's shares (which will be paid to ASCAP or BMI under the 100-percent rule), SESAC faces significant risk in providing Sheyne with what would otherwise be a typical advance against her future royalties for the performance of her works. So not only is Sheyne without a PRO to license her performance rights at the moment, she has also been deprived of a critical income stream.

In sum, the 100-percent Mandate harms plaintiffs by, among other things:

Diminishing the value of their copyrighted musical works;

Abrogating the rights of songwriters and composers under copyright law to divide and separately administer the copyright interests in the works they create;

Eliminating songwriters' and composers' ability to choose the PRO that will administer their public performance rights;

Undermining the legal and practical ability of songwriters and composers to exploit their works in the marketplace;

Negating songwriters' and composers' ability to be notified of, and to receive accountings and collect payment for, the use of their works;

Interfering with and negating songwriters' and composers' existing and future contractual and business relationships marketplace;

Impeding songwriters' and composers' ability to collaborate with other creators of music to create new works;

Subjecting songwriters and composers to unlawful, arbitrary, and capricious government action; and

Undermining songwriters' and composers' ability to make a living at their profession.

Representing the songwriters are Gerard Fox and Steven Wallach of Gerard Fox Law P.C.. Fox, who are based in Los Angeles and represented the Isley Brothers when they successfully sued Michael Bolton for copyright infringement for their song

"Love is a Wonderful Thing."

"When the DoJ ruling came down," Fox says, "I knew I had to jump in to help songwriters rectify this wrongful and egregious mandate."

The litigants have also brought on Jacqueline C. Charlesworth, former general counsel and associate register of copyrights for the United States Copyright Office as expert advisor.

In early August, both BMI and ASCAP announced their intentions to fight the DoJ's ruling and employed a bilateral strategy where by BMI will take legal action by filing a memorandum with its rate court to challenge the DoJ's interpretation; and ASCAP would take the lead in pursuing legislative support for fractional licensing.

New Songwriting Group SONA on Why They're Suing the Dept. of Justice: Op-Ed

BY MICHELLE LEWIS

The morning of Friday, July 8th, my songwriting partner Kay Hanley and I sat at my dining room table, shell-shocked, our cups of coffee going cold as we talked through what had happened earlier that week in a conference call with attorneys from the US Dept. of Justice. Not only was the requested relief from the ASCAP and BMI consent decrees unceremoniously denied, but it seemed like we were being punished for asking in the first place with an additional ruling/regulation called "100 percent licensing."

Kay and I founded our advocacy organization, SONA (Songwriters of North America), in Spring 2015 because of the consent decrees. I mean, when you find out that the government regulates your small songwriting business more strictly than it does, say, pharmaceutical companies, it's pretty shocking. Without getting too detailed on what consent decrees are, here's the basics:

They are anti-trust measures imposed on our performance rights organizations (PROs), ASCAP and BMI

They were put in place long before I was born

They have not been modified to allow for fair remuneration from digital streaming services. In layman's terms - right now, the songwriters are getting CRUSHED by minuscule streaming rates, mostly because of these things.

As a result of so many songwriters feeling the squeeze of the consent decrees' regulations, SONA joined other songwriter organizations, publishers, and our PRO's to ask the DoJ for relief, for protection, for fairness. We asked for very reasonable modifications to the decrees. And after all the meetings and phone calls -- plus entreaties for mercy that fell JUST short of begging -- their answer was essentially this: "No. And f--k you for asking."

We knew this was coming. In the months leading up to the DoJ's decision, we had been trying to convince Antitrust Division attorneys Kelsey Shannon and David Kully that compelling 100 percent licensing was an absolutely terrible idea. We predicted that it would undermine collaborative relationships and create an administrative nightmare which would result in diminishing financial returns for co-written material. Still, hearing the ruling on the phone (we were not provided with a written version of the ruling until it was officially released a month later on Aug. 4th) was a blow. The ruling itself seemed like an overreach. It looked like a clear gift to digital music platforms. It felt like a violation of our rights.

Immediately following our final, disappointing conference call with the DoJ, my songwriter friends and I spoke to ASCAP and BMI and asked them to challenge the ruling on our behalf. They said they would and have since made good on that promise. We spoke to our publishers, who have also promised to fight on the songwriters' behalf. We also spoke to some very supportive members of Congress, like Doug Collins and Jerry Nadler, and they are duly outraged and stated that they will fight on the songwriters' behalf.

Songwriters of North America cofounders Michelle Lewis (right) and Kay Hanley.

(Photo courtesy of Michelle Lewis)

We are very appreciative of the kindness and generosity of those who work on the "songwriters' behalf." We have people who fight on the songwriters' behalf, negotiate on the songwriters' behalf, lobby on the songwriters' behalf, speak on the songwriters' behalf. But this is how songwriters ended up disconnected and relegated to cheering from the sidelines on issues which concern us directly. We need to come out from behind the protective bodies of our PROs, publishers, and managers and speak up for ourselves. We need to remind the public that there are living, breathing, working songwriters who will be deeply affected by the DoJ's actions.

How do we do that?

The kernel of the idea for suing the DoJ lawyers emerged at my living room table. Look, clearly we're songwriters, not attorneys. I've never sued or been sued by anyone or anything in my life. I've had a wonderful entertainment lawyer (Jaimie Roberts) handle my deals and contracts for as long as I've been in the business and he knows first hand how little interest I've had in the legal system.

Until now. Because a courtroom is where you go when you feel like you've been wronged, right?

Kay and I batted around the idea of suing the government. We talked about doing a Kickstarter or Pledge Music campaign to fund our search for a constitutional lawyer. It sounded so scrappy and punk rock. "The Songwriters Sue the Department of Justice!" Like, can we even do that?

Turns out, we can. SONA has a friend and legal advisor who is just as fierce as the idea demanded. Dina LaPolt (I call her "the Kraken") is a ballsy, street-fighting attorney-to-the-rockstars who was as furious about the DoJ's ruling as we were. When we brought the idea of SONA suing the DoJ to her, she literally jumped out of her chair, stuck her fist in the air, and said, "F--K, YES!"

The last six weeks has been an avalanche of action and preparation; Dina found a litigation firm, Gerard Fox Law, who took on our case pro bono. We also have a devastatingly smart and experienced team of legal advisors from our industry: Dina, legendary music attorney Jay Cooper, and our secret weapon/game changer, Jacqueline Charlesworth, who personally wrote the definitive and widely acclaimed report on the current state of copyright for the US Copyright Office. A few heavy-hitting songwriter friends, Pam Sheyne and Tom Kelly, have bravely stepped up to be named as individual plaintiffs in the lawsuit. We are ready to win.

For as punk rock as we feel, the complaint our legal team crafted is quite elegant and simple. It's an administrative claim based on how individual songwriters will be adversely financially affected should the ruling be codified and enforced. After all the legal research, it turns out that the ruling is in fact as bad as we had originally predicted. The DoJ's misguided interpretation of the consent decrees will cost individual songwriters money, destroy our collaborative relationships and create havoc within the licensing ecosystem. We're more confident than ever that we're on the right side of this.

SONA's legal team filed the suit yesterday, Sept. 13, 2016 at 12:00 p.m. EDT in Washington, DC.

The songwriters asked for relief and got a solid wrist slap in response. Now we're slapping back.

Wish us luck.

Michelle Lewis is co-founder of the Songwriters of North America and has written songs for Cher and Little Mix and is a full-time composer for Disney.

Senators Mull Bill That Targets Ticket Bots, Though Its Impact Remains in Doubt

BY ROBERT LEVINE

If there's one thing Congress can agree on -- and there may, indeed, be only one thing Congress can agree on -- it's that using computer programs, or "bots," to buy up concert tickets for later resale hurts consumers. The Better Online Ticket Sales Act, or BOTS Act, would make it illegal to circumvent the security rules of an online ticketing Web site in order to buy tickets. The bill passed the House of Representatives in a voice vote Monday, and it's now being considered by the Senate.

The bill got national attention last month when Hamilton creator Lin-Manuel Miranda and Senator Chuck Schumer held a press conference to promote it. Bots have been a particular issue for Hamilton, where tickets now sell for a face value of $200 and sell on Stubhub for between $650 and $2000, according to comments by Hamilton producer Jeffrey Seller at a Tuesday Senate hearing.

Unsurprisingly, the companies that dominate the primary and secondary ticketing businesses don't agree on much, either: Ticketmaster would like to set some rules for the resale of its tickets, while Stubhub has an interest in making sure that doesn't happen. As it turns out, though, both companies agree that bots are hurting their respective markets. That's why many political observers expect the law to pass -- even in an election season when Congress is more divided than ever.

The hearing, held by Senator Jerry Moran, featured testimony from Seller; Bob Bowlsby, commissioner of the Big 12 Conference; Stubhub General Counsel Ted Cohen; and Ticketfly (a Pandora subsidiary) general counsel Jeremy Ligel. And although everyone agreed that bots prevented consumers from getting fair access to sports and concert tickets, the Senators present had very different views on the secondary market in general.

Early in the hearing, Senator Richard Blumenthal said the bill represented "a good step, if only a modest step, in stopping ticket scalping in this country." Later, however, Senator Cory Booker hinted that transparency in the primary ticketing market also represented a major problem, which could be addressed by another bill that would require ticket-sellers to disclose the number of tickets on sale to the general public. Naturally, Cohen agreed. Both sides seem to see the Bots Act as a good beginning either to a broader attempt to limit the secondary market or to a more ambitious push to regulate primary ticketing companies like Ticketmaster. Neither, though, seems likely in the near future.

It's also worth wondering how effective the Bots Act will be. Violations will be treated as unfair trade practice and enforced by the Federal Trade Commission. But it's hard to know how many of the hackers that operate bots are in the U.S. -- or indeed, are even within the range of U.S. law. Anecdotal evidence suggests that many of them are based in Eastern Europe, although the relative ease of using servers based in other countries makes it impossible to be sure.

The bill would certainly represent a good first step toward making tickets more affordable, says Sellers, who prefers to keep "Hamilton" affordable. Although he didn't expect to eliminate scalping, Sellers told Billboard after the hearing, "my job is to use every available tool to cut down on bots as much as I can."

IFPI Finds That One-Third of Under 25s Worldwide Now Pay For A Music Streaming Service

BY RICHARD SMIRKE

With everyone from Taylor Swift to the European Commission having their say on the 'value gap' argument, new research commissioned by international labels body IFPI shines a timely light on the ever-changing face of music consumption.

Key takeaways from IFPI's "Music Consumer Insight Report 2016" include the news that one-third (32 percent) of under-25-year-olds worldwide now pay for a music streaming service -- a rise of almost 40 percent on the previous year's total. When it comes to all internet users, aged between 16 and 64, the number is 18 percent, up from 15 percent in 2015.

The report, carried out by Ipsos Connect, who surveyed over 12,000 respondents in 13 countries, including the U.S., U.K., Canada, France, Germany and Japan, also states that nearly half (48 percent) of all internet users pay for music in some way, whether it be through purchasing a CD or download or subscribing to a service like Spotify or Apple Music. Meanwhile, over 80 percent of people who hold music subscriptions said that, in addition to streaming, they also purchase music in other formats, be it vinyl, CDs or downloads.

South Korea, Sweden and Mexico are identified as the most popular (per population) markets for subscription services, with about four in every ten people paying for a music subscription. In the U.S. and U.K., the number was around two in every ten; in Japan around one in every ten.

Despite the growth in licensed music consumption, copyright infringement has not gone away, with more than a third (35 percent) of respondents admitting to accessing illegal content in the past six months. Of those people, stream ripping is the fastest growing form of infringement, with 3 in every 10 respondents admitting to the practice, rising to almost half (49 percent) among 16-to-24-year-olds.

Search engines are also continuing to direct large numbers of traffic to unlicensed content, with a quarter of those polled (23 percent) saying that they use Google to get "free" music -- of which two-thirds explicitly searched for pirated content.

In line with previous years, YouTube remains the world's most popular music service, with over 80 percent of its users saying that visited the site primarily for music. The number climbed to 93 percent among 16-to-24-year-olds.

Further insight into YouTube's user base was provided with the -- not entirely unexpected -- revelation that the vast majority of its traffic (over 80 percent) visited the site to access content that they are already familiar with, rather than discover new music or artists.

Commenting on the research findings, IFPI chief executive Frances Moore said that there were many positives for the music industry to take away from the research, but that it also "highlights the dominant position amongst music services of YouTube."

"Yet YouTube can get away without remunerating fairly artists and producers by hiding behind 'safe harbour' laws that were never designed for services that actively engage with and make available music enjoyed by the vast majority of its users," she went on to say.

Tidal Posts $28M Net Loss in 2015, More Than Double From Year Before

BY COLIN STUTZ

In the year-and-a-half since Jay Z and his squad of artist co-owners purchased Tidal, the company has more than doubled its net losses while increasing its revenue only 30 percent, signaling potentially troubling times for the Swedish streaming service.

The figures come from a legal filing, via the Wall Street Journal, showing the Aspiro AB holding company that Jay Z's group acquired in early 2015 recorded a net loss of 239 million Swedish kronor ($28 million) last year. That figure comes in contrast to the 88.9 million Swedish kronor ($10.4 million) in 2014.

Meanwhile, Tidal's revenue rose to 402 million Swedish kronor ($47 million) from 309 million kronor ($36.2 million) over the same period.

A person familiar with the matter told the WSJ that this financial statement doesn't reflect all of Tidal's U.S. revenue and financing.

According to Norwegian business publication Dagens Naeringsliv, which analyzed Aspiro AB's accounts, at its time of publishing on Monday the company was delinquent on payments to about 100 labels and owed $438,000 in unpaid bills.

Tidal's spending went mostly towards record label royalty fees, accounting for nearly 300 million Swedish kronor ($35 million) of the budget. Otherwise, 218 million Swedish kronor ($25.5 million) was spent on the company's 86-person workforce -- up from 77.2 million kronor ($9 million) in 2014.

It's been a big year for Tidal, as the company has released exclusive albums from Beyonce, Kanye West and Rihanna -- all of whom are co-owners in the company. In June, Tidal said it had grown its subscriber base to 4.2 million -- substantial growth from the 540,000 it had when it launched in the U.S. in March last year. Still, it lags behind the industry leaders Spotify's 30 million paying subscribers and Apple Music's 17 million.

Tidal did not respond to Billboard's request for comment.

Jenni Rivera's (Televised) Life Story Prompts Lawsuit Between Family and Former Manager

BY LEILA COBO

Not everybody has the right to tell the story of the late Jenni Rivera -- at least, that's the core of a lawsuit filed by Jenni Rivera Enterprises, the corporation overseeing the estate of the late singer, against Rivera's former manager Pete Salgado. At the heart of the lawsuit is an announced Univision TV series based on Rivera's life, as told through Salgado's perspective.

Su verdadero nombre era Dolores (Her Real Name Was Dolores), was announced by Univision at their upfront presentations this past spring. Univision billed the series as "the untold story of the iconic Jenni Rivera," whose real name was Dolores Janney Rivera and who famously died in a plane crash in 2012 at 43 years old.

The suit also names entertainment company Latin World Entertainment, its CEO Luis Balaguer, Dhana Media and BTF Media, who, according to the suit, are working with Salgado on production of the series. Salgado worked with Rivera for nearly a decade, and helped negotiate many of her deals.

However the suit, filed Sept. 12 in California Superior Court in Los Angeles, says that Jenni Rivera Enterprises and her children "have the sole right whether and/ or how such information about their mother may be revealed."

Specifically, they charge that on Sep. 17, 2013, Salgado entered a non disclosure agreement "in which he agreed to: Not disclose any information to anyone about Ms. Rivera, her family or the company managing her assets." The suit also says Salgado has stated that agreement was "forged."

At press time, Salgado did not respond to requests for comment. The Rivera family is working with Telemundo to develop another TV series on Rivera's life.

Dance Label Wants Beatport to Prove It 'Juiced' the Charts: Report

BY BILLBOARD STAFF

Italy based dance music label Art & Music Recording, or AMR, has asked the judge handling SFX Entertainment's chapter 11 case to green light a probe into possible sales manipulations of its songs within the Beatport store.

The Wall Street Journal reports that AMR is responding to Beatport's earlier claims that several tracks by label artists were "juiced," or purchased repeatedly by non-fans in an effort to bump songs up on Beatport's popularity charts. AMR denies any official wrongdoing and is asking the U.S. Bankruptcy Court in Wilmington, Del. to intervene.

According to the filing, AMR has approached the SFX-owned site to provide more information on its "juicing" claims but has so far been rebuffed. "AMR is looking for evidence that as-yet unidentified third parties are interfering with and manipulating the very 'bread and butter' of Beatport's operations -- its digital music charts," said lawyers for AMR, which does not have a working website.

Court papers indicate six AMR tracks were removed from Beatport as a result of the alleged "juicing." A hearing is on the proposed investigation is set for Sept. 26 in Wilmington.

SFX filed for bankruptcy in February after losing an estimated $18 million in 2015. It announced plans to sell off Beatport in order to pay down its debts but that auction was later suspended. In May, Beatport announced it was shutting down its music and video streaming platforms, its mobile app, its Beatport News section and its Events vertical, and putting the focus solely on the 12-year-old Beatport store.

Nonesuch Records Hires XL's Kris Chen as Senior Vice President

BY MARC SCHNEIDER

Nonesuch Records has hired industry veteran Kris Chen as the label's senior vice president in charge of A&R, Billboard has learned. Chen, previously head of U.S. operations at XL Recordings, will have his hand in all areas of the Warner Music Group imprint, especially the signing and developing of new and established artists. He excelled at that task during his 11 years at XL, where he signed and/or worked closely with Vampire Weekend, Sigur Ros, Tyler the Creator and many others.

Based in New York City, Chen will report to Nonesuch co-president David Bither, who will assume sole presidency at the label in January following last year's decision by Bob Hurwitz to transition to an emeritus role after 32 years at the helm. Bither says in an announcement that he almost immediately thought of Chen when it came time to add a new piece to the label's executive team.

"I've known Kris for more than a decade and have regarded him from the start as a fellow traveler," says Bither. "His success over the years at XL provides ample evidence of his ability but it is his convictions about music and culture that have always impressed me even more. I'm delighted that he is joining us and believe it speaks to our ambition to build on the course that Nonesuch has charted, today and in the years to come."

Chen began his music career in the mid-1990s in the sales department at Warner Music Group's Alternative Distribution Alliance (ADA). Since then he has held marketing positions at Tommy Boy Records and Domino Records, where he also helped develop artists including Franz Ferdinand, Caribou and Four Tet. His arrival at XL, part of the Beggars Group, in 2005 marked his full-time move into A&R. While there he signed Vampire Weekend to their first deal, landed Radiohead singer Thom Yorke's debut solo album, The Eraser, and developed acclaimed British group The xx.

"There are few labels where the name alone stands for music of the quality, distinction, and diversity that defines Nonesuch," says Chen. "Since I met David on the day of the legendary New York blackout of 2003, we have been great friends and musical compatriots, and he's always been generous with his advice and viewpoints on art and commerce. When this opportunity at Nonesuch was presented, I knew it was the culmination of many moments along a path that has pointed me here."

Executive Turntable: Big Departures at Spotify, New Chief Digital Officer at AEG Live and More

BY LYNDSEY HAVENS

-- RED Distribution has appointed four new employees in an effort to expand and restructure its promotion department: Melanie Scull will take on the role of Vice President of Pop Promotion; Franco Iemmello will be Vice President of Rhythm Promotion; Chris Brown will be Southeast Regional Director of Promotion; and Brent Battles has been promoted to Senior Director of National Pop Promotion. The new team allows RED Distribution to become the only independent music company with single charting at every radio format.

-- Motown Gospel has appointed Monica Coates and EJ Gaines to senior management positions. Coates will take on the role of Vice President of A&R while Gaines' new role is Vice President of Marketing.

-- Judy Tint, a music attorney and social activist, has joined the Music Business Faculty at NYU Steinhardt. Tint will serve as the program's visiting proffesor for the 2016-2017 academic year. She has over 25 years of experience as an attorney, consultant and event producer, and is also a songwriter and musician.

-- Jeff Levick announced he has departed Spotify after serving five years as Chief Revenue Officer. In a blog post on Medium, Levick said he wasn't able to dedicate as much time needed for the job. "Working hard is hard work," he writes. "And, I truly believe if you want to be on a winning team, you need to be your hardest working self. So, in looking at another five years on team Spotify, it started to become clear that maybe a change is in order."

-- Jonathan Forster has also left Spotify. Forster served as a sales executive and was also one of the company's longest-serving employees, as he was hired in 2007 before the platform launched. His roles at Spotify have included: General Manager of Europe, Managing Director of the Nordics, and most recently, Vice President of Sales for Europe, Middle East, and Africa.

-- UTA Music has welcomed Jordan Weissman into its Private/Corporate Bookings division, he will be based in UTA's New York offices. Previously, Weissman worked in the Music Partnerships group at Platinum Rye Entertainment.

-- Brooke Kain has been appointed to AEG Live's newly created Chief Digital Officer position. Prior to this position, Kain has served as Head of Digital Marketing for: Interscope Records, Beats Music, and Apple Music, iTunes.

-- Purple Entertainment has hired Chris Slade as its new Entertainment Publicist. Slade comes to the company from Universal's Polydor label.

-- Live Nation has hired a General Manager for its new concert venue, The Pavilion at The Music Factory, which open Sept. 2017. Michael Riley has been appointed to the role. Riley has over 25 years of live entertainment experience, and comes to the company from the Arts Center Enterprises in San Antonio.

-- Twitter has hired Kristin Binns as its new senior director and will oversee all of the company's coporate and consumer communications. Binns joins Twitter from health insurance company Anthem, where she ran communications following the Obamacare rollout.

-- Kevin Griffin, songwriter, producer, and frontman of Better Than Erzra, has been named Artist-In-Residence at NYU Tisch Clive Davis Institute of Recorded Music. Additionally, he will serve as the department's guest instructor for the 2016-2017 academic year.

-- John Langford has been appointed Vice President and General Manager of the London venue The O2. Prior to his new position, Langford has spent the past three years as director of live entertainment at the Scottish Exhibition and Conference Centre in Glasgow.

SBS Names Chris Carrillo VP/GM in Los Angeles

BY SUZETTE FERNANDEZ

On Tuesday (Sept. 13), Spanish Broadcasting System named Chris Carrillo as Vice President and General Manager of SBS Los Angeles effective immediately. Carrillo will supervise all operations at KLAX-FM (97.9FM LA RAZA), KXOL-FM (Mega 96.3FM), and LaMusica.

Carrillo has been working at SBS for ten years and he has held various managerial positions including: General Sales Manager, Local Sales Manager and Senior Account Executive. "He knows radio, he knows the advertisers, he knows the company and its people and he's intimately familiar with our West Coast stations. No one is more qualified to take over the reins of SBS Los Angeles," said Albert Rodriguez COO of SBS in a press statement.

SBS operates 17 radio stations in the major U.S. Hispanic markets, including New York, Los Angeles, Miami, Chicago, San Francisco and Puerto Rico. Last month the company announced their newest radio station, Ritmo 95.7 FM (based in Miami, FL), the first Cubaton station in the country.

Carrillo will be based out of SBS' Los Angeles offices.

Lady Gaga's 'Perfect Illusion' Headed for Possible Top 20 Debut on Hot 100

BY GARY TRUST

Lady Gaga's new single "Perfect Illusion" appears headed for a debut in the top 20 of the Billboard Hot 100 chart.

Based on industry forecasts, the song could sell 100,000 downloads in its first week. It also could draw approximately 18-20 million in radio audience and 6 million U.S. streams, based on Billboard projections according to preliminary Nielsen Music data. Those figures could add up to a top 20 debut for the song on the Hot 100, which blends sales, airplay and streaming data.

"Illusion," released to radio at 11 p.m. ET on Sept. 8, and shortly after to streaming and retail services, will make its entrance on the Hot 100 dated Oct. 1; highlights of the chart will post on Billboard's platforms Monday, Sept. 19; the entire chart, and all rankings, will update the following day.

The lead singles from Gaga's previous two solo pop albums both logged lofty launches on the Hot 100. "Applause," from ARTPOP, soared in at No. 6 in 2013, before peaking at No. 4, and "Born This Way," the title cut from her 2011 album, opened at No. 1, where it spent its first six weeks, marking the longest reign of her three leaders. "Applause" began with 218,000 downloads sold and "Born" 448,000, the latter sum representing the seventh-best digital sales week for a song to that point, and the third-biggest debut.

"Illusion," written and produced by Gaga, Mark Ronson and Tame Impala's Kevin Parker, with Bloodpop also claiming a production credit, previews Gaga's new studio album, due later this year. The song has already topped the real-time Billboard + Twitter Trending 140 and Billboard + Twitter Top Tracks charts and debuted on the Sept. 24 Pop Songs and Adult Pop Songs airplay surveys.

Charlie Puth Calls Hitting Hot 100 Top 10 With 'We Don't Talk Anymore,' Feat. Selena Gomez, 'Truly Incredible'

BY KEITH CAULFIELD

Singer/songwriter Charlie Puth scores his second top 10 song on the Billboard Hot 100 -- and first as a lead artist -- as "We Don't Talk Anymore," featuring Selena Gomez, hops 12-10 on the latest list (dated Sept. 24). The Artist Partners/Atlantic Records single is the fifth Hot 100 hit for Puth overall.

Puth first reached the top 10 as the featured artist on Wiz Khalifa's massive No. 1 hit "See You Again," which ruled the chart for 12 weeks in 2015. "See You Again" was from the film Furious 7, and the song was inspired by the death of the film's co-star, Paul Walker. "Again" is tied for the longest-reigning rap No. 1 in the Hot 100's history.

We caught up with Puth -- a two-time Billboard Music Award winner -- via email on Wednesday (Sept. 14) to get his thoughts on reaching the top 10.

What's your reaction to knowing you have your second top 10 hit on the Billboard Hot 100 with "We Don't Talk Anymore" -- and your first as a lead artist on a track?

It's truly incredible. It entered the top 10 on Paul Walker's birthday. [Billboard announced the new top 10 on Sept. 12.] I do believe that's a bit of his work from above. These achievements are so motivating to me, however I do not really know how to celebrate them. I don't go out much, so to celebrate, I started making another song in my room that night with a glass of champagne.

When you wrote the song, did you have the feeling that it was going to be a hit? Obviously, everyone wants all of their songs to be hits -- but did this one strike you as particularly special?

I knew the chorus felt very special. I knew that from the moment I recorded the voice note into my phone. I originally envisioned the chorus being sung by multiple people, much like how ABBA layered their vocals on"Dancing Queen." The guitar part was recorded on an iPhone. Actually, most of the sounds that make up the record were recorded on my iPhone. The kick drums were me tapping boxes layered with beatboxing. To me, the weirder the recording process is, the bigger the hit it will be. It did not happen overnight like "See You Again," though. The verse took about a month for me to perfect. Once J Kash and I finished the lyrics over FaceTime, he is an absolute wiz with lyrics, I knew it would be something special.

Was it difficult to get Selena on the track with you? Or was it an easy sell to her?

No it was very easy. She was so excited to be a part of it that she took a flight to my place that evening just to record it.