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2023 ANNUAL REPORT

THE MLC
MECHANICAL
LICENSING
COLLECTIVE

The MLC in 3 Years

The passage of the Music Modernization Act marked the beginning of a new era for the music industry, revolutionizing the way that digital audio mechanical royalties are administered in the United States. Thanks to the collaborative efforts of songwriters, rightsholders, industry advocates and the unanimous support of Congress, this bi-partisan piece of legislation passed in 2018, and The MLC was designated in 2019. In just 18 months, The MLC assembled a team that could build its core technology, created a public database of musical works ownership data and The MLC Portal for Members, and was prepared to launch full operations.

The Mechanical Licensing Collective (The MLC) is responsible for administering a new blanket compulsory license created by the Music Modernization Act of 2018 (MMA) that covers the use of musical works by U.S. interactive streaming and download services. As of January 2021, The MLC began collecting these digital audio mechanical royalties from the digital services operating under the blanket license and distributing those royalties on a monthly basis at no cost to its Members: music publishers and administrators; ex-U.S. collective management organizations (CMOs); and self-administered songwriters, composers and lyricists.

2021

2022

2023

January 2021: The MLC launches full operations.

April 2021: The MLC completes its first royalty distribution, distributing approximately \$24 million in matched royalties.

February 2022: The MLC launches its new Claiming Tool for Members.

June 2022: The MLC begins distributing matched historical royalties for uses from the Phono 1 & 2 periods.

September 2022: The MLC launches the Distributor Unmatched Recordings Portal (DURP).

August 2023: Membership surpasses 30,000.

January 2024: The MLC begins the periodic review of designation process.

February 2024: DSPs report roughly \$281 million in Phono 3 royalty adjustments to The MLC.

April 2024: The MLC begins distributing matched historical royalties for uses from the Phono 3 rate period.

March 2021: Membership surpasses 10,000.

October 2021: The MLC launches its new Matching Tool for Members.

December 2021: The MLC launches the new Public Search API.

June 2022: Membership surpasses 20,000.

July 2022: The MLC launches its new Catalog Export Tool.

February 2023: The MLC surpasses \$1 billion in total royalties distributed.

December 2023: The MLC announces new Supplemental Matching Network.

March 2024: The MLC surpasses \$2 billion in total royalties distributed.

April 2024: The MLC launches its new Overclaims Tool for Members.

May 2024: Membership surpasses 40,000.

A Conversation with Board Chair Alisa Coleman and CEO Kris Ahrend



Alisa: As we reflect on the past year, it becomes clear that 2023 was a transformative period for songwriters and publishers on numerous fronts. As The MLC concludes its third full year of operations, we take immense pride in recounting the milestones achieved. Throughout the year, we successfully distributed a substantial amount of royalties, further expanded our global membership base and continued to support the ongoing protection of these crucial earnings. The final royalty distribution for 2023 usage (completed in March 2024) marked our 36th monthly distribution and three full years of paying songwriters and their publishing partners the mechanical royalties they have earned. That final distribution brought us to one of our most significant milestones yet — surpassing \$2 billion in total royalties distributed. This is a tremendous achievement for The MLC and the rightsholders they serve.

Kris: We're incredibly proud to have reached that \$2 billion milestone so quickly and completed every single monthly distribution on time or early. We know how

much our Members depend on us and appreciate how consistent we have been. We're grateful for the continued support we've received from them and so many others in the industry who were involved in helping us reach this milestone. It has truly been a collective effort.

Alisa: In addition to our royalty distributions, another achievement this past year has been the impressive growth in The MLC's membership. In 2023 alone, we welcomed more than 10,000 new Members, bringing our total to more than 34,000 Members. I suspect many of these new Members were previously not receiving their mechanical royalties from streaming platforms. This influx underscores the dedicated efforts of The MLC team, who diligently identified and assisted these missing rightsholders in becoming active Members. This outreach not only strengthens our collective voice but also reinforces The MLC's pivotal role in ensuring fair compensation for all music creators.

Kris: That's right. While we're thrilled to have enrolled so many Members so quickly, we know there are many more rightsholders out there who have not yet connected with The MLC — either directly as Members or through a publisher or administrator. An important focus of our outreach and education efforts is reaching these rightsholders, helping them understand what we do, and then enrolling them as Members so we can pay them the mechanical royalties they have earned. Each new Member helps us increase the number of registered songs in our database, which enables us to achieve higher match rates and distribute even more royalties to our Members.

Alisa: As of now, we've made great progress in matching and distributing historical unmatched royalties this year. In 2022, we began running the historical data through our internal matching processes and distributing matched historical royalties. In 2023, we have continued to distribute matched historical royalties in each monthly royalty distribution — all while preparing for the Phonorecords (Phono) 3 rate determination to be finalized. Can you explain where things stand with Phono 3 rates now?

Kris: Yes, the Copyright Royalty Board finalized the rates for the Phono 3 period in August 2023, and DSPs had until February 9, 2024 to deliver their revised usage and adjusted payments for their previously reported Phono 3 usages. Our team began working on the revised data as soon as we received it. As a result, we were able to begin distributing the first set of matched historical royalties for Phono 3 uses in our April 2024 royalty distribution — only two months after we received this revised data from DSPs. In only three distributions, we've already been able to distribute more than \$85 million in matched historical royalties for Phono 3 period uses, bringing the total amount of matched historical royalties we have distributed to date to nearly \$112 million. We'll continue to distribute more matched historical royalties from the Phono 3 period through the end of the year and into early next year.

Alisa: Absolutely, it's truly remarkable! It's incredible to think that The MLC has been able to match more than \$100 million of the royalties that the DSPs were not able to distribute, with even more royalties still to come. Between these matched historical royalties from the Phono 3 period and the considerable increase in royalties for the Phono 4 rate period that took effect at the beginning of last year, rightsholders had a lot to be excited about in 2023. It has been a year of significant progress for rightsholders, thanks to The MLC's dedicated efforts in matching royalties. The MLC Board, Committees and membership would like to thank The MLC team as we look forward to building upon these achievements and continuing to advance our mission of transparency, efficiency and support for songwriters and music publishers.

Kris: Yes, and we've continued to work hard this year to continue processing the revised Phono 3 data. Thank you for taking the time to review our 2023 Annual Report. We're incredibly grateful for the support we have received and look forward to continuing to serve you all in the year ahead.

ALISA COLEMAN
Board Chair

KRIS AHREND
Chief Executive Officer

2023 By The Numbers

In The MLC's third year of full operations, we continued to distribute digital audio mechanical royalties to our Members on a monthly basis, completing a total of 12 distributions for uses reported in 2023 — all of which we completed on time or early. Here are some of our key metrics from 2023.

51 DSPs Operating under the Blanket License

5.3+ Million Songs Added in The MLC's Database

7.8+ Million Registrations Received and Processed

10,000+ New Members

23,000+ Inquiries Addressed

85,000+ New Social Media Followers

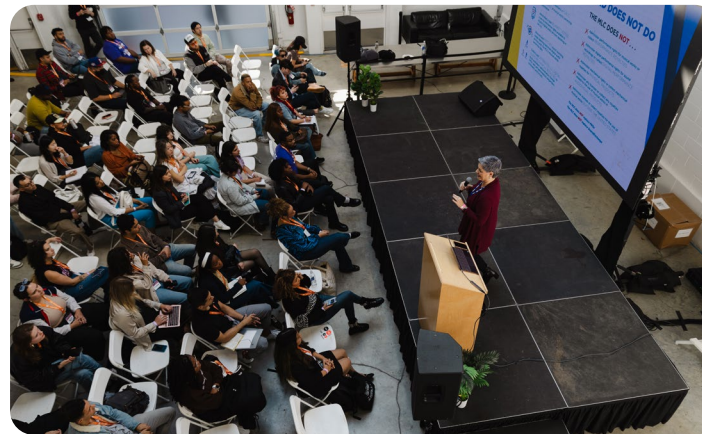
\$791.2 Million in Blanket Royalties Directly Distributed for 2023 Usage (Including Reprocessing)

Reaching Rightsholders Around the World

At The MLC, we strive to ensure songwriters, composers, lyricists and music publishers receive their mechanical royalties from streaming and download services in the U.S. accurately and on time.

Any music publisher, administrator, CMO or self-administered songwriter who has a right to receive mechanical royalties in the U.S. can become a Member of The MLC. After rightsholders Connect to Collect® by completing the membership process, they can begin registering their songs and using The MLC's growing suite of Member Tools. Once The MLC matches sound recording uses on interactive streaming and download services to their songs, they can start receiving mechanical royalties. Thanks to The MLC's historically high match rates and payout rates, and the fact that we do not deduct administration fees from the royalties we collect, rightsholders now receive more mechanical royalties for uses of their songs than they have ever received before.

The MLC continued its outreach and education efforts to locate and connect with new Members in 2023. Partnering with numerous industry organizations, we attended more than 140 in-person industry events — bringing our cumulative total to more than 600 outreach events since we launched operations in 2021. We continued to expand our cultural partnerships, hosting outreach and educational events aimed at reaching the Asian American and Pacific Islander, Black, Latinx and LGBTQ+ creator communities. Our team members served as speakers at nearly 50 events held in 13 states and 8 countries and conducted interviews for dozens of articles and podcasts. In 2023, our presence on social media grew to more than 120,000 followers — an increase of nearly 90,000 social media followers. We also continued to publish our monthly newsletter for Members and our quarterly industry newsletter, growing the circulation for our Member newsletter to more than 33,000 subscribers — an increase of 10,000 subscribers.



600+ Outreach Events Since 2021

We also continued to review our pending royalties regularly, in order to try and identify (and then contact) rightsholders for whom we were holding royalties. Thanks to the concentrated efforts to identify and contact these “missing Members,” we have enrolled hundreds of previously missing Members and paid them millions of dollars in accrued royalties.

Over the course of 2023, we added more than 10,000 new Members, bringing our total membership to 34,000 by year end.



Thanks to The MLC, I found out I had mechanical royalties waiting for me. It can be difficult to stay on top of everything, so it's great being a member of The MLC, as they work to find songwriters and pay 100% of these royalties. **Attom, DJ and music producer**



Educating Rightsholders
Education remained at the center of our outreach efforts. We continued to create new website and video content to educate new and existing Members, and we hosted and participated in a variety of online educational workshops and panel discussions. During the year, we participated in more than 50 webinars, bringing our total webinar count to more than 350. We recorded many of these webinars and then posted them to our official YouTube channel, where they can be accessed free of charge. Links and information regarding all of our educational resources can be found on our website (themlc.com). Members who wish to access translated versions of some of these materials in Spanish or French can access them by visiting our Spanish-language (elmlc.com) and French-language (lamlc.com) resource pages.

Helping Rightsholders Connect to Collect[®]

Blanket Royalty Collection and Distribution

Every month, The MLC receives digital audio mechanical royalties and usage data from the U.S. digital service providers (DSPs) who operate under the blanket license that The MLC administers. During the 75-day period after each usage month ends, The MLC ingests and processes this usage data from each DSP, attempts to match those sound recording uses to the musical works data in our public database, and then distributes the resulting matched royalties to our Members. We also reprocess any pending royalties from previous usage periods that we were not able to distribute using the most recent version of the data in our database, in order to distribute as much of those remaining royalties as possible.

We encourage Members to Play Your Part[™] in The MLC process by using the growing suite of Member Tools that are available to them in The MLC's Member Portal. Members can claim their shares of works already registered with The MLC using the Claiming Tool, register any works that are not yet in The MLC database using one of our Registration Tools, and use the Matching Tool to search for unmatched sound recording uses featuring their songs that have not yet been matched to a registered work in The MLC's database and then submit proposed matches between those unmatched uses and songs they have registered. Members can also use the Catalog Export Tool to export (on-demand) the ownership data for any works they have registered with The MLC and one of our other Export Tools to export their registrations or proposed matches they have submitted.

The MLC distributed roughly \$753.8 million in newly reported blanket royalties for usage that took place during 2023 and an additional \$37.4 million in royalties as a result of reprocessing the remaining unmatched data from these 2023 usage periods, bringing the total amount of blanket royalties directly distributed for 2023 usage to \$791.2 million.

Historical Royalties

In 2021, 21 DSPs transferred \$426.9 million in unpaid royalties that they had accrued for uses of songs between 2007 and 2020. After receiving the data on historical unmatched royalties from DSPs in 2021, The MLC ingested that data and began the work of processing and matching the data to registered musical works. In June 2022, The MLC began distributing matched royalties from the Phonorecords (Phono) 1 and 2 periods. By the end of 2023, we had matched and distributed more than \$25 million in historical royalties to Members from the Phono 1 and 2 periods — more than 85% of the total Phono 1 royalties and more than 45% of the total Phono 2 royalties that DSPs transferred to The MLC.

Illuminating the "Black Box"

By early 2023, The MLC had also completed its initial processing of all of the data for the historical uses transferred by DSPs that took place during the Phono 2 rate period and made the data for any of those uses The MLC was not able to match available for Members to search using The MLC's Matching Tool. By making this data available to be searched, along with the remaining unmatched data from the Phono 1 and 2 historical uses and all of the blanket uses reported to The MLC, The MLC fully illuminated the so-called "black box" for digital audio mechanicals in the United States for the first time. By providing Members with both visibility into this data and the ability to act on it directly, the Matching Tool empowers our Members to supplement the extensive efforts of The MLC to ensure they receive all the royalties they are due.

Phonorecords 4 Rates

In December 2022, the CRB set forth the royalty rates payable for the Phono 4 rate period (2023 through 2027). With these rates finalized, DSPs began reporting royalties at the new rates starting with January 2023 usage, and The MLC began distributing royalties to Members at these higher rates starting in our April 2023 distribution.

\$791.2M

Total Blanket Royalties Directly Distributed

2023 Distribution Schedule

USAGE MONTH	ROYALTY DISTRIBUTION DATE	INITIAL AMOUNT DISTRIBUTED
January	April 2023	\$ 58.7M
February	May 2023	\$ 55.4M
March	June 2023	\$ 60.9M
April	July 2023	\$ 63.3M
May	August 2023	\$ 62.6M
June	September 2023	\$ 63.7M
July	October 2023	\$ 65.8M
August	November 2023	\$ 62.0M
September	December 2023	\$ 61.7M
October	January 2024	\$ 68.6M
November	February 2024	\$ 62.7M
December	March 2024	\$ 68.4M
Royalties Distributed: Initial Processing		\$ 753.8M
Reprocessing (2023 Blanket Usage Periods)		\$ 37.4M
Total Blanket Royalties Directly Distributed		\$ 791.2M

The Impact of Royalty Reprocessing

Reprocessing Unmatched Data

After The MLC completes each monthly royalty distribution, our Matching team continues its efforts to match the remaining unmatched data with any newly submitted song data we have received and any new matches proposed by Members in the Matching Tool. We refer to these additional matching efforts as “reprocessing.” The Matching team uses a blend of custom-built technology, numerous public databases and other research sources to support their matching efforts. Any new matches the team makes or confirms are then used when we reprocess the remaining unmatched usage data from previous distributions — which allows us to pay out millions of dollars in additional royalties each month.

The MLC continues to invest time and resources into improving the functionality and accuracy of its matching efforts. In December 2023, The MLC announced the creation of a new Supplemental Matching Network of third-party vendors that The MLC engaged to enhance and complement The MLC’s existing matching processes and capabilities. The Supplemental Matching Network currently consists of five vendors, but The MLC is constantly assessing new vendors in the market to identify additional potential vendors. The creation of this network represents another example of our ongoing commitment to continuously improve our operations, in order to serve our Members and fulfill our mission.

The impact of these reprocessing efforts has been significant. Looking at our reprocessing of the remaining unmatched royalties from the usage reported to The MLC for 2021, in the 24 monthly distributions following the completion of our initial distributions for 2021 usage (i.e., for the distributions that took place from April 2022 to March 2024), we were able to match and distribute an additional \$51.5 million in royalties for the 2021 usage as a result of reprocessing, reducing our remaining unpaid royalties from 2021 by that same amount. This increased The MLC’s total blanket royalties distributed (as shown in the table to the right) for 2021 usage from \$519.5 to more than \$570 million.

Similarly, looking at our reprocessing of the remaining unmatched royalties from the usage reported to The MLC for 2022, in the 12 monthly distributions following the completion of our initial distribution for 2022 usage (i.e., for the distributions that took place from April 2023 to March 2024), we were able to match and distribute an additional \$30 million in royalties for the 2022 usage as a result of reprocessing, reducing our remaining unpaid royalties from 2022 by that same amount. This increased The MLC’s total blanket royalties distributed (as shown in the table to the right) for 2022 usage from \$582.5 to more than \$612 million.



Impact of Royalty Reprocessing (\$ in millions) As of March Distribution (see year in chart)	2021 USAGE			2022 USAGE	
	2022	2023	2024	2023	2024
Blanket Royalty Pools Processed by The MLC	\$674.0	\$674.0	\$674.0	\$738.5	\$738.5
Less Royalties for Voluntary Licenses	(\$98.2)	(\$100.7)	\$(101.8)	(\$39.2)	(\$40.0)
Blanket Royalties Collected by The MLC	\$575.8	\$573.3	\$572.2	\$699.3	\$698.5
Royalties Directly Distributed by The MLC	\$421.3	\$453.2	\$469.1	\$543.2	\$572.7
Royalties Pending Distribution	\$154.5	\$120.0	\$103.0	\$156.0	\$125.9
Total Blanket Royalties Distributed	\$519.5	\$553.9	\$570.9	\$582.5	\$612.6
<i>Year over Year Increase</i>		\$34.5	\$17.0		\$30.2
Royalties Directly Distributed by The MLC	\$421.2	\$447.4	\$462.6	\$540.3	\$568.8
Royalties Matched for Distribution by DSPs Under Voluntary Licenses	\$98.2	\$100.7	\$101.8	\$39.2	\$40.0
Royalties Matched to be Processed with Adjustments	\$0.1	\$5.8	\$6.5	\$2.9	\$3.9
Blanket Royalties Pending Distribution	\$154.5	\$120.0	\$103.0	\$156.0	\$125.9
<i>Year over Year Decrease</i>		\$34.5	\$17.0		\$30.2
Unmatched Royalties	\$91.8	\$63.6	\$53.8	\$87.4	\$67.1
Unclaimed Royalties	\$59.8	\$54.5	\$47.6	\$62.1	\$52.9
Matched Royalties on Hold	\$2.9	\$1.9	\$1.7	\$6.6	\$5.9

*Jaxsta is very proud to service The MLC with our recordings and works matching technology to streamline track identification and royalty flow. The work The MLC does for artists is essential. **Jaxsta***

Match Rates

MATCH RATES	2021 USAGE	2022 USAGE	2023 USAGE	TOTAL
Current Average Match Rate	92.0%	90.9%	88.3%	90.4%
Initial Average Match Rate	83.1%	84.9%	85.3%	84.4%

Continual Improvement of Match Rates

The MLC continues to achieve historically high match rates, which we use to refer to the percentage of the dollar value of the total royalty pools reported to us by DSPs that we are able to match to a song registered in our database. As of our completion of the March 2024 royalty distribution, our current average match rate for 2021 usage had risen to 92%, while our current average match rate for 2022 usage had risen to almost 91% — not far behind our 2021 average, even though

we’ve had 12 fewer months to reprocess the 2022 usage. Our current average match rate for 2023 usage has already surpassed 88% (as of the March 2024 royalty distribution), and our total current average match rate for all usage reported in the first three years of our operation (2021 through 2023) is just over 90%. We expect these match rates will continue to improve going forward as new Members join The MLC, new songs are registered and claimed and The MLC continues reprocessing the pending royalties from previous usage periods.



Efficient real-time access to The MLC's public database via their API is helping the ClicknClear platform unlock licensing revenues for labels and publishers from our \$2.4 billion per year global choreographed sports market. [ClicknClear](#)

Partnering with The MLC has been a game changer for us at ONErpm. Using their data programs, especially the DURP, has really opened our eyes to the significant gap that exists between artists and songwriters — and the pressing need to close it. It's sharpened our team's approach and ensured we're on top of our game in making sure every artist gets what they're owed. [ONErpm](#)

Using Technology to Provide Greater Transparency

Technology played a huge part in The MLC's successful launch in 2021, and it continues to play an integral role in our efforts to serve our Members and distribute royalties to them. Our innovative Member tools and public data access tools make The MLC's data easily accessible to anyone — enabling rightsholders and their partners to manage their data more effectively.

Member Tools

The MLC Portal is where Members can see the data for the registered works in their catalog, download their royalty statements and access The MLC's growing suite of Member Tools. These tools enable Members to register, edit and review their musical works data; create and submit registrations for any new musical works; manage and update their contact information, banking details and tax forms; and invite other users to set up their own user accounts under their Member profile.

The Claiming Tool allows Members to search the data for unclaimed shares of registered works in The MLC's database and then claim shares of those songs that they administer.

The Matching Tool allows Members to search the data for the remaining unmatched sound recording uses that have been reported to us by DSPs and then propose matches of those uses to songs they have registered.

The Catalog Export Tool allows Members to download all (or a portion) of the musical works data they have registered with The MLC on-demand in an Excel-compatible file.

The Top Unmatched Recording List provides Members with another way to search unmatched data and look for uses of their musical works. Every month, The MLC emails an updated Excel spreadsheet containing the top 3,000 unmatched sound recording uses, based on their calculated royalty value, to Members.

Public Data Access Tools

The Public Search API allows music publishers and administrators, DSPs, CMOs, music technology companies and any member of the public to retrieve ownership information about specific musical works in The MLC's database.

The Public Work Search allows the public to view musical work ownership information for any work in The MLC's database. It is available free of charge and without the need for a login. The information includes musical works ownership shares and matched sound recordings.

The Bulk Data Access Subscription enables subscribers to access all of the ownership data in The MLC's musical works database in a weekly updated, bulk, machine-readable set of files. The feed includes data about musical works, parties, sound recordings, products and more. This resource is available to DSPs, music publishers, CMOs, record labels, metadata companies and any member of the public.

The Distributor Unmatched Recording Portal (DURP) supports sound recording distributors in leveraging the publicly available data for the unmatched recordings they've released, helping their customers who are also musical works rightsholders to claim any unmatched royalties that The MLC has accrued for their musical works.

Member Support

At The MLC, we aim to meet the unique needs of each Member by offering extensive, individualized support. Whether a rightsholder is a self-administered songwriter, a publisher, an administrator or another collective management organization (CMO), our support teams are available and eager to help each and every rightsholder.

Supporting Individual Rightsholders

The MLC's Member Support Team is readily available 10 hours a day, 5 days a week, via chat, phone and email, to provide one-on-one support to Members and prospective Members alike. Our team has proved highly effective in answering questions from prospective Members and helping them set up their user accounts and Member profiles, navigate the membership process, register their songs and then access and understand their first royalty statements from The MLC. In 2023, our Member Support Team handled more than 23,000 inquiries.



Supporting Publishers, Administrators and CMOs

In 2023, The MLC's Rights Management and Publisher Relations teams continued to provide operational support to more than 100 music publisher and administrator Members. These teams continued to offer regularly scheduled, periodic check-in meetings to provide ongoing support and answer questions related to royalty statements, the works registration process, conflicts and disputes and more.

The MLC's International Relations lead continued to engage with collective management organizations (CMOs) around the world, along with a variety of

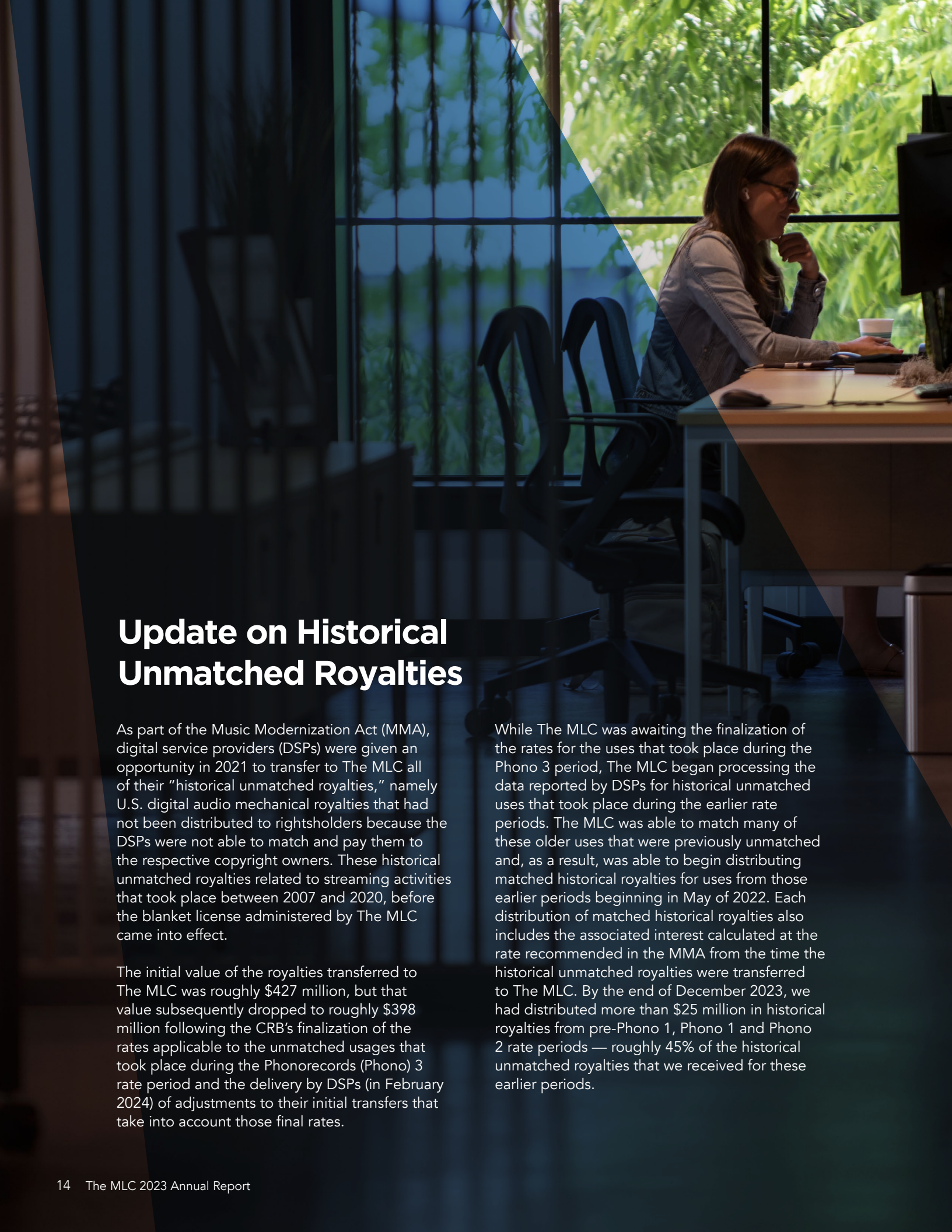
other industry organizations based outside the United States. These efforts allowed us to further expand our global outreach efforts to Members and prospective Members wherever they are, even if they're based outside the United States. As a result of this outreach, 102 CMOs are connected to The MLC, either directly as Members or through an administration partner they had selected to represent them at The MLC. By the end of 2023, these CMOs enabled The MLC to reach and pay rightsholders in 121 countries around the world.



The MLC helped me find money I had no idea that I had. As an independent artist, navigating the landscape of music royalties can be challenging. The MLC ensured I was receiving royalties I rightfully deserve. **Kyle Hume, songwriter**

34,000+ Members Worldwide





Update on Historical Unmatched Royalties

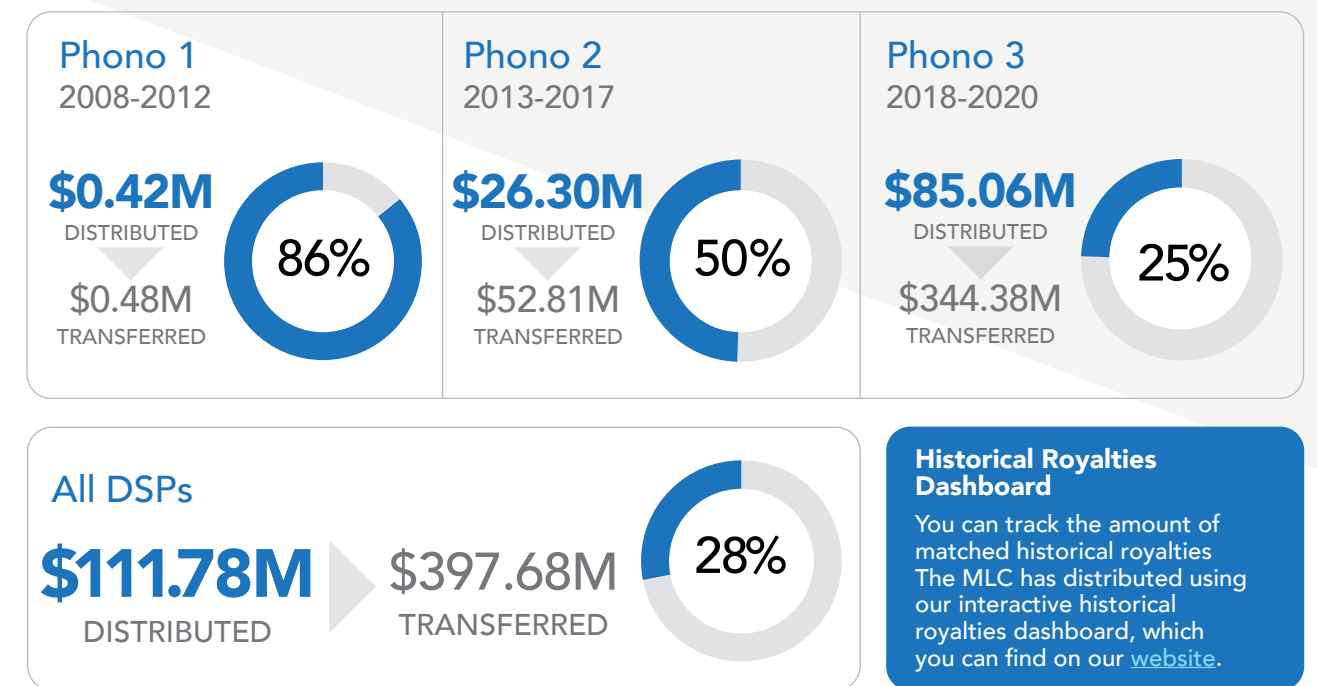
As part of the Music Modernization Act (MMA), digital service providers (DSPs) were given an opportunity in 2021 to transfer to The MLC all of their “historical unmatched royalties,” namely U.S. digital audio mechanical royalties that had not been distributed to rightsholders because the DSPs were not able to match and pay them to the respective copyright owners. These historical unmatched royalties related to streaming activities that took place between 2007 and 2020, before the blanket license administered by The MLC came into effect.

The initial value of the royalties transferred to The MLC was roughly \$427 million, but that value subsequently dropped to roughly \$398 million following the CRB’s finalization of the rates applicable to the unmatched usages that took place during the Phonorecords (Phono) 3 rate period and the delivery by DSPs (in February 2024) of adjustments to their initial transfers that take into account those final rates.

While The MLC was awaiting the finalization of the rates for the uses that took place during the Phono 3 period, The MLC began processing the data reported by DSPs for historical unmatched uses that took place during the earlier rate periods. The MLC was able to match many of these older uses that were previously unmatched and, as a result, was able to begin distributing matched historical royalties for uses from those earlier periods beginning in May of 2022. Each distribution of matched historical royalties also includes the associated interest calculated at the rate recommended in the MMA from the time the historical unmatched royalties were transferred to The MLC. By the end of December 2023, we had distributed more than \$25 million in historical royalties from pre-Phono 1, Phono 1 and Phono 2 rate periods — roughly 45% of the historical unmatched royalties that we received for these earlier periods.

The CRB finalized the rates for the Phono 3 period in August 2023. Under applicable regulations, DSPs had until February 9, 2024 to deliver their revised usage and adjusted payments for their previously reported Phono 3 usages. The MLC began distributing the first sets of matched historical royalties for uses that took place during the Phono 3 rate period, plus the associated interest, in its April 2024 royalty distribution — only two months after it received the revised data for this period from DSPs.

The following graphic shows the final, adjusted amount of the historical unmatched royalties that were transferred by DSPs to The MLC for each CRB rate period, along with the total amount of royalties from each period that The MLC has been able to match and distribute to copyright owners as of the June 2024 distribution.



The amounts shown represent royalties distributed through the June 2024 distribution.

What’s Next?

The MLC will continue to distribute matched Phono 3 historical royalties (from 2018-2020) through the remainder of 2024, and it currently expects to complete this process in the spring of 2025. Later this year, we aim to begin distributing the Phono 3 adjustments to the blanket royalties (from 2021-2022) initially reported to The MLC and calculated at the interim rates. The distribution of adjustments will also continue through the remainder of 2024 and into 2025.

The MLC has not yet scheduled or completed any distribution of remaining unmatched historical or blanket royalties pursuant to the

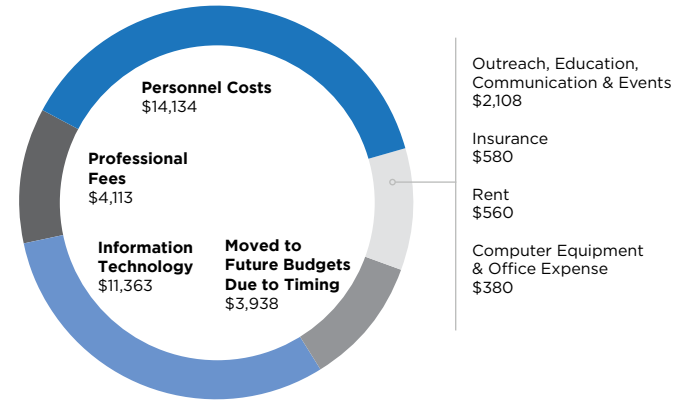
“equitable market share” distribution process that Congress established in the MMA. When The MLC eventually reaches that point, it will follow the MMA requirement that payments to copyright owners be determined in a transparent and equitable manner based on data indicating the relative market shares of such copyright owners as reflected in reports of usage provided by DSPs. The MLC will conduct extensive outreach and communication ahead of any such distribution, to ensure that rightsholders are aware and prepared for that final statutorily prescribed process to take place.

Financial Summary

(In Thousands)

2023 Operating Expenditures

Personnel Costs	\$ 14,134
Information Technology	11,363
Professional Fees	4,113
Outreach, Education, Communication & Events	2,108
Rent	560
Insurance	580
Computer Equipment & Office Expenses	380
Moved to Future Budgets Due to Timing	3,938
Total 2023 Expenditures	\$ 37,176
Total 2023 Assessment	\$ 37,917
(Over)/Under	\$ 741



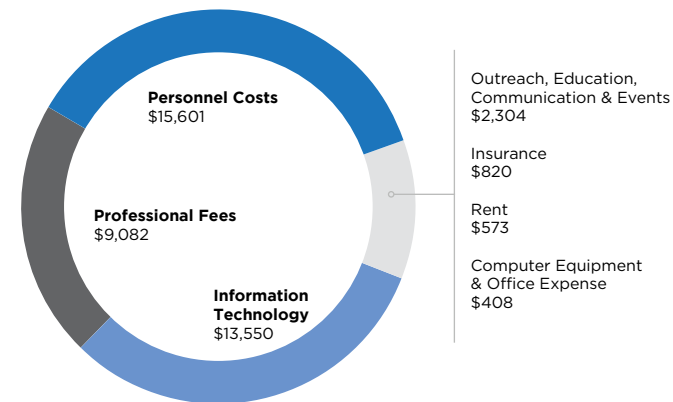
The above table reflects actuals through December 2023 and a forecast spend for post 2023 that was moved to future budgets due to timing.

The 2023 Budget was funded by the 2023 assessment of \$32,900 plus \$5,018 in uncommitted funds from prior years.

The MLC is using the remaining uncommitted funds towards an operating cashflow reserve for liquidity purposes.

2024 Budget

Personnel Costs	\$ 15,601
Information Technology	13,550
Professional Fees	9,082
Outreach, Education, Communication & Events	2,304
Insurance	820
Rent	573
Computer Equipment & Office Expenses	408
Total 2024 Budget	\$ 42,338



The 2024 Budget will be funded by the 2024 assessment of \$39,050 plus \$3,288 carried forward from the 2023 Budget due to timing.

For further details about The MLC's financial information please refer to the enclosed Appendix.

Leadership Team

Andrew Mitchell
Chief of Analytics and Automation

Dae Bogan
Head of Third-Party Partnerships

Ellen Truley
Chief Marketing and External Affairs Officer

Ilene Weintraub
Chief Financial Officer

Indi Chawla
Head of International Relations

Joya Carmichael
Chief Administrative Officer

Kris Ahrend
Chief Executive Officer

Leigh McCorkle
Chief People Officer

Lindsey Major
Chief Member Experience Officer

Maurice Russell
Head of Rights Management

Monique Benjamin
Head of Member Finance

Richard Thompson
Chief Technology Officer

Rick Marshall
General Counsel

Serona Elton
Head of Educational Partnerships

Board of Directors

Alisa Coleman
ABKCO Music & Records

Bart Herbison*
Nashville Songwriters Assoc. Intl.

Bob Bruderman
Kobalt Music

Claire McAuley
Warner Chappell Music

Danielle Aguirre*
National Music Publishers' Association

David Kokakis
Universal Music Publishing Group

Graham Davies*
The Digital Media Association (DiMA)

Jeff Brabec
BMG

Kara DioGuardi
Songwriter

Kevin Kadish
Songwriter

Michael Abitbol
Sony Music Publishing

Mike Molinar
Big Machine Music

Oak Felder
Songwriter

Rell Lafargue
Reservoir

Scott Cutler
Pulse Music Group

Tim Cohan
Peermusic

Troy Verges
Songwriter

* Nonvoting Board Member

Advisory Committees

Unclaimed Royalties Oversight Committee

Ben Glover (Songwriter)
Bruce Wayne (Songwriter)
Dale Esworthy (Sony Music Publishing)
Dan Navarro (Songwriter)
Erika Nuri Taylor (Songwriter)
Frank Liwall (The Royalty Network)
Kathryn Ostien (TRO Essex Music Group)
Kay Hanley (Songwriter)
Michael Eames (PEN Music Group)
Patrick Curley (Third Side Music)

Dispute Resolution Committee

Aimée Allen (Songwriter)
Amanda Green (Songwriter)
Consuelo Sayago (Spirit Music Group)
David Quiñones (Songwriter)
Ed Leonard (Daywind)
Gary Burr (Songwriter)
Jason Rys (Wixen Music)
Jennifer Schott (Songwriter)
Matthew Skiba (Vydia)
Sean McGraw (Downtown)

Operations Advisory Committee

Alan Jennings (Amazon)
Alex Winck (Pandora)
Ana Ruiz (Drive Music Publishing)
Brandon Shevin (Beatport)
Ed Arrow (Universal Music Publishing Group)
Eric Scott (BMG)
Jen Rosen (Google)
Josephine Speranza (Spotify)
Lidia Kim (Concord)
Michael Lau (Laud Music)
Robert Brode (Apple)
Scott Farrant (Kobalt Music)

Board and Advisory Committee Lists are as of 06/1/2024



We strive for **EXCELLENCE**

We set clear standards for our team. We measure our performance regularly. We value collaboration, innovation, and continuous improvement. By doing so, we will lead and shape the future of the music industry.

We embrace **DIVERSITY**

We are passionate about building a diverse and inclusive team of people with different backgrounds, views, and experiences. We know this makes our team stronger and better enables us to serve the needs of our diverse Membership.

We are committed to **TRANSPARENCY**

By approaching our work with integrity, communicating honestly, and welcoming feedback, we will build and maintain the trust of those we serve.

SERVICE is at the heart of everything we do

We approach each interaction with enthusiasm and empathy. We define success one person at a time. We recognize that each of our Members is unique.

THE MLC

**MECHANICAL
LICENSING
COLLECTIVE**

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Suite 200
Nashville, TN 37203
629-240-8400
themlc.com



MECHANICAL
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APPENDIX TO THE
2023 ANNUAL REPORT



Appendix to the 2023 Annual Report

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(A) Operations and Licensing (37 C.F.R. § 210.33(b)(1))

(1) The MLC's current structure and organization

The MLC has over 140 team members, most of whom are based in Nashville, Tennessee, where The MLC is headquartered. The corporate structure comprises 15 functional teams, each led by a member of The MLC's Leadership Council, which is chaired by the CEO. See Attachment A for The MLC's most current Staffing Chart.

(2) The MLC's major departments, groups, and other subdivisions

Administration: The Administration team coordinates and manages The MLC's end-to-end royalty distribution process and leads various process documentation and improvement initiatives for the company. Joya Carmichael serves as The MLC's Chief Administrative Officer.

Analytics & Automation: The Analytics and Automation team oversees the design and implementation of business intelligence reporting, develops strategies and tools for analyzing reporting data, and manages the manual sound recording and musical works matching processes (including the Matching Team). Andrew Mitchell serves as The MLC's Chief Analytics & Automation Officer.

CEO: The CEO sets the vision for The MLC's operations, chairs The MLC's Leadership Council, and leads the organization's overall effort to fulfill its mission and mandate set forth in the Music Modernization Act and its implementing regulations. Kris Ahrend serves as The MLC's Chief Executive Officer.

DSP Relations: The DSP Relations team provides direct support to more than 50 Digital Music Providers (DMPs or DSPs) that operate under the license described in 17 U.S.C. §115. The DSP Relations team engages with blanket licensees and significant nonblanket licensees to encourage and support timely reporting, facilitates the onboarding process for prospective licensees, and provides resources to assist all DMPs in fulfilling their statutory and regulatory obligations. The team is comprised of members of the Administration, Analytics & Automation, Finance, Legal, and Technology teams.

Educational Partnerships: The Educational Partnerships team creates educational materials for The MLC's members and prospective members and leads The MLC's efforts to engage current and future members and music industry professionals who attend or work at colleges and universities around the world. Serona Elton serves as The MLC's Head of Educational Partnerships.

Finance: The Finance team manages accounting, finance, royalty finance, treasury, tax, budgeting, and reporting. Additionally, this team oversees all corporate and royalty accounting-related activities and aligns all financial decisions to the overarching strategies and goals of the organization. Ilene Weintraub serves as The MLC's Chief Financial Officer.

Human Resources: The Human Resources team develops and manages all aspects of The MLC's human resources strategies and manages the day-to-day operations of The MLC's office in Nashville. Leigh McCorkle serves as The MLC's Chief People Officer.

International Relations: The International Relations team leads The MLC's outreach and educational activities aimed at collective management organizations (CMOs), music publishers, self-administrated songwriters and other rightsholders based outside the United

States who are entitled to receive mechanical royalties for musical works used on services that operate under the blanket license. Indi Chawla serves as The MLC's Head of International Relations.

Legal: The Legal team manages the organization's legal matters, including compliance with the obligations set forth in the Music Modernization Act and its implementing regulations. Rick Marshall serves as The MLC's General Counsel.

Marketing & External Affairs: The Marketing and External Affairs team develops and executes all The MLC's marketing campaigns, outreach and education, brand strategy, digital initiatives, advertising, and public relations, with the aim of engaging both current and prospective members of The MLC and members of the music industry at large. Ellen Truley serves as The MLC's Chief Marketing & External Affairs Officer.

Member Experience: The Member Experience team is responsible for designing, implementing, and delivering world class experiences to The MLC's diverse and growing Membership. Lindsey Major serves as The MLC's Chief Member Experience Officer.

Member Finance: The Member Finance team leads The MLC's efforts to ensure Members receive payable royalties, including The MLC's Missing Member outreach initiative. Monique Benjamin serves as The MLC's Head of Member Finance.

Rights Management: The Rights Management team leads the organization's rights management functions. This area includes The MLC's Publisher Relations team, which provides recurring and individual support to more than 150 music publisher and administrator Members. Maurice Russell serves as The MLC's Head of Rights Management.

Technology: The Technology team leads the development, launch, and management of The MLC's technology and data systems and tools, including The MLC's publicly accessible musical works database, The MLC's Portal for Members, and the systems and tools The MLC uses to manage its usage processing and royalty distribution process. Richard Thompson serves as The MLC's Chief Technology Officer.

Third-Party Partnerships: The Third-Party Partnership team leads the organization's efforts to engage third-party entities throughout the music and technology industries who seek to serve the needs of music publishers, administrators, self-administered songwriters, and others in the music industry who interact with those categories of individuals. This engagement supports initiatives in rights administration, data management, operations, and Membership services. Dae Bogan serves as The MLC's Head of Third-Party Partnerships.

(3) Major policies, practices, and procedures

Conflict of Interest Policy: This policy is an internal policy establishing guidelines for managing actual, potential, or perceived conflicts of interest. The policy applies to all members of The MLC's Board of Directors (the "Board"), members of The MLC's advisory committees, employees and subcontractors. A copy of this policy (which has not been amended to date) is available to the public on The MLC's website.¹

¹ The Conflicts of Interest Policy is available on the "Governance and Bylaws" page of The MLC's website. See The MLC, *Governance and Bylaws*, <https://www.themlc.com/governance>.

Guidelines for Adjustments: These guidelines outline the procedures The MLC follows when processing adjustments to royalties. A copy of the Guidelines (which has not been amended to date) is available on The MLC’s website.²

Investment Policy: This policy covers The MLC’s management of royalty funds, setting forth objectives and strategies to govern the management of these funds, and containing an anti-comingling policy as referenced in 17 U.S.C. §115(d)(3)(D)(ix)(I)(cc). The MLC has separate policy documents for unmatched royalties under the MMA (which are governed by particular statutory investment requirements and handled under the “Investment Policy Statement”) and other royalties pending distribution (which are handled under the “Cash Management Policy Statement”). Copies of both the “Investment Policy Statement” and the “Cash Management Policy Statement” are available on The MLC’s website.³ These policy documents were initially approved by the Board in January 2021, following consideration and discussion with The MLC’s fee-based financial advisory firm. In May 2021, the Board approved a minor amendment to address the holding of limited amounts of royalty funds in accounts with banks that agree to guarantee the statutory interest requirement. Because the original policy documents contained information regarding the specific investments recommended by The MLC’s fee-based financial advisory firm, The MLC concluded that it would have been inappropriate to disclose these specific recommendations in a public document and published only non-confidential aspects of the policies in prior Annual Reports.⁴ In March 2024, the Board amended these policy documents to remove the information regarding The MLC’s specific investments so that it could publish the full copies of each document.

Musical Work Ownership Dispute Policy: This policy outlines the procedures The MLC follows when processing royalties for musical works subject to ownership claims or disputes between or among copyright owners. A copy of this policy (which has not been amended to date) is available to the public on The MLC’s website.⁵

Statutory Terminations Policy: The MLC suspended its former Statutory Termination Policy⁶ in October 2022 pending the outcome of the rulemaking proceeding initiated by the U.S. Copyright Office in its Notice of Proposed Rulemaking published on October 25, 2022.⁷ The MLC is holding all royalties correlated with musical works that are subject to statutory termination claims beginning with the royalties for the October 2022 usage period, which

² The Guidelines for Adjustments are available on the “Blanket Royalty Distributions” page of The MLC’s website. See The MLC, *Blanket Royalty Distributions*, <https://www.themlc.com/blanket-payments>.

³ The Investment Policy Statement and Cash Management Policy Statement are available on the “Governance and Bylaws” page of The MLC’s website. See The MLC, *Governance and Bylaws*, <https://www.themlc.com/governance>.

⁴ See The MLC, *Governance and Bylaws, 2021 Annual Report, Appendix at 4 (2021) and 2022 Annual Report, Appendix at 5 (2022)*, <https://www.themlc.com/governance>.

⁵ The Musical Work Ownership Dispute Policy is available on the “Dispute Policies” page of The MLC’s website. See The MLC, *Dispute Policies*, <https://www.themlc.com/dispute-policy>.

⁶ The former Statutory Termination Policy outlined procedures The MLC used to: (a) analyze notices of statutory termination claims received from rightsholders; and (b) determine how to administer royalties for works and shares of works subject to statutory termination claims or disputes. Copies of this former policy are available on the “Dispute Policies” page of The MLC’s website. See The MLC, *Dispute Policies*, <https://www.themlc.com/dispute-policy>.

⁷ See U.S. Copyright Office, Notice of Proposed Rulemaking, Termination Rights and the Music Modernization Act’s Blanket License, 87 Fed. Reg. 64405 (Oct. 25, 2022).

would have been initially distributed in January 2023, except where one of the following conditions apply: (1) there is no dispute between the applicable claimants (meaning there is no disagreement about the credibility of the claim and how/to whom the royalties should be distributed); (2) an agreement is signed by all claimants directing The MLC to pay royalties for the work(s) concerned to one of the parties; or (3) there is a court order that directs the payment of royalties for the work(s) concerned to one of the parties. The total amount held as of March 2024 is \$6,456,208.52. When the Office completes its pending rulemaking concerning statutory terminations⁸ and issues its rule governing the treatment of such claims, The MLC will implement that rule and begin distributing royalties subject to such claims in accordance with the Office's rule.

(4) DMP compliance and enforcement-related activities

(a) Specific compliance and enforcement-related activities

(i) Notices of Rejection

In 2023, The MLC issued written notices of rejection under 17 U.S.C. § 115(d)(2)(A)(ii) in response to notices of license filed by the following DMPs: America's Music School LLC, Audify Plus LLC, CryptoCrewz (USA) Inc., DigiTrax Entertainment Inc., Matiazh Artemii Vladimirovich, Soundwaves Recording LLC, TTFM Labs Incorporated a/k/a Turntable LIVE, and Yamaha Corporation of America. All notices of rejection are available via the searchable DSP Notices index on The MLC's website.⁹

(ii) Notices of Default

The MLC issued written notices of default pursuant to 17 U.S.C. § 115(d)(4)(E)(ii)(I) ("Notices of Default") to the following DMPs, after which the defaults at issue were remedied and there was no termination of the blanket license:

FanLabel, LLC: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

M&M Media, Inc d/b/a Trebel: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(II) for failure to make required monthly royalty payments and pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

Music Health Pty Ltd d/b/a Vera: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

Napster Group PLC: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(II) for failure to make required monthly royalty payments and pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

Ori Music: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

⁸ See U.S. Copyright Office, Supplemental Notice of Proposed Rulemaking, Termination Rights, Royalty Distributions, Ownership Transfers, Disputes, and the Music Modernization Act, 88 Fed. Reg. 65908 (Sept. 26, 2023).

⁹ See The MLC, *DSP Notices*, <https://www.themlc.com/dsp-notices>.

Saavn Media Limited d/b/a Jiosaavn: Notice sent pursuant to 17 U.S.C. §115(d)(4)(i)(II) for failure to make required monthly royalty payments.

SIKI Holding Corp: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(i)(I) for failure to provide required monthly reports of usage.

Slacker, Inc d/b/a LiveOne, (formerly LiveXLive): Notice sent pursuant to 17 U.S.C. § 115(d)(4)(i)(I) for failure to provide required monthly reports of usage.

Transnet Music Limited d/b/a Boomplay: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(II) for failure to make required monthly royalty payments and pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

Traxsource, Inc.: Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

Universal Business Team LLC d/b/a Mast Global (TroveMobile): Notice sent pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(II) for failure to make required monthly royalty payments and pursuant to 17 U.S.C. § 115(d)(4)(E)(i)(IV) for failure to pay the required administrative assessment payment.

(iii) Notices of Default and Termination

The MLC issued Notices of Default to the following DMPs, after which the defaults were not remedied and a Notice of Termination issued:

Artist Technology Group d/b/a Panthr Music: Blanket license terminated pursuant to 17 U.S.C. § 115(d)(4)(E)(ii)(II) for failure to provide required monthly reports of usage and failure to pay the required administrative assessment payments.

Emusic.com Inc.: Blanket license terminated pursuant to 17 U.S.C. § 115(d)(4)(E)(ii)(II) for failure to provide required monthly reports of usage and failure to pay the required administrative assessment payments.

(b) General compliance and enforcement-related activities

As part of its compliance and enforcement efforts, The MLC's DSP Relations team engages with DMPs daily to encourage and support timely usage reporting and fulfillment of payment obligations. The structure for DMP engagement includes direct lines of communication between multiple teams within The MLC and their respective counterparts at each DMP, as well as direct and recurring communication between leaders of The MLC and the Digital Licensee Coordinator (DLC). When The MLC receives a Notice of License, the DSP Relations team engages directly with each blanket license applicant and reviews each incoming Notice of License. In addition, the DSP Relations team investigates, clarifies, or resolves any monthly reporting discrepancies or other issues as and when they arise; sends coordinated notices and reminders to DMPs regarding all applicable regulatory obligations; sends escalating notices to appropriate contacts within DMPs and/or to the DLC as appropriate; and sends quarterly requests for information as permitted under 37 C.F.R. § 210.27(m) to help ensure and confirm reporting accuracy.

(5) How The MLC measures and tracks the level of success of its operations

(a) Key performance metrics for 2023

Blanket Royalties Distributed: The MLC completed all 12 monthly royalty distributions on time or early. The MLC distributed \$834,847,714.52 in royalties related to 2023, 2022 and 2021 Usage (\$791,205,576.96 in royalties related to 2023 Usage, \$28,452,365.78 in royalties related to 2022 Usage, and \$15,189,771.78 in royalties related to 2021 Usage). The MLC also designated \$2,804,751.78 in matched royalties for distribution when adjustments are processed (\$1,140,521.51 in royalties related to 2023 Usage, \$980,677.20 in royalties related to 2022 Usage, and \$683,553.07 in royalties related to 2021 Usage).¹⁰

Musical Works Registered: As of December 31, 2023, The MLC's database contained data for more than 34,900,000 musical works, which represented an approximate 18% increase in musical works since January 1, 2023. In 2023 alone, The MLC processed more than 7,800,000 new musical work registrations.

Digital Service Providers: In 2023, over 50 DMPs operated as blanket licensees and six DMPs operated as significant nonblanket licensees.

Improvements in Match Rates: The MLC steadily increased its initial match rates for royalties distributed in 2021, 2022 and 2023. As a result of reprocessing, by March 2024, The MLC had increased the average 2021 match rate to 92.0%, the average 2022 match rate to 90.9%, and the average 2023 match rate to 88.3%.¹¹

Membership: As of December 31, 2023, The MLC had over 34,000 Members, an increase of approximately 46% in Membership compared to January 1, 2023.

Member Support: The MLC responded to more than 23,000 calls, chat inquiries, and emails in 2023 – an average of around 1,950 interactions per month and around 90 interactions per day. Members typically answer survey questions at the conclusion of an interaction and The MLC's Member Support team received a confidence score of 88% in 2023.

Webinars: The MLC hosted and/or participated in 53 webinars in 2023, reaching 1,591 attendees from more than 80 countries globally. Cumulatively, The MLC has hosted and/or participated in a total of 388 webinars since 2020. As of June 2024, The MLC's YouTube channel has nearly 148,000 subscribers and is home to over 180 educational videos and archived webinars including ten videos in French and Spanish.¹² As of June 2024, the videos had over 1.9 million views.

In-Person Education: The MLC hosted, sponsored, and/or attended 142 in-person events in 13 states and several countries.

Educator and Student Ambassadors: The MLC Educator Ambassadors are professional educators within the music business community committed to helping educate their campuses and communities about The MLC's mission.¹³ In 2023, The MLC added 14 MLC Educator Ambassadors, bringing the cumulative total of Educator Ambassadors to 36. The MLC also

¹⁰ See Section F for a detailed summary of royalty receipts and payments as of March 2024.

¹¹ See Section A(5)(b) for breakdown of monthly match and distribution rates.

¹² The MLC's YouTube channel is available at: <https://www.youtube.com/@TheMLC>

¹³ Information about Educator and Student Ambassadors is available on The MLC's website. See *The MLC, Educational Partnerships*, <https://www.themlc.com/educators>.

continued the Student Ambassador Program, which had 37 Student Ambassadors by the end of 2023. These Student Ambassadors are college students that have volunteered to help educate songwriters, composers, and lyricists in their local communities about The MLC's mission. The MLC's Head of Educational Partnerships reviews all applications to each program to confirm eligibility and coordinate Ambassador programs and activities.

Educator Toolkits: Educator Toolkits are packages of materials designed for high school or college educators to use when educating students about The MLC during their music business, songwriting, or music composition courses.¹⁴ As of December 31, 2023, The MLC had distributed a cumulative total of 179 Educator Toolkits across 110 academic institutions.

Outreach and Engagement: As of June 1, 2024, The MLC had more than 183,500 followers across all its social networks. The MLC has two newsletters: one for Members, and one for the music industry at large. The Member Newsletter is sent to over 33,000 individuals monthly. The music industry newsletter, known as The Quarter Note, is sent to approximately 7,900 individuals quarterly. After direct distribution, newsletters are posted on The MLC's website.¹⁵

¹⁴ *Id.*

¹⁵ See *The MLC*, Newsletters, <https://www.themlc.com/newsletters>.

(b) Initial match rates (initial processing) and current match rates (post-reprocessing)

Match Rates:

2021 Usage (as of March 2024)

Usage Month	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	AVERAGE
Original Match Rate	79.5%	82.3%	82.8%	83.3%	82.9%	83.3%	83.7%	83.5%	83.4%	83.5%	84.2%	84.5%	83.1%
Current Match Rate	91.4%	91.8%	92.1%	92.4%	92.4%	92.4%	92.4%	92.1%	92.1%	92.0%	91.6%	91.4%	92.0%

2022 Usage (as of March 2024)

Usage Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	AVERAGE
Original Match Rate	84.9%	85.2%	85.2%	85.2%	85.4%	85.0%	85.1%	84.6%	84.3%	84.6%	84.9%	84.6%	84.9%
Current Match Rate	91.7%	91.6%	91.5%	91.2%	91.2%	91.1%	91.2%	90.8%	90.5%	90.5%	90.1%	89.9%	90.9%

2023 Usage (as of March 2024)

Usage Month	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	AVERAGE
Original Match Rate	85.2%	84.8%	84.9%	87.0%	85.6%	84.9%	85.5%	85.3%	85.2%	84.9%	85.1%	85.2%	85.3%
Current Match Rate	89.5%	89.1%	88.9%	89.9%	89.2%	88.9%	88.9%	88.3%	87.8%	87.2%	86.4%	85.2%	88.3%

Match Rate Calculation: The MLC’s match rate calculation is measured monthly and stated as a percentage. For the match rate calculation, the numerator is the total amount of royalties matched to musical works registered in The MLC’s musical works database (*i.e.*, total amount of royalties reported less unmatched royalties).¹⁶ The denominator is the total amount of royalties reported by DMPs for an applicable monthly period, which includes royalties for works embodied in both matched and unmatched sound recording uses.¹⁷

Match rates have improved over time due to *reprocessing*, which consists of The MLC repeating the process described in the following “Matching Methodology” section (directly below).

Section F (Royalty Receipts and Payments) includes three sets of royalty figures: (1) royalty figures related to DMP usage that occurred January 2023 through December 2023 (“2023 Usage”) and corresponding royalty distributions that occurred April 2023 through March 2024 as well as royalties distributed as a result of reprocessing 2023 Usage through March 2024; (2) royalty figures related to DMP usage that occurred January 2022 through December 2022 (“2022 Usage”) and corresponding royalty distributions that occurred April 2022 through March 2023 as well as royalties distributed as a result of reprocessing 2022 Usage through March 2024; and (3) royalty figures related to DMP usage that occurred January 2021 through December 2021 (“2021 Usage”), including corresponding royalty distributions that occurred April 2021 through March 2022 as well as royalties distributed as a result of

¹⁶ See Section F(1)(a) for total amount of royalties reported; see Section F(1)(f)(i)(1) for unmatched royalties.

¹⁷ See Section F(1)(a).

reprocessing 2021 Usage through March 2024.¹⁸ These royalty amounts are the basis for calculating the Match Rates as of March 2024.

Matching Methodology: The MLC’s methodology for matching sound recordings to musical works consists of a sophisticated, multilayered process. The MLC’s methodology involves first employing the automated use of elastic search technology provided by one or more of The MLC’s matching vendors to pair sound recording information received from DSPs to musical work information in The MLC’s musical works database. Next, any sound recordings not matched via the automated process are candidates to be reviewed by The MLC’s Matching Team,¹⁹ which utilizes custom-built technology and public resources to research missing data elements and make manual matches. This manual step includes a quality-assurance process where selected Matching Team personnel cross-check matches made by the larger team to ensure accuracy. After the manual matching and quality assurance processes are conducted, The MLC then makes unmatched sound recording information available in its Matching Tool, to allow Members to search for and identify sound recordings and independently propose matches.²⁰ The Matching Team then manually verifies the accuracy of each Member-proposed match.

The MLC also regularly reruns unmatched uses against subsequent monthly snapshots to incorporate newly submitted registration data, to see if such new data (and/or additional reviews by The MLC) can help make any new matches. This monthly iteration is called “reprocessing,” and as described below, The MLC’s implementation of reprocessing has improved the matching and distribution rates over time. Reprocessing also increases the accuracy of The MLC’s matching methodology by harnessing later obtained information for application to prior unmatched uses.

The MLC continues to invest time and resources into improving the functionality and accuracy of its matching and claiming tools. For example, in December 2023, The MLC announced that it had created a Supplemental Matching Network to enhance and complement The MLC’s existing matching processes and capabilities. The Supplemental Matching Network currently consists of a network of five vendors that employ complementary technologies to supplement The MLC’s internal matching capabilities.²¹ The MLC structured the network so that it can add or replace vendors as necessary.

¹⁸ See Section A(5)(b) for a detailed explanation of reprocessing; see Section B(1) for a schedule of monthly royalty distributions.

¹⁹ See Section H for more information about The MLC’s Matching Team.

²⁰ See Section H(1)(c) for more information about The MLC’s Matching Tool.

²¹ The entities comprising the Supplemental Matching Network are discussed in detail in Section (J)(1).

Distribution Rates:

2021 Usage (as of March 2024)

Usage Month	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	AVERAGE
Original Distribution Rate	69.4%	71.8%	72.1%	72.9%	73.0%	73.2%	73.4%	73.7%	73.0%	73.5%	74.3%	75.1%	73.0%
Current Distribution Rate	84.1%	84.7%	85.0%	85.1%	85.0%	85.1%	84.9%	84.7%	84.8%	84.1%	84.6%	84.4%	84.7%

2022 Usage (as of March 2024)

Usage Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	AVERAGE
Original Distribution Rate	74.9%	75.4%	75.5%	75.1%	75.7%	75.6%	75.6%	74.9%	74.7%	74.3%	74.6%	73.5%	75.0%
Current Distribution Rate	84.2%	84.1%	84.0%	83.4%	83.5%	83.5%	83.5%	83.0%	82.6%	82.0%	81.4%	80.8%	83.0%

2023 Usage (as of March 2024)

Usage Month	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	AVERAGE
Original Distribution Rate	75.0%	74.8%	74.9%	76.4%	75.5%	74.6%	75.2%	75.1%	74.6%	74.1%	74.2%	74.6%	74.9%
Current Distribution Rate	80.7%	80.3%	80.1%	80.7%	79.9%	79.2%	78.8%	78.7%	78.0%	77.0%	76.2%	74.6%	78.7%

Distribution Rate Calculation: The MLC’s distribution rate calculation is stated as a percentage. For the distribution rate calculation, the numerator is the total royalty amounts matched (i.e., total amount of royalties reported²² less unmatched royalties²³ less any royalty amounts matched to musical works registered in The MLC’s musical works database that The MLC could not distribute due to unclaimed works or works held²⁴). The denominator for the distribution rate calculation is the total amount of royalties reported by DMPs for an applicable period, which includes royalties for works embodied in both matched and unmatched sound recording uses.²⁵

Similar to match rates, distribution rates have improved over time due to reprocessing. As noted above, the royalty figures provided in Section F relate to 2021 Usage, 2022 Usage, and 2023 Usage. These royalty amounts are the basis for calculating the Distribution Rates as of March 2024.

²² See Section F(1)(a).

²³ See Section F(1)(f)(i)(1).

²⁴ See Section F(1)(f)(i)(2), (iii).

²⁵ See Section F(1)(a).

(B) Royalty Collection and Distribution (37 C.F.R. § 210.33(b)(2))

(1) Monthly Royalty Distribution Schedule

Usage Month	Distribution Date	Distribution Day (in 75-day Cycle)
Jan-23	Apr 14, 2023	73
Feb-23	May 12, 2023	73
Mar-23	Jun 14, 2023	75
Apr-23	Jul 14, 2023	75
May-23	Aug 14, 2023	75
Jun-23	Sep 13, 2023	75
Jul-23	Oct 13, 2023	74
Aug-23	Nov 14, 2023	75
Sep-23	Dec 14, 2023	75
Oct-23	Jan 12, 2024	73
Nov-23	Feb 13, 2024	75
Dec-23	Mar 15, 2024	75

(2) The MLC's average processing times for distributing royalties

The MLC processes and distributes royalties monthly. The MLC's monthly distribution process operates on a 75-day cycle. Day 1 of the cycle is the day after the end of a calendar month for which usage is reported.

As described in 37 C.F.R. § 210.27(g), DMPs must either submit usage files by Day 15 (to receive an invoice for royalties due) or by Day 45 (which is when corresponding royalty payments are due). The MLC reviews all monthly usage data, confirms royalty payment amounts due (including any applicable late fees), and then distributes royalties to Members within a 30-day window after the DMP's monthly royalty payment due date (*i.e.*, on or before Day 75). Because royalty payment distributions are made monthly, The MLC regularly manages two or three overlapping monthly distribution cycles simultaneously.

In 2023, The MLC made 12 timely distributions of monthly royalties, all on time or early (*i.e.*, before the end of the 75-day cycle). With their monthly royalty distributions, Members receive a distribution summary document that identifies which licensees' royalty payments are included in the distribution as well as which licensees did not have royalty payments included in the distribution. Members also receive a document that summarizes the distribution status of historical unmatched royalties and the Royalty Statement Certification required by 37 C.F.R. §210.29(g).

(C) Budgeting and Expenditures (37 C.F.R. § 210.33(b)(3))

(1) The MLC’s financial and accounting policies and practices

The MLC prepares financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. The MLC has engaged a qualified auditor consistent with responsible corporate practices and in fulfillment of the audit requirements in 17 U.S.C. § 115(d)(3)(D)(ix)(II)(aa)²⁶

(2) Voluntary contributions The MLC received prior to 2023, as described in 17 U.S.C. § 115(d)(7)(B)

The MLC did not receive voluntary contributions as described in 17 U.S.C. § 115(d)(7)(B).

(3) Fees The MLC charged for bulk, machine-readable access to its musical works database

The MLC charged a total of \$29,225.00 in fees for access to its Bulk Database Feed in 2023. Of this total, The MLC received \$27,844.84, with the remaining \$1,380.16 applied to payment processing fees. The fee for initial access to the Bulk Database Feed is \$100 (this fee includes a set-up charge and one month of access) and the fee for continued access is \$25 per month.

(D) Collective Total Costs (37 C.F.R. § 210.33(b)(4))

(1) The MLC’s Collective Total Costs (defined in 17 U.S.C. § 115(e)(6))

(a) Annual expenditures applied against each assessment

Annual Expenditures Applied Against Each Assessment (in U.S. dollars)										
Year	Total Assessed	2019-2020	2021	2022	2023	2024	2024+ (onward)	Total Spend	Interest	Operating Cashflow Reserve
Start-Up	33,500,000	24,439,633	4,453,696	2,569,502	1,005,646		944,279	33,412,756		87,244
2021	28,500,000		21,308,041	304,657	961,660	401,340	2,720,904	25,696,602		2,803,398
2022	29,355,000			25,736,846	1,637,908	1,634,538		29,009,292	223,106	568,814
2023	32,900,000				30,256,434	1,252,504	649,689	32,158,627	831,482	1,572,855
2024	39,050,000					39,050,000		39,050,000		-
	163,305,000	24,439,633	25,761,737	28,611,005	33,861,648	42,338,382	4,314,872	159,327,277	1,054,588	5,032,311

²⁶ The first such audit was completed in 2023, and the audit report is available on The MLC’s website. See The MLC, *Governance and Bylaws*, <https://www.themlc.com/governance> (providing link to “Auditor Letter to Board re MMA Audit Provision (115(d)(3)(D)(ix)(II))”).

(b) Collective Total Costs for 2023

2023 Operating Expenditures Applied Against All Assessments	
Personnel Costs	\$ 14,134,395
Information Technology ²⁷	\$ 11,719,147
Professional Fees	\$ 4,131,934
Outreach, Education, Communication & Events	\$ 2,107,657
Rent	\$ 753,634
Insurance	\$ 580,007
Computer Equipment & Office Expenses	\$ 434,874
Total 2023 Expenditures	\$ 33,861,648

(2) Discrepancies between The MLC’s Collective Total Costs and The MLC’s total budget for 2023

There are no significant discrepancies between The MLC’s Collective Total Costs and The MLC’s total budget for 2023.

(3) The MLC’s policies and practices with respect to distinguishing its Collective Total Costs from any added costs incurred by The MLC to provide services under voluntary licenses

The MLC did not provide services under voluntary licenses.

(4) Administrative Fee Ratios

The MLC does not deduct any administrative fee from royalties distributed. The MLC publishes administrative fee ratios (“Fee Ratios”) to both allow the public to track its efficiency over time and to allow for easier benchmarking and comparison. Fee Ratios are calculated by dividing the respective administrative assessment for the calendar year by royalty metrics, with the metric most relevant for comparison with industry benchmarks being total royalty pools reported to The MLC.

Description	2023 Total
2023 Administrative Assessment	\$ 32,900,000.00

Description	2023 Total	Fee Ratio
Royalties Reported	\$ 1,072,673,012.41	3.07%
Royalties Distributed and Royalties Matched to VLs	\$ 887,558,604.14	3.71%
Royalties Distributed	\$ 834,847,714.52	3.94%

²⁷ Information Technology includes vendor costs as “vendor” is defined in 37 C.F.R § 210.33(b)(10).

The Fee Ratio has decreased year-over-year since 2021. The following table compares the Fee Ratios, based on total royalty pools reported to The MLC, for the years 2021 through 2023:

Calendar Year	Administrative Assessment	Total Royalties Reported To The MLC	Fee Ratio
2021	\$ 28,500,000	\$ 637,991,531	4.23%
2022	\$ 29,355,000	\$ 738,498,735	3.97%
2023	\$ 32,900,000	\$ 1,072,673,012	3.07%

(E) Projected Annual MLC Budget (37 C.F.R. § 210.33(b)(5))

(1) The MLC’s projected annual budget (as defined in 17 U.S.C. § 115(e)(19)) for 2024

The MLC’s 2024 Budget will be funded by the 2024 assessment of \$39,050,000 and remaining funds from prior assessments of \$3,288,382.

2024 Budget	
Personnel Costs	\$ 15,600,753
Information Technology ²⁸	\$ 13,549,599
Professional Fees	\$ 9,082,496
Outreach, Education, Communication & Events	\$ 2,304,000
Insurance	\$ 820,000
Rent	\$ 573,125
Computer Equipment & Office Expenses	\$ 408,409
2024 Budget	\$ 42,338,382

(F) Royalty Receipts and Payments (37 C.F.R. § 210.33(b)(6)) related to usage by DMPs

This Section F includes three sets of royalty figures: (1) royalty figures related to 2023 Usage and corresponding royalty distributions that occurred April 2023 through March 2024 as well as royalties distributed as a result of reprocessing 2023 Usage through March 2024; (2) royalty figures related to 2022 Usage and corresponding royalty distributions that occurred April 2022 through March 2023 as well as royalties distributed as a result of reprocessing 2022 Usage through March 2024; and, (3) royalty figures related to 2021 Usage, including corresponding royalty distributions that occurred April 2021 through March 2022 as well as royalties distributed as a result of reprocessing 2021 Usage through March 2024.²⁹

Total Royalty Pools Reported/Royalties Collected: DMPs reported \$1,072,673,012.41 in royalty pools to The MLC related to 2023 Usage.³⁰ Of the amount reported, The MLC collected \$1,022,970,079.62.³¹ The difference of \$49,702,932.79 was matched to works

²⁸ Information Technology includes vendor costs as “vendor” is defined in 37 C.F.R § 210.33(b)(10).

²⁹ See Section A(5)(b) for a detailed explanation of reprocessing; see Section B(1) for a schedule of monthly royalty distributions.

³⁰ See Section (F)(1)(a).

³¹ See Section (F)(1)(c).

subject to direct voluntary license agreements (between DMPs and copyright owners).³² After reprocessing, The MLC identified an additional \$1,142,103.35 subject to direct voluntary license agreements and credited that amount to DMPs.³³ The net amount of royalties that The MLC collected related to 2023 Usage is \$1,021,827,976.27.³⁴

For 2022 Usage, after reprocessing, The MLC identified an additional \$742,094.97 related to 2022 Usage subject to direct voluntary license agreements and credited that amount to DMPs.³⁵ This reduced the amount of royalties collected related to 2022 Usage to \$698,532,611.23.³⁶

For 2021 Usage, after reprocessing, The MLC identified an additional \$1,123,758.51 related to 2021 Usage subject to direct voluntary license agreements and credited that amount to DMPs.³⁷ This reduced the amount of royalties collected related to 2021 Usage to \$572,159,631.29.³⁸

Total Royalties Distributed: The MLC collected a net amount of \$1,021,827,976.27 in royalties related to 2023 Usage.³⁹ Of the net amount collected, The MLC distributed \$791,205,576.96 in royalties and designated \$1,140,521.51 in matched royalties related to 2023 Usage for distribution when adjustments are processed.⁴⁰ Of the \$791,205,576.96 in distributed royalties, The MLC distributed \$753,822,335.95 in initial monthly distributions and an additional \$37,383,241.01 after monthly reprocessing.⁴¹

After Reprocessing, The MLC distributed an additional \$28,452,365.78 in royalties related to 2022 Usage bringing the total 2022 Usage distributed to \$568,777,759.50 and designated an additional \$980,677.20 in matched royalties related to 2021 Usage for distribution when adjustments are processed, bringing the total amount of matched royalties related to 2022 Usage designated for distribution when adjustments are processed to \$3,887,558.98.⁴²

After Reprocessing, The MLC also distributed an additional \$15,189,771.78 in royalties related to 2021 Usage bringing the total 2021 Usage distributed to \$462,643,972.65 and designated an additional \$683,553.07 in matched royalties related to 2021 Usage for distribution when adjustments are processed, bringing the total amount of matched royalties related to 2021 Usage designated for distribution when adjustments are processed to \$6,467,422.74.⁴³

Total Interest Accrued and Distributed: In accordance with 17 U.S.C. §115(d)(3)(H)(ii)(I), as of March 31, 2024, The MLC accrued a total of \$22,864,374.52 in interest on royalties held (\$5,165,036.15 in interest on royalties held related to 2023 Usage, \$8,639,853.01 in interest

³² See Section (F)(1)(b).

³³ See Section (F)(1)(d)(i).

³⁴ See Section (F)(1)(d)(ii).

³⁵ See Section (F)(1)(d)(i).

³⁶ See Section (F)(1)(d)(ii).

³⁷ See Section (F)(1)(d)(i).

³⁸ See Section (F)(1)(d)(ii).

³⁹ Id.

⁴⁰ See Section (F)(1)(e)(iii)-(iv).

⁴¹ See Section (F)(1)(e)(i).

⁴² See Section (F)(1)(e)(ii)-(iv).

⁴³ Id.

on royalties held related to 2022 Usage, and \$9,059,485.36 in interest on royalties held related to 2021 Usage).⁴⁴ As a result of reprocessing, The MLC distributed the following interest: (1) \$3,311,821.46 in the 12 distributions that occurred from April 2023 through March 2024; (2) \$769,773.82 in the 12 distributions that occurred from April 2022 through March 2023; and, (3) \$28,301.92 in the 12 distributions that occurred from April 2021 through March 2022.⁴⁵

Total Royalties Held: The MLC held \$229,481,877.80 in royalties related to 2023 Usage. The MLC holds royalties for numerous reasons including, royalties that are unmatched; royalties that are unclaimed; and royalties held from distribution pending the resolution of legal claims, ownership disputes, or other review over eligibility for payment. Of the amount held, \$126,287,028.15 is related to unmatched royalties, \$85,617,556.85 is related to unclaimed royalties, and \$17,577,292.80 is related to holds.⁴⁶

The MLC held \$125,867,292.75 in royalties related to 2022 Usage. Of the amount held, \$67,138,565.97 is related to unmatched royalties, \$52,869,858.46 is related to unclaimed royalties, and \$5,858,868.32 is related to holds. The \$125,867,292.75 represents a \$30,175,137.95 reduction in royalties held for 2022 Usage as a result of reprocessing from April 2023 to March 2024.⁴⁷

The MLC held \$103,048,235.90 in royalties related to 2021 Usage. Of the amount held, \$53,818,686.25 is related to unmatched royalties, \$47,553,749.61 is related to unclaimed royalties and, \$1,675,800.04 is related to holds. The \$103,048,235.90 represents a \$16,997,083.36 reduction in royalties held for 2021 Usage as a result of reprocessing from April 2023 to March 2024.⁴⁸

Total Royalties Undistributed: Of the \$791,205,576.96 in royalties distributed related to 2023 Usage, and the \$568,777,759.50 distributed related to 2022 Usage, and the \$462,643,972.65 distributed related to 2021 Usage, a total of \$25,854,344.51 are royalties that The MLC matched and considered eligible for distribution but were deemed undistributable for various reasons by The MLC's third-party payment processor.⁴⁹ Such reasons include royalty amounts lower than the regulatory minimum threshold, copyright holders not providing complete or correct payment information, and matched royalties held pending Member registration.

Total Historical Unmatched Royalties Distributed: As of December 2023, The MLC collected \$426,879,731.20 in historical unmatched royalties.⁵⁰ As of March 2024, The MLC distributed \$25,922,702.06 leaving \$400,957,029.41 in historical unmatched royalties.⁵¹ As a result of reprocessing, included in the remaining amount, The MLC has identified \$1,422,899.88 in royalties matched to public domain and non-musical works and

⁴⁴ See Section (F)(3)(b).

⁴⁵ See Section (F)(3)(a).

⁴⁶ See Section (F)(1)(f)(i)-(iv).

⁴⁷ Id.

⁴⁸ Id.

⁴⁹ See Section (F)(1)(f)(iv)(1).

⁵⁰ These totals do not take into account any Adjustment of a Cumulative Statement of Account filed by a DMP in 2024, pursuant to Section 37 C.F.R 210.10(k)(6)(ii)(D), in response to changes in applicable rates and terms for interactive streaming activities occurring during the Phonorecords III rate period.

⁵¹ See Section (F)(1)(f)(iv)(3)(II).

\$18,988,352.25 in royalties matched to works that are unclaimed.⁵² As explained in detail on The MLC’s website, distributed historical unmatched royalties are from periods prior to January 1, 2018.⁵³ The MLC only began distributing historical unmatched royalties from the period spanning January 1, 2018 through December 31, 2020 in April of 2024, after the Copyright Royalty Board’s Final Determination in the Phonorecords III remand proceeding was published in the Federal Register and DMPs provided corresponding adjusted reporting to The MLC pursuant to Section 37 C.F.R §210.10(k)(6)(ii)(D).⁵⁴ The MLC’s website includes a detailed, current analysis of the post-adjusted amount of historical unmatched royalties that DMPs reported and transferred to The MLC for each CRB rate period, along with interactive graphics that depict the total amount of royalties from each period, from each DMP, that The MLC has been able to match and distribute to date to copyright owners.⁵⁵ As of the date of this report’s publication The MLC has distributed more than \$111 million in matched historical royalties.

Total Historical Unmatched Interest Distributed: As of March 31, 2024, The MLC accrued a total of \$33,363,469.61 in interest on royalties held related to historical unmatched royalties. In accordance with 17 U.S.C. §115(d)(3)(H)(ii)(I), The MLC distributed a total of \$729,983.40 (\$394,904.53 from Apr 2023 to Mar 2024 and \$335,078.87 from Apr 2022 to Mar 2023) in interest on historical unmatched royalties distributed.⁵⁶

⁵² See Section (F)(1)(f)(iv)(3)(III).

⁵³ Information about historical unmatched royalties is available on The MLC’s website. See *The MLC, Historical Royalties*, <https://www.themlc.com/historical-unmatched-royalties>.

⁵⁴ Case details for the Phonorecords III remand proceeding are available on the Copyright Royalty Board’s website. See *The CRB, Case details for Phonorecords III (Remand)*, <https://app.crb.gov/case/detail/16-CRB-0003-PR%20%282018-2022%29%20%28Remand%29>.

⁵⁵ See *The MLC, Historical Royalties*, <https://www.themlc.com/historical-unmatched-royalties>.

⁵⁶ See Section (F)(3)(c)(i)-(ii).

(1) 2023 total and month-by-month royalty receipts and payment breakdowns

(a) Royalties reported by DMPs

Usage Month	Distribution Month	Amount
Jan-23	Apr-23	\$ 83,630,100.50
Feb-23	May-23	\$ 79,415,223.76
Mar-23	Jun-23	\$ 87,533,364.08
Apr-23	Jul-23	\$ 88,144,169.72
May-23	Aug-23	\$ 88,868,707.57
Jun-23	Sep-23	\$ 90,893,117.33
Jul-23	Oct-23	\$ 93,103,869.34
Aug-23	Nov-23	\$ 87,871,049.75
Sep-23	Dec-23	\$ 88,234,546.59
Oct-23	Jan-24	\$ 98,359,286.36
Nov-23	Feb-24	\$ 89,397,135.20
Dec-23	Mar-24	\$ 97,222,442.21
Royalties Reported 2023		\$ 1,072,673,012.41
Royalties Reported 2022		\$ 738,498,735.00
Royalties Reported 2021		\$ 673,991,530.65
Total Royalties Reported		\$ 2,485,163,278.06

(b) Royalties having been identified as subject to direct voluntary license agreements between DMPs and copyright owners during initial monthly processing

Usage Month	Distribution Month	Amount
Jan-23	Apr-23	\$ 3,995,528.47
Feb-23	May-23	\$ 3,978,893.44
Mar-23	Jun-23	\$ 4,670,913.29
Apr-23	Jul-23	\$ 4,035,059.68
May-23	Aug-23	\$ 4,418,140.05
Jun-23	Sep-23	\$ 4,020,214.25
Jul-23	Oct-23	\$ 4,159,587.88
Aug-23	Nov-23	\$ 3,979,839.34
Sep-23	Dec-23	\$ 4,098,397.75
Oct-23	Jan-24	\$ 4,406,388.55
Nov-23	Feb-24	\$ 3,641,644.39
Dec-23	Mar-24	\$ 4,298,325.70
Voluntary Royalties 2023		\$ 49,702,932.79
Voluntary Royalties 2022		\$ 38,217,349.75
Voluntary Royalties 2021		\$ 93,380,900.34
Total Voluntary Royalties		\$ 181,301,182.88

(c) Royalties collected from DMPs (net of royalties having been identified as subject to direct voluntary license agreements between DMPs and copyright owners during initial monthly processing)

Usage Month	Distribution Month	Amount
Jan-23	Apr-23	3 79,634,572.03
Feb-23	May-23	\$ 75,436,330.32
Mar-23	Jun-23	\$ 82,862,450.79
Apr-23	Jul-23	\$ 84,109,110.04
May-23	Aug-23	\$ 84,450,567.52
Jun-23	Sep-23	\$ 86,872,903.08
Jul-23	Oct-23	\$ 88,944,281.46
Aug-23	Nov-23	\$ 83,891,210.41
Sep-23	Dec-23	\$ 84,136,148.84
Oct-23	Jan-24	\$ 93,952,897.81
Nov-23	Feb-24	\$ 85,755,490.81
Dec-23	Mar-24	\$ 92,924,116.51
Royalties Collected 2023		\$ 1,022,970,079.62
Royalties Collected 2022		\$ 700,281,385.25
Royalties Collected 2021		\$ 580,610,630.31
Total Royalties Collected		\$ 2,303,862,095.18

(d) Royalties collected from DMPs (after reprocessing)

(i) Royalties collected from DMPs having been identified as subject to direct voluntary license agreements between DMPs and copyright owners after reprocessing

Usage (as of March 2024)

Usage Month	Amount After Reprocessing
Jan-23	\$ 119,576.00
Feb-23	\$ 130,417.14
Mar-23	\$ 151,136.85
Apr-23	\$ 99,436.50
May-23	\$ 119,791.02
Jun-23	\$ 128,282.12
Jul-23	\$ 112,376.38
Aug-23	\$ 100,338.01
Sep-23	\$ 85,989.24
Oct-23	\$ 68,901.80
Nov-23	\$ 45,052.92
Dec-23	\$ (19,194.63)
Voluntary Royalties for 2023 Usage	\$ 1,142,103.35
Voluntary Royalties for 2022 Usage	\$ 1,748,774.02
Voluntary Royalties for 2021 Usage	\$ 8,450,999.02
Total Voluntary Royalties	\$ 11,341,876.39

The following tables represent the increase in royalties having been identified as subject to direct voluntary license agreements related to 2021 and 2022 Usage as a result of reprocessing that occurred from April of 2023 through March of 2024:

Voluntary Royalties for 2021 Usage as of March 2024	\$ 8,450,999.02
Voluntary Royalties for 2021 Usage as of March 2023	\$ 7,327,240.51
Increase of Voluntary Royalties for 2021 Usage as of March 2024	\$ 1,123,758.51

Voluntary Royalties for 2022 Usage as of March 2024	\$ 1,748,774.02
Voluntary Royalties for 2022 Usage as of March 2023	\$ 1,006,679.05
Increase of Voluntary Royalties for 2022 Usage as of March 2024	\$ 742,094.97

(ii) Total Royalties collected from DMPs (after reprocessing)**Usage (as of March 2024)**

Usage Month	Amount After Reprocessing
Jan-23	\$ 79,514,996.03
Feb-23	\$ 75,305,913.18
Mar-23	\$ 82,711,313.94
Apr-23	\$ 84,009,673.54
May-23	\$ 84,330,776.50
Jun-23	\$ 86,744,620.96
Jul-23	\$ 88,831,905.08
Aug-23	\$ 83,790,872.40
Sep-23	\$ 84,050,159.60
Oct-23	\$ 93,883,996.01
Nov-23	\$ 85,710,437.89
Dec-23	\$ 92,943,311.14
Royalties Collected After Reprocessing 2023 Usage	\$ 1,021,827,976.27
Royalties Collected After Reprocessing 2022 Usage	\$ 698,532,611.23
Royalties Collected After Reprocessing 2021 Usage	\$ 572,159,631.29
Total Royalties Collected After Reprocessing	\$ 2,292,520,218.79

(e) Royalties distributed, broken down based on whether the distribution was pursuant to initial monthly processing, reprocessing, or other subsequent matching or claiming activities

(i) Royalties distributed pursuant to initial monthly processing

Usage Month	Distribution Month	Amount
Jan-23	Apr-23	\$ 58,707,671.98
Feb-23	May-23	\$ 55,379,028.14
Mar-23	Jun-23	\$ 60,870,587.26
Apr-23	Jul-23	\$ 63,290,565.41
May-23	Aug-23	\$ 62,621,362.90
Jun-23	Sep-23	\$ 63,728,520.10
Jul-23	Oct-23	\$ 65,810,874.73
Aug-23	Nov-23	\$ 61,994,023.92
Sep-23	Dec-23	\$ 61,733,708.66
Oct-23	Jan-24	\$ 68,581,534.32
Nov-23	Feb-24	\$ 62,682,037.26
Dec-23	Mar-24	\$ 68,422,421.27
Initial Royalties Distributed 2023		\$ 753,822,335.95
Initial Royalties Distributed 2022		\$ 515,210,470.28
Initial Royalties Distributed 2021		\$ 398,595,855.56
Total Initial Royalties Distributed		\$ 1,667,628,661.79

(ii) Royalties distributed pursuant to reprocessing

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 4,482,550.29
Feb-23	\$ 4,111,676.61
Mar-23	\$ 4,322,311.01
Apr-23	\$ 3,608,273.68
May-23	\$ 3,729,027.82
Jun-23	\$ 3,950,274.56
Jul-23	\$ 3,215,264.14
Aug-23	\$ 3,009,348.92
Sep-23	\$ 2,829,992.45
Oct-23	\$ 2,609,561.76
Nov-23	\$ 1,723,304.71
Dec-23	\$ (208,344.94)
2023 Usage Reprocessing Royalties Distributed	\$ 37,383,241.01
2022 Usage Reprocessing Royalties Distributed	\$ 53,567,289.22
2021 Usage Reprocessing Royalties Distributed	\$ 64,048,117.09
Total Reprocessing Royalties Distributed	\$ 154,998,647.32

The following tables represent the increase in royalties distributed related to 2021 and 2022 Usage as a result of reprocessing that occurred from April of 2023 through March of 2024:

2021 Usage Reprocessing Royalties Distributed as of March 2024	\$ 64,048,117.09
2021 Usage Reprocessing Royalties Distributed as of March 2023	\$ 48,858,345.31
Increase in 2021 Usage Royalties Distributed due to Reprocessing	\$ 15,189,771.78

2022 Usage Reprocessing Royalties Distributed as of March 2024	\$ 53,567,289.22
2022 Usage Reprocessing Royalties Distributed as of March 2023	\$ 25,114,923.44
Increase in 2022 Usage Royalties Distributed due to Reprocessing	\$ 28,452,365.78

(iii) Total Royalties distributed (initial and reprocessing)

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 63,190,222.27
Feb-23	\$ 59,490,704.75
Mar-23	\$ 65,192,898.27
Apr-23	\$ 66,898,839.09
May-23	\$ 66,350,390.72
Jun-23	\$ 67,678,794.66
Jul-23	\$ 69,026,138.87
Aug-23	\$ 65,003,372.84
Sep-23	\$ 64,563,701.11
Oct-23	\$ 71,191,096.08
Nov-23	\$ 64,405,341.97
Dec-23	\$ 68,214,076.33
2023 Usage Initial & Reprocessing Royalties Distributed	\$ 791,205,576.96
2022 Usage Initial & Reprocessing Royalties Distributed	\$ 568,777,759.50
2021 Usage Initial & Reprocessing Royalties Distributed	\$ 462,643,972.65
Initial & Reprocessing Royalties Distributed Total	\$ 1,822,627,309.11

The following tables represent the increase in royalties (initial and reprocessing) distributed related to 2021 and 2022 Usage due to reprocessing that occurred from April of 2023 through March of 2024:

2021 Usage Initial & Reprocessing Royalties Distributed as of March 2024	\$ 462,643,972.65
2021 Usage Initial & Reprocessing Royalties Distributed as of March 2023	\$ 447,454,200.87
Increase in 2021 Usage Distributed	\$ 15,189,771.78

2022 Usage Initial & Reprocessing Royalties Distributed as of March 2024	\$ 568,777,759.50
2022 Usage Initial & Reprocessing Royalties Distributed as of March 2023	\$ 540,325,393.72
Increase in 2022 Usage Distributed	\$ 28,452,365.78

(iv) Royalties matched for adjustment distribution

This category consists of certain royalties designated for distribution when adjustments are processed and includes royalties The MLC has determined are associated with uses of public domain works or non-musical works not covered by the blanket license. Royalties in this category, once distributed, raise the effective per play rate for all remaining royalty bearing uses reported for the usage month concerned.

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 230,364.04
Feb-23	\$ 165,945.98
Mar-23	\$ 109,436.34
Apr-23	\$ 102,523.69
May-23	\$ 88,626.22
Jun-23	\$ 99,655.06
Jul-23	\$ 98,923.18
Aug-23	\$ 72,201.86
Sep-23	\$ 67,786.67
Oct-23	\$ 65,739.02
Nov-23	\$ 39,319.45
Dec-23 ⁵⁷	\$ 0.00
Royalties matched for adjustment distribution 2023 Usage	\$ 1,140,521.51
Royalties matched for adjustment distribution 2022 Usage	\$ 3,887,558.98
Royalties matched for adjustment distribution 2021 Usage	\$ 6,467,422.74
Total Royalties matched for adjustment distribution	\$ 11,495,503.23

⁵⁷ The MLC has not yet calculated the royalties matched for adjustment distribution related to December 2023 Usage as of the March 2024 Distribution.

The following tables represent the increase in certain royalties matched for adjustment distribution related to 2021 and 2022 Usage as a result of reprocessing that occurred from April of 2023 through March of 2024:

Royalties matched for adjustment distribution as of March 2024	\$ 6,467,422.74
Royalties matched for adjustment distribution 2021 Usage as of March 2023	\$ 5,783,869.67
Increase in royalties matched for adjustment distribution 2021 Usage	\$ 683,553.07

Royalties matched for adjustment distribution as of March 2024	\$ 3,887,558.98
Royalties matched for adjustment distribution 2022 Usage as of March 2023	\$ 2,906,881.78
Increase in royalties matched for adjustment distribution 2022 Usage	\$ 980,677.20

(f) Royalties held

(i) Royalties held as unmatched (i.e., royalties associated with reported uses of sound recordings embodying musical works for which the copyright owners of such musical works (or shares thereof) have not been identified or located)

The charts below display the sum of the information provided in Section (F)(1)(e)(i)(1) (Royalties associated with reported uses of sound recordings that have not been matched to their underlying musical works) and Section (F)(1)(e)(i)(2) (Royalties associated with reported uses of sound recordings that have been successfully matched to their underlying musical works, but for which the copyright owners of such musical works (or shares thereof) have not yet claimed their respective shares.⁵⁸

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 14,998,569.90
Feb-23	\$ 14,586,865.55
Mar-23	\$ 16,199,053.59
Apr-23	\$ 15,614,509.63
May-23	\$ 16,363,472.81
Jun-23	\$ 17,400,271.16
Jul-23	\$ 18,184,739.18
Aug-23	\$ 17,297,100.10
Sep-23	\$ 17,862,670.67
Oct-23	\$ 21,031,924.02
Nov-23	\$ 19,685,055.97
Dec-23	\$ 22,680,352.41
Unmatched & Unclaimed Royalties Held 2023 Usage	\$ 211,904,584.99
Unmatched & Unclaimed Royalties Held 2022 Usage	\$ 120,008,424.44
Unmatched & Unclaimed Royalties Held 2021 Usage	\$ 101,372,435.86
Total Unmatched & Unclaimed Royalties Held	\$ 433,285,445.29

⁵⁸ See Section (F)(1)(f)(ii) for an explanation of The MLC's definitions and applications of "unmatched" and "unclaimed" works.

The following tables represent the decrease in royalties held as unmatched and unclaimed related to 2021 and 2022 Usage as a result of reprocessing that occurred from April of 2023 through March of 2024:

Unmatched & Unclaimed Royalties Held for 2021 Usage as of March 2023	\$ 118,182,425.27
Unmatched & Unclaimed Royalties Held for 2021 Usage as of March 2024	\$ 101,372,435.86
Decrease in 2021 Usage Held (Unmatched/Unclaimed)	\$ 16,809,989.41

Unmatched & Unclaimed Royalties Held for 2022 Usage as of March 2023	\$ 149,469,163.91
Unmatched & Unclaimed Royalties Held for 2022 Usage as of March 2024	\$ 120,008,424.44
Decrease in 2022 Usage Held (Unmatched/Unclaimed)	\$ 29,460,739.47

(1) Royalties associated with reported uses of sound recordings that have not been matched to their underlying musical works

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 8,730,596.18
Feb-23	\$ 8,668,323.24
Mar-23	\$ 9,681,770.42
Apr-23	\$ 8,895,115.99
May-23	\$ 9,633,853.27
Jun-23	\$ 10,179,752.54
Jul-23	\$ 10,306,776.23
Aug-23	\$ 10,272,150.57
Sep-23	\$ 10,751,683.17
Oct-23	\$ 12,617,169.28
Nov-23	\$ 12,162,559.19
Dec-23	\$ 14,387,278.07
Unmatched Royalties Held (Net of Reprocessing) for 2023 Usage	\$ 126,287,028.15
Unmatched Royalties Held (Net of Reprocessing) for 2022 Usage	\$ 67,138,565.97
Unmatched Royalties Held (Net of Reprocessing) for 2021 Usage	\$ 53,818,686.25
Total Unmatched Royalties Held (Net of Reprocessing)	\$ 247,244,280.37

The following tables represent the decrease in royalties held as unmatched related to 2021 and 2022 Usage as a result of reprocessing that occurred from April of 2023 through March of 2024:

Unmatched Royalties Held (Net of Reprocessing) for 2021 Usage as of March 2023	\$ 63,650,426.73
Unmatched Royalties Held (Net of Reprocessing) for 2021 Usage as of March 2024	\$ 53,818,686.25
Decrease in Royalties Held for 2021 Unmatched Usage	\$ 9,831,740.48

Unmatched Royalties Held (Net of Reprocessing) for 2022 Usage as of March 2023	\$ 87,362,345.27
Unmatched Royalties Held (Net of Reprocessing) for 2022 Usage as of March 2024	\$ 67,138,565.97
Decrease in Royalties Held for 2021 Unmatched Usage	\$ 20,223,779.30

(2) Royalties associated with reported uses of sound recordings that have been successfully matched to their underlying musical works, but for which the copyright owners of such musical works (or shares thereof) have not yet claimed their respective shares

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 6,267,973.72
Feb-23	\$ 5,918,542.31
Mar-23	\$ 6,517,283.17
Apr-23	\$ 6,719,393.63
May-23	\$ 6,729,619.55
Jun-23	\$ 7,220,518.62
Jul-23	\$ 7,877,962.95
Aug-23	\$ 7,024,949.54
Sep-23	\$ 7,110,987.50
Oct-23	\$ 8,414,754.74
Nov-23	\$ 7,522,496.77
Dec-23	\$ 8,293,074.34
Unclaimed Royalties Held (Net of Reprocessing) 2023 Usage	\$ 85,617,556.85
Unclaimed Royalties Held (Net of Reprocessing) 2022 Usage	\$ 52,869,858.46
Unclaimed Royalties Held (Net of Reprocessing) 2021 Usage	\$ 47,553,749.61
Total Unclaimed Royalties Held (Net of Reprocessing)	\$ 186,041,164.92

The following tables represent the decrease in royalties held as unclaimed related to 2021 and 2022 Usage as a result of reprocessing that occurred from April of 2023 through March of 2024:

Unclaimed Royalties Held (Net of Reprocessing) 2021 Usage as of March 2023	\$ 54,531,998.54
Unclaimed Royalties Held (Net of Reprocessing) 2021 Usage as of March 2024	\$ 47,553,749.61
Decrease in Unclaimed Royalties Held for 2021 Unclaimed Usage	\$ 6,978,248.93

Unclaimed Royalties Held (Net of Reprocessing) 2022 Usage as of March 2023	\$ 62,106,818.64
Unclaimed Royalties Held (Net of Reprocessing) 2022 Usage as of March 2024	\$ 52,869,858.46
Decrease in Unclaimed Royalties Held for 2022 Unclaimed Usage	\$ 9,236,960.18

(ii) The subset of held unmatched royalties that have been held for the statutory minimum length of time and which have become statutorily eligible for distribution by market share under 17 U.S.C. § 115(d)(3)(H)(i) and (d)(3)(J)

“Unclaimed accrued royalties” defined in 17 U.S.C. § 115(e)(34) refers specifically to royalties eligible for distribution under subsection 17 U.S.C. § 115(d)(3)(J). The MLC distinguishes between unmatched royalties and unclaimed royalties. The MLC uses the term “unmatched royalties” to refer to royalties for musical works where The MLC has not yet matched the data for a particular sound recording use (reported by DMPs) to a musical work in The MLC’s musical works database. The MLC uses the term “unclaimed royalties” to refer to royalties that it has been able to match to a musical work in its musical works database, but for which less than 100% of the ownership shares for that matched musical work have been claimed by a Member of The MLC. For example, if only 80% of a matched musical work has been claimed, the remaining 20% is unclaimed, and The MLC refers to royalties associated with that unclaimed share as “unclaimed royalties.”

As of June 2024, all historical unmatched royalties transferred to The MLC and all blanket royalties received by The MLC through June of 2021 that remain unmatched or unclaimed are considered “unclaimed accrued royalties” within the meaning of 17 U.S.C. § 115(e)(34).

As of June 2024, The MLC has not distributed any royalties by market share pursuant to 17 U.S.C. § 115(d)(3)(H)(i) and (d)(3)(J).

(iii) Royalties held as disputed (i.e., royalties that are neither unmatched nor unclaimed, but rather are held by The MLC pending resolution of a dispute or claim, including but not limited to ownership disputes, legal claims or claims related to statutory terminations)

Usage (as of March 2024)

Usage Month	Amount
Jan-23	\$ 1,095,839.82
Feb-23	\$ 1,062,396.90
Mar-23	\$ 1,209,925.74
Apr-23	\$ 1,393,801.13
May-23	\$ 1,528,286.75
Jun-23	\$ 1,565,900.09
Jul-23	\$ 1,522,103.85
Aug-23	\$ 1,418,197.60
Sep-23	\$ 1,556,001.15
Oct-23	\$ 1,595,236.88
Nov-23	\$ 1,580,720.50
Dec-23	\$ 2,048,882.40
Royalties Held as Disputed (Net of Reprocessing) 2023 Usage	\$ 17,577,292.80
Royalties Held as Disputed (Net of Reprocessing) 2022 Usage	\$ 5,858,868.32
Royalties Held as Disputed (Net of Reprocessing) 2021 Usage	\$ 1,675,800.04
Total Royalties Held as Disputed (Net of Reprocessing)	\$ 25,111,961.16

As discussed in Section A(3), The MLC is holding all royalties correlated with musical works that are subject to statutory termination claims beginning with the royalties for the October 2022 usage period, which would have been initially distributed in January 2023. The total amount held as of March 2024 is \$6,456,208.52.

The following tables represent the decrease in royalties held as disputed related to 2021 and 2022 Usage due to reprocessing that occurred from April of 2023 through March of 2024:

Royalties Held as Disputed (Net of Reprocessing) 2021 Usage as of March 2023	\$ 1,862,893.99
Royalties Held as Disputed (Net of Reprocessing) 2021 Usage as of March 2024	\$ 1,675,800.04
Decrease in 2021 Usage on Hold from 2021	\$ 187,093.95

Royalties Held as Disputed (Net of Reprocessing) 2022 Usage as of March 2023	\$ 6,573,266.79
Royalties Held as Disputed (Net of Reprocessing) 2022 Usage as of March 2024	\$ 5,858,868.32
Decrease in 2022 Usage on Hold from 2022	\$ 714,398.47

(iv) Other royalty amounts held

(1) Royalties held as undistributed (e.g., royalties owed to matched copyright owners: (1) that have not yet exceeded the minimum threshold for distribution or (2) that are being held pending registration with The MLC)

Distribution Month	Amount
Opening Balance Mar-23	\$ 17,457,593.69
Apr-23	\$ 308,828.04
May-23	\$ 1,969,790.59
Jun-23	\$ 1,828,199.39
Jul-23	\$ 1,428,981.02
Aug-23	\$ 818,185.32
Sep-23	\$ 535,817.75
Oct-23	\$ 1,416,042.87
Nov-23	\$ 619,755.49
Dec-23	\$ (2,215,934.14)
Jan-24	\$ 253,841.21
Feb-24	\$ (1,062,803.23)
Mar-24	\$ 2,496,046.51
Total Royalties Held as Undistributed	\$ 25,854,344.51

(2) Royalties held as related to Reports of Adjustment submitted by DMP's in connection with Annual Reports of Usage (ARoU) submitted in 2023 for fiscal year 2022⁵⁹

Received	Amount
Jan-23	\$ 0.00
Feb-23	\$ 0.00
Mar-23	\$ 0.00
Apr-23	\$ 0.00
May-23	\$ 0.00
Jun-23	\$ 0.00
Jul-23	\$ 696,576.67
Aug-23	\$ 0.00
Sep-23	\$ 0.00
Oct-23	\$ 0.00
Nov-23	\$ 0.00
Dec-23	\$ 0.00
Royalties Held Related to ARoU 2022	\$ 696,576.67
Royalties Held Related to ARoU 2021	\$ 8,908,583.66
Total Royalties Held Related to ARoU	\$ 9,605,160.33

⁵⁹ These totals do not take into account any Report of Adjustment Under Compulsory Blanket License for Making and Distributing Phonorecords filed by a DMP in 2024, pursuant to Section 37 C.F.R. 210.27(k)(6)(v), in response to a change in applicable rates and terms for interactive streaming activities occurring during the Phonorecords III rate period.

(3) Historical unmatched royalties held⁶⁰

(I) Historical unmatched royalties received, distributed, and remaining

Distribution Month	Amount Received	Amount Distributed
Apr-23	\$ 0.00	\$ 2,399,799.23
May-23	\$ 0.00	\$ 547,457.98
Jun-23	\$ 0.00	\$ 3,791,032.86
Jul-23	\$ 0.00	\$ 91,266.67
Aug-23 ⁶¹	\$ 0.00	\$ 0.00
Sep-23	\$ 0.00	\$ 419,643.64
Oct-23	\$ 0.00	\$ 713,226.63
Nov-23	\$ 0.00	\$ 181,659.60
Dec-23	\$ 0.00	\$ 160,484.66
Jan-24	\$ 0.00	\$ 141,067.06
Feb-24	\$ 0.00	\$ 94,038.09
Mar-24	\$ 0.00	\$ 104,093.44
2023	\$ 0.00	\$ 8,643,769.86
2022	\$ 18,233.19	\$ 17,278,932.20
2021	\$ 426,861,498.01	\$ 0.00
Total	\$ 426,879,731.20	\$ 25,922,702.06

The following table represents the remaining historical unmatched royalties as of March of 2024:

Historical Unmatched Royalties Collected	\$ 426,879,731.20
Historical Unmatched Royalties Distributed	\$ 25,922,702.06
Remaining Historical Unmatched Royalties	\$ 400,957,029.14

⁶⁰ These totals do not take into account any Adjustment of a Cumulative Statement of Account filed by a DMP in 2024, pursuant to Section 37 C.F.R 210.10(k)(6)(ii)(D), in response to changes in applicable rates and terms for interactive streaming activities occurring during the Phonorecords III rate period.

⁶¹ The MLC did not run historical unmatched reprocessing as part of the August 2023 distribution.

(II) Historical unmatched royalties identified as related to works in the public domain and non-musical works

As a result of reprocessing, included in the remaining \$400,957,029.14 of historical unmatched royalties, The MLC has identified \$1,422,899.88 in royalties matched to public domain and non-musical works.

Distribution Month	Amount
Apr-23	\$ 4,282.49
May-23	\$ 3,318.41
Jun-23	\$ 283,336.04
Jul-23	\$ 46,749.37
Aug-23 ⁶²	\$ 0.00
Sep-23	\$ 76,48.62
Oct-23	\$ 8,122.6
Nov-23	\$ 10,30.67
Dec-23	\$ 7,179.3
Jan-24	\$ 6,112.7
Feb-24	\$ 34,70.06
Mar-24	\$ 719.87
Royalties Matched to Public Domain and Non-musical Works Apr 2023 to Mar 2024	\$ \$371,970.13
Royalties Matched to Public Domain and Non-musical Works Apr 2022 to Mar 2023	\$ \$1,050,929.75
Royalties Matched to Public Domain and Non-musical Works Apr 2021 Mar 2022	\$ 0.00
Total Royalties Matched to Public Domain and Non-musical Works	\$ \$1,422,899.88

⁶² The MLC did not run historical unmatched reprocessing as part of the August 2023 distribution.

(III) Historical unmatched royalties identified as related to works that are unclaimed

As a result of reprocessing, included in the remaining \$400,957,029.14 of historical unmatched royalties, The MLC has identified \$18,988,352.35 in royalties matched to works that are unclaimed.

Distribution Month	Amount
Apr-23	\$ 3,703,239.03
May-23	\$ 4,117,176.43
Jun-23	\$ 1,420,298.15
Jul-23	\$ 28,245.37
Aug-23 ⁶³	\$ 0.00
Sep-23	\$ 188,621.16
Oct-23	\$ (682,310.77)
Nov-23	\$ (95,878.88)
Dec-23	\$ 33,047.18
Jan-24	\$ (35,131.92)
Feb-24	\$ (25,625.32)
Mar-24	\$ (21,310.99)
Royalties Matched and Unclaimed Apr 2023 to Mar 2024	\$ 8,630,369.44
Royalties Matched and Unclaimed Apr 2022 to Mar 2023	\$ 10,357,982.91
Royalties Matched and Unclaimed Apr 2021 to Mar 2022	\$ 0.00
Total Royalties Matched and Unclaimed	\$ 18,988,352.35

(2) The total amount of any royalties that were subject to an adjustment, as described in 37 C.F.R. § 210.27(k)

The MLC did not process any adjustments as described in 37 C.F.R. § 210.27(k) for royalties distributed in 2023.

⁶³ The MLC did not run historical unmatched reprocessing as part of the August 2023 distribution.

(3) Accrued interest, as that term is defined in 17 U.S.C. § 115(e)(1)

(a) Interest on royalties distributed by The MLC

As a result of reprocessing, The MLC distributed the following interest: (1) \$3,311,821.46 in the 12 distributions that occurred from April 2023 through March 2024; (2) \$769,773.82 in the 12 distributions that occurred from April 2022 through March 2023; and, (3) \$28,301.92 in the 12 distributions that occurred from April 2021 through March 2022.

Distribution Month	Amount	Distribution Month	Amount
Apr-23	\$ 99,981.92	Apr-23	\$ 43,536.78
May-23	\$ 125,752.99	May-23	\$ 37,909.75
Jun-23	\$ 179,315.05	Jun-23	\$ 46,367.52
Jul-23	\$ 176,371.24	Jul-23	\$ 51,534.59
Aug-23	\$ 231,935.76	Aug-23	\$ 61,614.95
Sep-23	\$ 198,200.15	Sep-23	\$ 63,008.86
Oct-23	\$ 320,334.36	Oct-23	\$ 69,050.04
Nov-23	\$ 186,305.42	Nov-23	\$ 73,986.44
Dec-23	\$ 165,090.93	Dec-23	\$ 72,359.98
Jan-24	\$ 256,206.23	Jan-24	\$ 69,085.31
Feb-24	\$ 337,475.25	Feb-24	\$ 64,748.39
Mar-24	\$ 317,994.98	Mar-24	\$ 63,654.58
Reprocessing Interest Distributed	\$ 2,594,964.28	Opening Balance Interest Distributed	\$ 716,857.19
Reprocessing Interest Distributed Apr 2022 to Mar 2023	\$ 518,528.17	Opening Balance Interest Distributed Apr 2022 to Mar 2023	\$ 251,245.65
Reprocessing Interest Distributed as of Apr 2021 to Mar 2022	\$ 20,133.63	Opening Balance Interest Distributed as of Apr 2021 to Mar 2022	\$ 8,168.29
Reprocessing Interest Distributed Total	\$ 3,133,626.08	Opening Balance Interest Distributed Total	\$ 976,271.13

(b) Interest accrued on royalties held by The MLC

As of March 2024, The MLC accrued a total of \$22,864,374.52 in interest on royalties held but not distributed related to 2023, 2022, and 2021 Usage.

Usage Month	Amount
Jan-23	\$ 742,551.99
Feb-23	\$ 665,794.64
Mar-23	\$ 673,161.95
Apr-23	\$ 593,498.27
May-23	\$ 549,043.59
Jun-23	\$ 504,094.06
Jul-23	\$ 438,527.98
Aug-23	\$ 333,936.49
Sep-23	\$ 264,178.97
Oct-23	\$ 211,056.84
Nov-23	\$ 115,812.58
Dec-23	\$ 73,378.79
Interest Accrued 2023 Usage	\$ 5,165,036.15
Interest Accrued 2022 Usage	\$ 8,639,853.01
Interest Accrued 2021 Usage	\$ 9,059,485.36
Total Interest Accrued	\$ 22,864,374.52

The following tables represent the increase in accrued interest on royalties held but not distributed related to 2021 and 2022 Usage:

2022 Usage as of March 2024	\$ 8,639,853.01
2022 Usage as of March 2023	\$ 2,816,674.27
Total Increase in Accrued Interest 2022 Usage	\$ 5,823,178.74

2021 Usage as of March 2024	\$ 9,059,485.36
2021 Usage as of March 2023	\$ 4,284,639.35
Total Increase in Accrued Interest 2021 Usage	\$ 4,774,846.01

(c) Interest accrued on historical unmatched royalties transferred to The MLC

The MLC accrued a total of \$33,363,469.61 in interest on historical unmatched royalties transferred to The MLC in accordance with 17 U.S.C. §115(d)(3)(H)(ii)(I).

(i) Accrued Interest: Historical Unmatched Royalties

Calendar Month	Amount
Apr-23	\$ 1,563,477.28
May-23	\$ 1,433,668.54
Jun-23	\$ 1,430,263.16
Jul-23	\$ 1,597,127.19
Aug-23	\$ 1,689,072.68
Sep-23	\$ 1,651,064.15
Oct-23	\$ 1,736,748.12
Nov-23	\$ 1,703,792.75
Dec-23	\$ 1,746,964.28
Jan-24	\$ 1,665,234.96
Feb-24	\$ 1,462,229.87
Mar-24	\$ 1,573,289.47
Interest for Apr 2023 to Mar 2024 (as of March 2024)	\$ 19,252,932.44
Interest for Apr 2022 to Mar 2023 (as of March 2024)	\$ 12,857,977.89
Interest for Feb 2021 to Mar 2022 (as of March 2024)	\$ 1,252,559.28
Total Accrued Interest	\$ 33,363,469.61

(ii) Distributed Interest: Historical Unmatched Royalties

Calendar Month	Amount
Apr-23	\$ 88,737.28
May-23	\$ 22,318.25
Jun-23	\$ 165,358.60
Jul-23	\$ 4,313.47
Aug-23 ⁶⁴	\$ 0.00
Sep-23	\$ 23,244.46
Oct-23	\$ 42,547.39
Nov-23	\$ 11,628.51
Dec-23	\$ 10,953.58
Jan-24	\$ 10,235.47
Feb-24	\$ 7,195.73
Mar-24	\$ 8,371.79
Interest Distributed in 2023 (as of March 2024)	\$ 394,904.53
Interest Distributed in 2022 (as of March 2023)	\$ 335,078.87
Total Interest Distributed	\$ 729,983.40

(G) Large Expenses (37 C.F.R. § 210.33(b)(7))

(1) Expenses that comprise more than 10% of The MLC's annual budget

In 2019, The MLC entered into a third-party vendor agreement with The Harry Fox Agency ("HFA") and ConsenSys to provide services related to the development and support of The MLC's systems for usage processing, matching, and rights management. As part of the contract, ConsenSys built the first version of the Member Portal.⁶⁵ Since that first version was released, The MLC's internal technology team has assumed responsibility for maintaining the Member Portal and developing enhancements and new features within the Portal, while ConsenSys has remained available to provide support to The MLC's team if needed. HFA continues to be a vendor of The MLC, assisting with usage processing, matching, and rights management.

The MLC did not incur any other expenses that were more than 10% of The MLC's annual budget.

⁶⁴ The MLC did not run historical unmatched reprocessing as part of the August 2023 distribution.

⁶⁵ At the time The MLC entered into the contract in 2019, ConsenSys had a significant software and platform development team comprised of more than 1,000 members. They had experience working with governments, nonprofits, global enterprises and start-ups, and specific experience developing software solutions that enabled the programmatic payment of music rights holders and a machine-readable schema for managing intellectual property metadata.

(H) Matching Efforts (37 C.F.R. § 210.33(b)(8))

(1) The MLC's efforts to locate and identify copyright owners of "unmatched" musical works (and shares of works) as defined in 17 U.S.C. § 115(e)(35)

(a) Staffing and other resources committed to "matching efforts"

Staffing and other resources: The MLC has a Matching Team which currently consists of more than 30 individuals dedicated almost exclusively to matching sound recordings to musical works. The team has built custom predictive analytics to prioritize work and forecast the likelihood of matching specific sound recordings each month. The team has also built and implemented custom workflows, automated tools, and analytic dashboards to measure and maximize productivity.

Use of public/private databases in online/offline research: The MLC's Matching Team utilizes public databases and other research sources to support its matching efforts. These sources include various collective rights management organization databases, music credit databases, DMP websites, content owner websites, and other niche and genre specific sources. The Matching Team does not consider any one source as authoritative. Rather, the team attempts to validate information by cross-referencing multiple sources, as necessary, on a work-by-work basis. The MLC continues to review and engage in discussions to obtain access to third-party data sources.

(b) The MLC's "matching efforts" and efforts to identify copyright owners

Efforts to link sound recordings to musical works: See response in Section (A)(5)(b) for information about The MLC's automated and manual matching process and related efforts to link sound recordings to the musical works.

Existing Member Outreach: The MLC conducts monthly outreach to Members whose royalties were deemed undistributable for various reasons by The MLC's third-party payment processor. (e.g., copyright holders that have not provided complete or correct payment information to The MLC).

Missing Member Outreach: "Missing Members" are rightsholders that are not yet Members of The MLC and may be entitled to collect royalties. In 2023, The MLC continued its Missing Member outreach campaign, which resulted in the addition of 102 payees and payment of \$521,193 in accrued royalties. Cumulatively, the total accrued royalties paid as a direct result of the Missing Member outreach campaign was over \$2,000,000 by the end of 2023. The MLC's Member Finance Team generates a monthly list of Missing Members and attempts to individually contact individuals and entities on the list and assist with the Member onboarding process. The MLC has also launched a Missing Member Lookup database where individuals and entities can independently search to determine if they are entitled to collect mechanical royalties.⁶⁶

General Marketing, Education, and Outreach: As described in section in Section (A)(5), The MLC conducts extensive marketing, education, and outreach, and utilizes social media, webinars, events, newsletters, partnerships, and many other tools and initiatives to reach a broad and diverse audience. This targeted, data-driven approach increases the likelihood of

⁶⁶ See Section (H)(1)(c) for more information.

locating and enrolling missing, existing, and prospective Members.

The Distributor Unmatched Recording Portal (“DURP”): The DURP was launched to address the unique challenges related to matching and distributing works written by independent or DIY artists. The DURP helps independent sound recording distributors leverage data in The MLC’s public database that relates to recordings that they have released and which remain unmatched. With this data, the distributors can help their customers who are also musical works rightsholders claim any unmatched royalties that The MLC has accrued for their musical works.⁶⁷

Webinars: As noted in Section (A)(5)(a), The MLC hosted and/or participated in 53 webinars in 2023 to educate rightsholders on utilizing support services and available tools to register unmatched musical works.⁶⁸

(c) Tools and support for copyright owners and songwriters to undertake matching and claiming efforts

The MLC has invested substantial time and resources into developing features and tools to ensure its Members can effectively claim, manage and administer their works. These tools are all supported by The MLC Support Team and/or Member Services Teams, which fields inquiries from Members related to the tools, leads educational events to help Members learn to use the tools effectively, and solicits feedback from Members related to the user experience of the tools. Examples of Member tools and resources include:

The MLC Member Portal: The Member Portal allows Members to register, edit and review their musical works data, create and submit registrations for any new musical works, manage and update their contact information, banking details and tax forms, and associate one or more authorized users with their MLC Member accounts. The MLC has designed the Member Portal to be user-friendly and intuitive. The MLC has had many meetings with Members to solicit feedback and suggestions for features. With that feedback, The MLC continues to build out new functionality to make catalog administration easier for Members.⁶⁹

Catalog Export Tool: The Catalog Export Tool was launched in 2022 and allows Members to download all (or a portion) of the musical works data they have registered with The MLC on-demand, in an Excel-compatible file.⁷⁰

⁶⁷ Details on and access to the DURP is available on The MLC’s website. See The MLC, *The MLC Invites Music Distributors To Join Our Mission To Pay Out Every Mechanical Royalty*, <https://www.durp.themlc.com/>.

⁶⁸ Webinars are archived on The MLC’s website. See *The MLC*, *Webinars & Videos*, <https://www.themlc.com/webinars-videos>.

⁶⁹ Details on and access to the Member Portal is available on the “Member Tools” page of The MLC’s website. See The MLC, *Member Tools*, <https://www.themlc.com/member-tools>.

⁷⁰ Details can be found on The MLC’s “Catalog Export Feature” web page. See The MLC, *Catalog Export Feature*, <https://www.themlc.com/catalogexport>.

Claiming Tool: The MLC’s Claiming Tool allows Members to search for unclaimed shares of works in The MLC’s database and easily claim the shares that they administer. Since its launch in 2022, the Claiming Tool has been further updated and improved to include more filtering and sorting capabilities. The Claiming Tool presents a more technologically advanced method of claiming, which was historically limited to completing and submitting spreadsheets or static forms.⁷¹

Matching Tool: The MLC’s Matching Tool allows Members to search the data The MLC has received for sound recording products that The MLC has not been able to match to a registered musical work and then propose matches of those products to musical works they have registered. Nearly 3,000 Members have used this tool to propose matches, and The MLC has approved nearly 1.5 million proposed matches through the tool.⁷²

Overclaims Tool: The MLC’s Overclaims Tool enables Members to identify where the total shares submitted by all Members for a registered work add up to more than 100% and to work together to resolve the overclaim.⁷³

Work Registration Tools. The MLC provides three different work registration tools to accommodate different Member capacities and workflows: (1) individual registrations through the Member Portal; (2) bulk registrations through the Member Portal using Bulk Work Registration files; and (3) the globally-recognized Common Works Registration (CWR) format.⁷⁴

Top Unmatched Sound Recording Uses List: The MLC disseminates a monthly “Top Unmatched Sound Recording Uses List” to Members. This resource lists the top 3,000 sound recording uses previously reported to The MLC that have not yet been matched to a registration in The MLC’s musical works database.

Public Works Search: The Public Work Search allows anyone to retrieve ownership information for every musical work contained in The MLC’s database. This search tool is available on The MLC’s website free of charge and without the need for a login. The search results show ownership data for each rightsholder that has claimed a share of the work concerned, the total percentage of shares of the work that each owner has claimed, the represented songwriters (where rightsholders have provided it), and the sound recording products that The MLC has matched to each musical work. To ensure that The MLC’s ownership data is authoritative, The MLC only accepts ownership data from the claiming copyright owners or their agents. The Public Work Search allows users to search the database in various ways, including by work title, songwriter, and publisher. It also allows users to filter results by additional criteria, including ISWC, MLC Song Code, writer IPI, and Publisher IPI.

⁷¹ More information on Claiming Tool functionality is available in The MLC’s webinar “How To Use The MLC Portal Claiming Tool.” See The MLC, *How To Use The MLC Portal Claiming Tool*, YouTube (Jul. 21, 2023), <https://youtu.be/V17xWITd8P4>. The Overclaims Tool launched in calendar 2024.

⁷² More information on Matching Tool functionality is available in The MLC’s webinar “How To Use The MLC Portal Matching Tool.” See The MLC, *How To Use The MLC Portal Matching Tool*, YouTube (Jul. 21, 2023), <https://youtu.be/7eLbgag2FLk>.

⁷³ More information on how the Overclaims Tool can be used to resolve an overclaim is available in the Help Center on The MLC’s website. The MLC, *What is an overclaim and how do I resolve one using the Overclaims Tool?*, <https://help.themlc.com/en/support/what-is-an-overclaim-and-how-do-i-resolve-one-using-the-overclaims-tool>.

⁷⁴ More information of Work Registration Tools is available on the dedicated “Work Registration” web page. See The MLC, *Work Registration*, <https://www.themlc.com/work-registration>.

Bulk Data Access Subscription: The Bulk Data Access Subscription enables The MLC’s musical work database to be available in a bulk, machine-readable format, at minimal cost, making it easy to access data on musical works, parties, sound recordings, products and releases and more. This comprehensive, unprecedented resource is available to DSPs, music publishers, CMOs, record labels, metadata companies, and any member of the public.⁷⁵

Public Search API: This tool allows any member of the public to retrieve information about musical works in The MLC database. As of March 2024, approximately 130 industry entities had been set-up to access to The MLC’s database using this Public Search API.⁷⁶

Missing Member Lookup: The MLC’s Missing Member Lookup is a searchable database of rightsholders that are not yet Members of The MLC, but who may be entitled to royalties. The information in this database is available to the public on The MLC’s website and is a helpful tool to identify rightsholders to whom royalties are owed.⁷⁷

The Data Quality Initiative (“DQI”): The MLC created the DQI to provide a streamlined way for music publishers, administrators, self-administered songwriters and foreign CMOs to compare large schedules of their musical works’ data against The MLC’s data. Through the DQI, The MLC provides participants with reports that highlight the discrepancies between the two sets of data so that they can more easily address those discrepancies and improve the quality of The MLC’s data related to their works.⁷⁸

(I) MLC Board of Directors (37 C.F.R. § 210.33(b)(9))

(1) The MLC’s selection of Directors and criteria used in selecting any new Directors during 2023

Information regarding The MLC’s governance structure and the open, competitive processes by which Directors are selected is set forth in detail in The MLC’s Bylaws and summarized on The MLC’s website and the U.S. Copyright Office’s website.⁷⁹

Member elections took place for three Board seats in 2023. In those elections, Troy Verges was elected by a vote of Class A Members, pursuant to Section 4.2(b)(1) of The MLC’s Bylaws, to take the Songwriter Director seat formerly occupied by Craig Wiseman. The Librarian of Congress subsequently appointed Mr. Verges to the Board.

Additionally, Songwriter Kevin Kadish was re-elected as a Songwriter Director by a vote of Class A Members, pursuant to Section 4.2(b)(1) of The MLC’s Bylaws, and Alisa Coleman,

⁷⁵ Details and a link to register for access to the Bulk Data Access Subscription is available on The MLC’s “Data Programs” page of its website. See The MLC, *Data Programs*, <https://www.themlc.com/dataprograms#bulk-database-feed>.

⁷⁶ Details and a link to register for access to the Public Search API is available on The MLC’s “Data Programs” page of its website. See The MLC, *Data Programs*, <https://www.themlc.com/dataprograms#public-search-api>.

⁷⁷ Details and database access is available on The MLC’s “Missing Member Lookup” page of its website. See The MLC, *Missing Members Lookup*, <https://www.themlc.com/missing-members-lookup>.

⁷⁸ Details on the DQI and a link to DQI educational webinars is available on The MLC’s “Data Programs” page of its website. See The MLC, *Data Programs*, <https://www.themlc.com/dataprograms#dqj>.

⁷⁹ See *The MLC, Governance and Bylaws*, <https://www.themlc.com/governance>; see *U.S. Copyright Office, MLC and DLC Contact Information, Boards of Directors, and Committees*, <https://www.copyright.gov/music-modernization/mlc-dlc-info/>

Chief Operating Officer at ABKCO Music & Records and Chair of The MLC Board, was re-elected as a Term Publisher Director by a vote of Class B Members, pursuant to Section 4.2(b)(2)(ii) of The MLC's Bylaws.

(2) The MLC's selection of members of the Operations Advisory Committee, Dispute Resolution Committee, and Unclaimed Royalties Oversight Committee

Information regarding The MLC's governance structure and the open, competitive processes by which members of The MLC's Advisory Committees are selected is set forth in detail in The MLC's Bylaws and summarized on both The MLC's website and the U.S. Copyright Office's website.⁸⁰

Unclaimed Royalties Oversight Committee ("UROC"): The Board reappointed songwriter representatives Bruce Wayne and Erika Nuri Taylor to second terms on the committee. Mr. Wayne and Ms. Nuri Taylor were nominated by the Songwriter Nomination Committee, elected by the Board Songwriter Directors and approved by the full Board pursuant to Section 6.2(a) of The MLC's bylaws.

The Board reappointed copyright owner representative Kathryn Ostien (TRO Essex Music Group) to a second term on the committee. Ms. Ostien was nominated by the Publisher Nominating Committee, elected by the Publisher Directors of The MLC's Board of Directors and approved by the full Board pursuant to Section 6.2(a) of The MLC's bylaws.

Dispute Resolution Committee ("DRC"): The Board reappointed songwriter representatives Gary Burr and Amanda Green to second terms on the committee. Mr. Burr and Ms. Green were nominated by the Songwriter Nomination Committee, elected by the Songwriter Directors of The MLC's Board of Directors and approved by the full Board pursuant to Section 6.2(a) of The MLC's bylaws.

The Board appointed copyright owner representative Consuelo Sayago (Spirit Music Group) her first term on the committee and reappointed copyright owner representative Ed Leonard (Daywind) to a second term on the committee. Ms. Sayago and Mr. Leonard were nominated by the Publisher Nominating Committee, elected by the Publisher Directors of The MLC's Board of Directors and approved by the full Board pursuant to Section 6.2(a) of The MLC's bylaws. Copyright owner representative Debbie Rose left the committee upon the completion of her term.

Operations Advisory Committee ("OAC"): The Board appointed copyright owner representative Lidia Kim (Concord) to her first term on the committee and reappointed copyright owner representative Eric Scott (BMG) to a second term on the committee. Ms. Kim and Mr. Scott qualified to serve on the OAC under 17 U.S.C. § 115(d)(3)(D)(iv) of the Copyright Act. Copyright owner representative Melanie Santa Rosa left the committee upon the completion of her term.

The Digital Licensee Coordinator did not appoint any new DMP representative members to the OAC.

⁸⁰ Id.

(3) Additional committees and their purpose

The MLC has created the following non-statutory committees:

Audit Committee: The Audit Committee is responsible under the Bylaws for ensuring that the statutory audit report outlined in Section 115(d)(3)(D)(ix)(II) occurs,⁸¹ and to oversee external audits of The MLC's financial statements that The MLC arranges to be done by independent auditors.⁸² The Bylaws state that the Audit Committee should be comprised of three to six Directors. Its current members are Rell Lafargue, Claire McAuley and Graham Davies. The method used by the Board to determine membership involved the discussion by Directors of the committee's responsibilities, consideration of the experience, interest and availability among the Directors, and deliberation, followed by the selection of the above-referenced members via a Board vote.

Budget Performance Advisory Committee: The Budget Performance Advisory Committee ("BPAC") is a committee created out of collaboration between The MLC and the DLC, and meets regularly to review information on budgeting and expenditures, and to provide input and recommendations related thereto to the Board. The BPAC comprises twelve members: six appointed by the Board and six appointed by the DLC. The method used by the Board to determine membership involved members of the Board discussing the committee responsibilities, and surveying for experience, interest and availability among the Board or other copyright owner representatives with experience in budgeting and operational finance. As of June 2024, the BPAC consists of the following members: Rell Lafargue (who also serves as the Board Treasurer), Michael Abitbol, Danielle Aguirre, Bob Bruderman, Alisa Coleman, and Joe Gillen (Chief Financial Officer, North America, of BMG Rights Management), Wiatt Bingley (Finance Manager of Pandora/SXM), Robert Brode (Strategic Development & Industry Affairs, Music Publishing at Apple), Olivia Delao-Ng (Finance Principal, Music Licensing of Amazon), Matt Eccles (SVP and General Counsel of Napster), Jen Rosen (Head of Music Publishing Partnerships of YouTube Music (US/CA)), and Josephine Speranza (Director, Publishing Licensing, US of Spotify).

Compensation Committee: The Compensation Committee provides oversight concerning The MLC's employee compensation. The Board members on the Compensation Committee are Michael Abitbol, Danielle Aguirre, Bob Bruderman, Alisa Coleman, Bart Herbison and Rell Lafargue. The method used by the Board to determine membership involved Directors discussing the committee responsibilities, surveying for experience, interest and availability among the Directors, and deliberating on the decision before voting.

Nominating Committees: Pursuant to the Bylaws, the Board has established two committees to address nominations of candidates for open Board and statutory Advisory Committee seats: the Songwriter Nominating Committee and the Publisher Nominating Committee (together, the "Nominating Committees"). The Publisher Nominating Committee is responsible for addressing nominations to a slate of candidates for (a) recommendation and appointment of Publisher Directors to the Board and (b) election of publisher members of the OAC, UROC and DRC. The Songwriter Nominating Committee is responsible for addressing

⁸¹ The first such audit was completed in 2023, and the audit report is available on The MLC's website. See The MLC, *Governance and Bylaws*, <https://www.themlc.com/governance> (providing link to "Auditor Letter to Board re MMA Audit Provision (115(d)(3)(D)(ix)(II))").

⁸² See Section V.A for further details concerning these external audits.

nominations of candidates to be Songwriter Directors and songwriter members to the UROC and DRC (“Songwriter Committee Members”). When a position on one of the aforementioned bodies becomes available, the respective Nominating Committee reviews candidate suggestions solicited from the public through The MLC website, evaluates potential candidates based on relevant criteria, including statutory qualification, expertise, experience, and alignment with The MLC’s mission. After deliberation and discussion, the respective committee submits a slate of qualified nominees for election or appointment to that position by the relevant body. The Nominating Committees strive to ensure that the applicant pool for Board and committee positions comprises diverse perspectives and adequately represents the interests of The MLC’s stakeholders.

The Publisher Nominating Committee consists of not less than five Publisher Directors, including at least one Class B and one Class C Publisher, as well as the Publisher Trade Group Director.⁸³ The current members of the Publisher Nominating Committee are: Danielle Aguirre, Tim Cohan, Alisa Coleman, Rell Lafargue, Claire McAuley, and Mike Molinar. As with the BPAC, these members were selected by consideration of the responsibilities of the committee, surveying of the Board for relevant experience, interest and availability, discussion to identify appropriate candidates, and a vote.

The Songwriter Nominating Committee consists of: (1) representatives of at least three nationally or regionally recognized not-for-profit organizations that have songwriter representation or advocacy as a significant portion of their mission and operations (“Songwriter Organizations”); and (2) two Songwriter Committee Members.⁸⁴ The current Songwriter Organizations were chosen by the Board after discussion and deliberation on the committee’s responsibilities and the range of qualified organizations, and are the Recording Academy, Songwriters of North America (SONA), and NSAI. The current members of the Nominating Committee are Amanda Green (member of the DRC), Dan Navarro (member of the UROC), Claudia Brant (representative of the Recording Academy), Jack Kugell (representative of SONA), and Jeff Cohen (representative of NSAI). The Songwriter Organization representatives were selected by their respective Songwriter Organizations. The Songwriter Committee Members who serve on the Songwriter Nominating Committee were selected by the Songwriter Directors after considering all songwriter committee members for appropriate experience, interest, availability and contribution to representation of the interests of The MLC’s diverse stakeholders.

⁸³ See Ex. 3, *Bylaws*, at § 6.1(a).

⁸⁴ See *id.* at § 6.2(b).

(4) The MLC's efforts to promote the availability of open board and committee positions to potential new candidates with diverse backgrounds, views, and experiences

The inaugural members of The MLC's Board of Directors and Advisory Committees were selected in open, competitive processes by neutral advisory panels of respected members of the music industry. Songwriter members were selected by panels comprised exclusively of songwriters, and copyright owner representative members were selected by panels comprised exclusively of individuals from the independent music publishing community. Today, songwriter members continue to be chosen by songwriters, and copyright owner representative members continue to be chosen by copyright owner representatives.

Each time that a seat becomes available on the Board of Directors or an Advisory Committee, The MLC renews its broad public request across media outlets seeking additional candidate suggestions. The MLC also works to have these outreach requests further disseminated and promoted by partner organizations. The broad reach of these outreach efforts have led to numerous suggested candidates with diverse backgrounds, views, and experiences. The results of these efforts are reflected in the diverse backgrounds and affiliations of the members of The MLC's Board and Advisory Committees.

(J) Vendors (37 C.F.R. § 210.33(b)(10))

(1) The MLC's selection(s) of vendor partners

The MLC has engaged a variety of third-party vendors and subcontractors to support its operations in the normal course of business.

After a rigorous evaluation of prospective vendors, which included both qualitative evaluations based on information solicited through a Request for Information process and a second, subsequent round of quantitative testing of a handful of prospective vendors invited to participate in pilot programs based on their initial evaluations, The MLC selected five initial vendors for its Supplemental Matching Network. The Supplemental Matching Network vendors will provide data matching services that complement and enhance The MLC's existing matching processes and capabilities. These supplemental matching services will include attempting to match sound recordings to underlying musical works, as well as identifying usage reported to The MLC for products embodying the same sound recordings and works that have different metadata, which will help The MLC to ensure that it is applying any matches it has already made to every other sound recording product that features the same underlying recording and musical work as the products it has already matched. The five initial Supplemental Matching Network vendors are:

Blokur: Blokur is a music data and licensing platform that works with music rights owners and online platforms to connect the world's music to online experiences. Blokur's platform is built on data matching and rights identification technology designed to get rightsholders paid accurately and makes it easier for digital platforms to unlock the power of music.⁸⁵

Jaxsta: Jaxsta is a large database of music credits that are sourced from the official owners of that data, such as record labels, distributors, publishers and industry associations. Jaxsta's work recording matching service for PROs, MROs, CMOs and publishers provides

⁸⁵ For more information, visit www.blokur.com.

matching of musical recordings to the underlying works and is designed to assist in the collection, payment and reconciliation of mechanical, performance and sync royalties.⁸⁶

Pex: Pex specializes in content identification and UGC data powering copyright compliance. Pex's music recognition technology (MRT) is designed to identify works at scale, including modified audio, live versions and cover versions, so rightsholders can capitalize on all of the content they own.⁸⁷

Salt: Salt is a digital-era royalties platform for music societies, streamlining disjointed music rights and royalty systems into one global network. Salt processes usage, matches ownership and calculates distributions, providing societies with matching and royalty-processing infrastructure.⁸⁸

SX Works: SX Works Global Publisher Services, a SoundExchange company, provides administration solutions to music publishers, self-published songwriters and organizations who own, represent and/or engage with music to manage their repertoire across the music ecosystem. SX Works' team and technology provides partners with access to metadata to assist with ensuring that musical works can be accurately licensed, identified and paid for their usage.⁸⁹

(K) Use of Unclaimed Royalties to Defray Costs (37 C.F.R. § 210.33(b)(11))

The MLC did not apply any unclaimed accrued royalties to defray its operating costs pursuant to 17 U.S.C. § 115(d)(7)(C).

(L) Suspension of Access to Public Database (37 C.F.R. § 210.33(b)(12))

The MLC did not suspend access to the public database to any individual or entity as described in 37 C.F.R. § 210.33(b)(12).

⁸⁶ For more information, visit: www.jaxsta.com.

⁸⁷ For more information, visit: www.pex.com.

⁸⁸ For more information, visit: www.saltmusic.io.

⁸⁹ For more information, visit: www.sx-works.com.

Attachment A: The MLC’s Staffing Chart

Administration

Joya Carmichael
Brian Kelly
Derek Medeiros
Isabelle Talledo
Jeff Donnel
Ryan Ho
Taylor Hauser

Analytics & Automation

Andrew Mitchell
Alyssa Lackey
Chad Andersen
Emma Gillis
Jane Bushmaker
Joshua Swann
William White

Matching Team*

Andrew Deaton
Anna Jones
Bethany Dillingham
Erin Jarvis
Gerardo Rojas
Israel Hernandez
Mansir Mohammed
Matthew Estevez
Millie Dantin

CEO

Kris Ahrend

Educational Partnerships

Serona Elton

Finance

Ilene Weintraub
Amanda Carnett-Brown
Amy Martinez
Baylee Kuss
David Escobar
Elizabeth Bailey
Kyle Swigert
Margaret Eggers
Susanne Hines
Trang Adara

Human Resources

Leigh McCorkle
Allie Anderson

Mickey Wong
Renair Jackson

International Relations

Indi Chawla

Legal

Kristen Johns
Nathan Osher
Rick Marshall
Victoria du Busc

Marketing & External Affairs

Ellen Truley
Abby Cummings
Elizabeth Mayo
Jamie Dominguez
Jordan Todd
Kayla Ott
Lacy Cowden
Mallory Fatke
Maria Brannon
Melissa Landry
Nicholas Williams

Member Experience**

Lindsey Major
Alayna N.
Anna Elise D.
Ashley A.
Bridgett H.
Coehl M.
Faith L.
Hayden S.
Jacob H.
Jessica C.
Jessica D.
John C.
Joliana S.
Katelynn D.
Lucia H.
Matthew B.
Morgan H.
Nia B.
Raleigh B.
Taylor J.
Truth C.
Victoria H.
Yamile T.

Member Finance

Monique Benjamin
Helena Cook

Rights Management

Maurice Russell
Cameryn Conner
Erika Valencia
Evan Lei
Jared Jones
Sean McNamara
Sydney Evans

Technology

Richard Thompson
Abel Sayago
Alex Barlow
Amanda Beaver
Benjamin Shoemaker
Christopher Heredia
Daniel Brown
Gabriel Edwards
Jacob McClain
Katrina Feyintola
Krystal Ribble
Lee Lazarecky
Maurice Buckberry
Raphael Amselli

Third-Party Partnerships

Dae Bogan

*Does not include temporary staff.

**Last names are abbreviated for privacy concerns.

Current as of June 2024

Appendix to the 2023 Annual Report: Errata Sheet

Date	Page	Location	Correction
15-Jul-2024	18	Total Royalties Held' section	Amount in royalties The MLC held related to 2023 Usage changed from "\$229,484,580.03" to "\$229,481,877.80" in first sentence.
15-Jul-2024	18	Total Royalties Held' section	Amount related to holds changed from "\$17,579,995.03" to "\$17,577,292.80" in last sentence.
15-Jul-2024	33	Usage (as of March 2024) table	Amount for Dec-23 changed from "\$2,051,584.63" to "\$2,048,882.40"
15-Jul-2024	33	Usage (as of March 2024) table	Amount for Royalties Held as Disputed (Net of Reprocessing) 2023 Usage changed from "\$17,579,995.03" to "\$17,577,292.80"
15-Jul-2024	33	Usage (as of March 2024) table	Amount for Total Royalties Held as Disputed (Net of Reprocessing) changed from "\$25,114,663.39" to "\$25,111,961.16"



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