

Esp-Disk', 596 Broadway, Suite 602, New York, New York 10012
212 731 2048 fax 212 995 5422 stollman@espdisk.com

All US and Canadian music retailers

Dear Retailer:

By way of this letter, we wish to inform you that effective February 18, 2005, the Allegro Group has been appointed our exclusive distributor for ESP-DISK in the USA and as of May 1, 2006, the Allegro Group has been appointed our exclusive distributor in Canada for the label listed above. Accordingly, we respectfully request that effective the above noted date you acknowledge NAIL Distribution, a division of Allegro Corporation as the exclusive distributor for our products in the USA and Allegro Entertainment Canada Ltd. as the exclusive distributor for our products in Canada.

In addition, please be advised as follows:

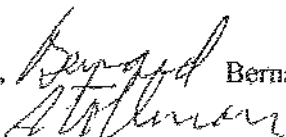
1. The distributor for our products in the USA has been NAIL Distribution, and in Canada our previous distributor was VIRGE.
2. Beginning immediately, product returns should be shipped to:

In the US:

NAIL Distribution, a div of
Allegro Corporation
14134 NE Airport Way
Portland, OR 97230

In Canada:

NAIL Distribution, a div of
Allegro Entertainment Canada Ltd.
c/o PHD Canada Distributing Ltd.
1330 Main Street
North Vancouver, BC V7J 1C3
CANADA

Yours truly,  Bernard Stollman, President, ESP-DISK', LTD