

Date: December 3,2005

All US and Canadian music retailers purchasing from Allegro Corporation.

Dear Retailer:

By way of this letter, we wish to inform you that effective November 24, 2005, the Allegro Group has been appointed our exclusive distributor for the list labels: **HATAKLIT** label in the USA and Canada.

Accordingly, we respectfully request that effective the above noted date you acknowledge 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 previous distributor for our products in the USA was Holyland Gifts- Philadelphia, Sifrotek, N.Y., Sisu Home Entertainment, N.Y.

In Canada there is no distributor.

Beginning immediately, product returns should be shipped to:

In the US:

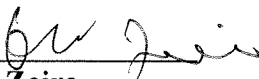
Allegro Corporation  
14134 NE Airport Way  
Portland, OR 97230

In Canada:

Allegro Entertainment Canada Ltd.  
187 Stevens Drive  
West Vancouver, B.C. V7S 1C3  
CANADA

Yours truly,

**Hataklit Ltd.**

  
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**Dov Zeira**  
**MD & CEO**

C:\My Documents\Agreements\Distribution\Allegro-Statement for US & Canadian retailers- previous dist.-  
Dec.3,2005.doc

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**Hataklit Ltd. P.O. Box 32, Pardesiya 42815, ISRAEL**  
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