



Lineage Records



Date

7/11/06

All US and Canadian music retailers

Dear Retailer:

By way of this letter, we wish to inform you that effective March 24, 2006, the Allegro Group has been appointed our exclusive distributor for the Lineage Records 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 "none" and in Canada our previous distributor was also "none". Allegro is our first distributor.
2. 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.  
c/o PHD Canada Distributing Ltd.  
1330 Main Street  
North Vancouver, BC V7J 1C3  
CANADA

Yours truly,

Ilya Lushtak  
President, Lineage Records