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LOS ANGELES, CA 90039 PHONE - 323.644.7800
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www1

1/04/07

All US and Canadian music retailers

Dear Retailer:

By way of this letter, we wish to inform you that effective December 12, 2006, the Allegro Group has been appointed our exclusive distributor for **M80 Music** in the USA and Canada. 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 previous distributor for our products in the USA was **Bayside Distribution** and in Canada our previous distributor was **also Bayside Distribution**
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,

Dave Neupert
CEO
M80 Music