



MENTAL RECORDS
2640 E. BARNETT ROAD
SUITE E-331
MEDFORD, OR 97504
PH.: 541.245.1900
FAX: 541.858.2521
WWW.MENTALRECORDS.NET

February 18, 2008

All US and Canadian music retailers

Dear Retailer:

By way of this letter, we wish to inform you that effective March 1, 2008, the Allegro Group has been appointed our exclusive distributor for **Mental Records** 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 Burnside Distribution Company and in Canada our previous distributor was Burnside Distribution Company.
2. Beginning immediately, product returns should be shipped to the addresses below. (PHD is used as NAIL's Canadian return facility only.)

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,

Douglas Hill
President