

**PRESS RELEASE**  
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## **CONSTITUTIONAL FLAW THREATENS COPYRIGHT ROYALTY BOARD**

Each year, millions of dollars are spent by the RIAA, SoundExchange, artists, music labels, and broadcasters on legal fees before the Copyright Royalty Board. But recent opinions by the U.S. Court of Appeals for the District of Columbia have called into question whether the Judges of the Copyright Royalty Board were appointed in violation of the U.S. Constitution's separation of powers.

As one appellate Judge stated: "billions of dollars and the fates of entire industries can ride on the Copyright Royalty Board's decisions." The CRB "exercises expansive executive authority ... unsupervised by the Librarian of Congress or by any other Executive Branch official." This "statutory structure raises a serious Constitutional issue."

Now, with the CRB recently convening yet another royalty setting proceeding, and with parties expected to spend millions of dollars presenting their cases before the CRB, Live365 has filed a Federal lawsuit in the U.S. District Court for the District of Columbia, seeking an injunction to prevent any further proceedings before the CRB until the Constitutional question is resolved.

"The constitutional issue is the elephant in the room at the CRB. Before any hard-earned artists' royalties and webcaster investments are spent on a potentially invalid royalty setting court, we are just requesting, for the benefit of all parties, to have this significant concern addressed and answered," said Mark Lam, CEO of Live365, Inc.

Ara Hovanesian, counsel for Live365 added: "Copyright owners and artists should be especially supportive of getting this Constitutional issue decided now because money spent litigating rates before an unconstitutional CRB is wasted if the proceedings are ultimately declared unconstitutional and the artists and labels are forced to fund a 'do over' litigation before a constitutional panel of Judges."

Lam added: "We are hopeful to bring this issue before the Courts expeditiously and to have a decision before any more time and money is spent before the CRB."

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*Live365 provides a platform for internet broadcasting for thousands of individual webcasters from celebrity artists to music fans and community groups. The company provides software, hosting, distribution, royalty licensing, revenue generation, and performance reporting. The Live365.com directory allows its 5 million monthly listeners to find music and other content organized in over 270 diverse genres. Stations can be heard on a variety of websites and devices from the iPhone and Blackberry to TiVO and internet radios from Sony, D-Link, Philips, and others. The company is celebrating its **10th Anniversary** as one of the early enablers of "user generated" content, with webcasters launching their first stations in 1999.*