



# SESAC to Acquire the Harry Fox Agency

July 7, 2015

*Deal Allows SESAC to Drive Efficiency and Enhance Value through Bundled Licensing and Offer Best of Breed Licensing Services and Solutions to Digital Music Platforms.*

**SESAC, Inc.** today announced that it has entered into an agreement to acquire the **Harry Fox Agency** (HFA), the leading U.S. mechanical rights organization. The proposed transaction has been approved by the NMPA Board and is subject to NMPA member approval. The transaction positions SESAC as the only music rights organization in the United States, with the ability to offer singular licenses for the works of its affiliated writers and publishers that aggregate both performance and mechanical rights. This allows SESAC to drive greater efficiency in licensing for music users, as well as enhanced value for music creators and publishers. The announcement was made today by **John Josephson**, Chairman and CEO of SESAC, Inc.

“Licensing is fragmented across both multiple types of rights, as well as multiple territories for the streaming services that represent the future growth opportunity of the music industry. The result is a complex, opaque and currently inefficient licensing regime that fails to deliver the best outcomes for creators and publishers, as well as end users,” said John Josephson. “What excites us about this transaction is the ability it provides to make the licensing process both simpler and more efficient, and in so doing create additional value for music creators and publishers, as well as the digital music platforms.”

SESAC’s acquisition of HFA is part of a previously announced strategy under its new leadership team to pursue a simplified and more efficient, multi-right, multi-territory licensing model utilizing an ongoing focus on information technology and data science to meet the developing needs of music users, distributors, writers, composers, publishers and other stakeholders. The transaction enables SESAC to enhance value by offering music streaming and other digital platforms greater efficiency and transparency in the music licensing process, thereby delivering better monetization outcomes for its affiliated writer and publisher clients. It reflects the same forward thinking and creative approach to rights management that has defined SESAC and the unique position it occupies in music licensing over the past two decades.

The Harry Fox Agency is owned by the National Music Publishers Association.

“I am thrilled that we have found the perfect strategic buyer in SESAC given their forward-looking approach to rights management and commitment to servicing publishers and songwriters efficiently in the new digital music economy,” said NMPA President & CEO, **David Israelite**. “Not only will this transaction ensure that mechanical licensing continues in the method best for creators, it will also strengthen NMPA for the many battles we are fighting on behalf of all songwriters and music publishers.”



Through its unparalleled network of commercial relationships with over 48,000 music publishers, HFA has created one of the largest and most comprehensive databases of musical works in the world, including metadata on over 6.7 million compositions and 21.4 million unique master recordings. SESAC will integrate this database with its own and, utilizing SESAC's state of the art information technology and data systems, create the leading rights tracking, royalty accounting and payment platform in the music industry. In addition, SESAC plans to introduce an expanded suite of services for publishers on the HFA platform including micro-licensing on social video networks, automated license verification with RADKey™ and premium YouTube Content ID administration services via its Rumblefish subsidiary. These services will provide publishers on the HFA platform with enhanced access to emerging high-growth revenue streams and market-leading licensing technologies.

HFA's Slingshot platform provides royalty tracking, administration and payment services and solutions to virtually every digital music service of scale in the market today. SESAC plans to invest heavily in this segment of HFA's business in order to create a best of breed suite of data and administration services to digital service providers.