

FACTOR - THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

ACTIVITY REPORT

FOR THE FISCAL YEAR ENDING MARCH 31, 2009



The Foundation Assisting Canadian Talent on Recordings
With Support From Canada's Private Radio Broadcasters

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FACTOR OFFICERS AND DIRECTORS

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Vice-President
Anthem Entertainment

NICOLE JOLLY – VICE-CHAIR

Vice-President, Operations
Flow 93.5-FM

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Program Director, CHUM-FM
CHUM Radio, A Division of CTVglobemedia

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Curve Music/Cerberus Artist Management

HEATHER OSTERTAG

President and CEO
FACTOR

GRANT DEXTER

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TERRY KELLY

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TK Productions

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CORUS Radio
(December 2007- November 2008)

DUFF ROMAN – Founding President – Director Emeritus

Vice-President
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VP Regulatory Affairs
Rogers Media

AUBREY WINFIELD

President
Orange Music Inc.

ROSS WINTERS

National Programming Chair
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(November 2008- Present)
Replacing Chris Lecomte

JP ELLSON – Observer

Chair - FACTOR National Advisory Board

PIERRE LALONDE – Observer

Director for Sound Recording Policy & Program
Department of Canadian Heritage

PIERRE-LOUIS SMITH – Observer

VP Policy and Chief Regulatory Officer
Canadian Association of Broadcasters

Message from the President

Summary of FACTOR's Activity Report for the Period Covering April 1, 2008- March 31, 2009

I am pleased to report on some highlights as well as some of the accomplishments of the Board of Directors over this past year.

Since getting involved with the Government of Canada in 1986, more than 50% of FACTOR's revenue has been provided from public funds. However, this year 53% of all of FACTOR's funding was provided by Canada's private radio broadcasters. This can be attributed to the revenue received from transactions, specifically from Astral Media's acquisition of Standard Broadcasting and CTV Globe Media's acquisition of CHUM. 47% of revenue received by FACTOR came from the Canada Music Fund.

We struck several committees to review the various programs that FACTOR provides. For the upcoming year, we believe that we have been able to modify existing programs in a way that will continue to encourage the production, marketing and promotion of new sound recordings by Canadian artists.

The administration fee for this past fiscal was 9.25% of revenue received. This is an all time low for the organization. The \$450,000+ that could have been spent on administration was re-directed to support FACTOR's programs.

The Board of Directors and its finance committee have created a plan for its stabilized funding strategy. The current policy of the Board is to review the funds, strategy and investment policy on a semi-annual basis. By reviewing it on a regular basis it will ensure that the maximum benefit to the industry is enjoyed. While the funds are earmarked to provide some long-term stability for the music industry, should an immediate need for the funds arise, the Board of Directors is prepared to consider proposals.

The Board has also been working on a governance document that is intended to be adopted at the Annual Meeting of the Board of Directors in June 2009. This governance document is intended to be published and accessible on FACTOR's site once it has been adopted. The intent of it is to ensure there is a high level of transparency around how the Board of Directors and staff conduct the business of FACTOR. A great deal of work has gone into this document and I am confident that once you have reviewed it you will agree that FACTOR's Board of Directors is very committed to both a professional and clear accountability in how the business of FACTOR is conducted.

It has been a very busy time at FACTOR this past year. The number of applications received at FACTOR this year increased 14% (3,648 submissions as compared to 3,245 the previous year) and there was an 11% increase in funds requested (\$37.7 million as compared to \$34.1 million the previous year). There was a 16% increase in the number of projects approved for funding (1,543 as compared to 1,327 the previous year) and a 23% increase in total funds offered (\$14.9 million as compared to \$12.2 million the previous year). All of which meant a great deal more work for the staff at FACTOR. This in part can be attributed to the hard work of the staff in getting the word

out to the industry through participation at panels, and seminars conducted by FACTOR as well as participation in panels that are part of music industry conferences.

Once again we were able to ensure there was a national voice involved in determining which projects should receive funding. Of the 175 juries conducted last year, 78.8% of them (138) were conducted outside of the greater Toronto area. The relationship that FACTOR has developed with the provincial music industry associations continues to provide a national voice in the funding decisions for all juried programs.

We have added two new forms of measurement to assess the ROI (Return on Investment) of funds administered by FACTOR. They are:

Radio Airplay: Many FACTOR supported artists have been receiving radio airplay. The analysis is based on data gathered from Mediabase. For the five years ending December 31, 2008, 293 FACTOR supported artists have received in excess of 2 million spins. This is based on both domestic and international radio airplay. It averages out to over 6,900 radio spins per artist.

Audience Potential: Canadian artists that have received financial assistance to support both domestic and international touring and showcasing activities that were approved for funding this fiscal have had the potential to perform in front of more than 2.4 million people.

These are among some of the many highlights of FACTOR's accomplishments over the past year. I would encourage you to review both the Annual Report as well as the Activity Report to get a full picture of all that has been accomplished by the foundation.

Yours truly

Heather Ostertag, C.M.
President and CEO
FACTOR

COMPARATIVE ANALYSIS OF ALL APPLICATIONS SUBMITTED & APPROVED 2008-2009

New Musical Works Audio & Video Production	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Funds Offered
SOUND RECORDINGS				
Direct Board Approval Program				
Direct Board Approval – Level 1,2,3- Classical and Electornica/Urban	120	2,221,519	103	1,840,612
Emerging Artist Program	136	3,263,975	50	1,354,579
Juried Programs				
FACTOR Loans	254	4,455,695	35	662,755
Independent Artists Recording Loans	521	6,176,738	41	519,452
Artist Demo Grants	819	1,640,992	124	226,288
Publisher & Songwriters Grants	74	166,621	24	46,236
Total Sound Recordings	1,924	17,925,540	377	4,649,922
VIDEO PRODUCTION				
Video Grants	69	1,858,824	23	461,724
Total Video Production	69	1,858,824	23	461,724
MARKETING & PROMOTION				
Marketing Audio Recording Loans & Grants				
Marketing- Emerging Artists Marketing	62	2,468,669	44	1,643,467
Marketing - Independent Artists Grants	28	386,799	27	293,748
Marketing - FACTOR Supported Sound	23	473,377	21	374,943
Marketing - Non-FACTOR Supported Sound	196	1,830,958	52	257,843
Marketing - Direct Board Grants	80	1,687,072	73	1,361,167
Total Marketing Loans & Grants	389	6,846,875	216	3,931,168
TOURING & SHOWCASING GRANTS				
Domestic Showcase Grants	235	484,893	185	339,715
International Showcase Grants	282	1,023,011	203	616,116
Domestic Tour Grants	106	1,331,181	68	599,973
International Tour Grants	180	2,422,351	85	911,210
Total Tours & Showcases	803	5,261,436	541	2,467,015
COMPANY MARKETING SUPPORT				
Domestic and International Business				
Development Support	286	1,217,451	246	733,544
Label, Manager & Distributor Business				
Development Support	60	572,538	52	428,306
Total Marketing Support	346	1,789,989	298	1,161,850
COLLECTIVE INITIATIVES				
Business Development Grants	72	3,983,614	48	2,264,865
Radio Marketing Support	2	30,600	2	30,280
Songwriter Workshop Grants	43	29,304	29	18,370
Total Collective Initiatives	117	4,043,518	79	2,313,515
Grand Total	3,648	37,726,182	1,543	14,985,195

PROGRAMS & FUNDING PROVIDED

SOUND RECORDING

FACTOR offers funding to various levels of the music industry. From the creation of simple demos, on through to the production of sound recordings for commercial release, FACTOR provides financial assistance. Assistance is also provided to cover the costs of licensing and purchasing of Canadian produced masters by Canadian artists. Artists and labels are able to access the various programs subject to their meeting specific program criteria. Under the sound recording umbrella there are five levels of support. They are: Direct Board Approval Programs (Level 1,2,3, Classical & Electronica/Urban), FACTOR Loans, Independent Recording Loans, Demo Grants and Publisher & Songwriters Grants. In late November 2007, FACTOR launched a new program titled the Emerging Artists Program. This program is intended to support those artists whose careers are in development and have some positive activity occurring. This determination is based on sales/radio airplay activity.

The **Direct Board Approval Programs** are for those Canadian owned or controlled record labels that have FACTOR recognized distribution and have a proven successful track record. In order to embrace the various genres of music in a fair and equitable manner, the FACTOR Board has divided the program into the following five sub-programs: Direct Board Classical, Urban/Electronica, Level 3, Level 2 and Level 1. Depending on the company and the genre of music they work in, they are required to meet the specific criteria for that program. Once a company is eligible for funding through the Direct Board Approval process, they are required to meet the overall industry average of loan repayments to ensure they can remain in the program. In the event a company loses its Direct Board Approval status, they would still be eligible to apply for funding through FACTOR's other loan programs. Funds are offered in the form of a forgivable loan. These loans are repaid based on units sold worldwide, at a royalty rate of fifty cents per unit, for two years from the date of the commercial release. At the end of the two years, any funds not repaid are forgiven. Loans of up to 50% of the eligible budget ranging from \$25,000 to \$60,000 are available through this program.

As well, Direct Board Approval projects that receive a commitment for the sound recording project are assured they can access matching marketing and promotion funds from between \$20,000 - \$65,000 toward the cost of the first video. FACTOR received 120 requests totaling \$2,221,519 and approved 103 projects, offering a total of \$1,840,612 which represents 82.85% of the total amount requested. It should be noted that where the amount offered is "0" it reflects the fact that funding was offered but later declined by the applicant.

Recipient	Genre	Province	Offered	Artist
1589343 Ontario Inc (o/a Orange Lounge Recordings)	AC	ON	\$52,842.00	Justin Hines
604 Records Inc.	POP	BC	\$40,000.00	Marianas Trench
604 Records Inc.	POP	BC	\$32,476.00	Lotus Child
7 Arts Entertainment	JAZZ	On	\$15,427.00	Young Divas
7 Arts Entertainment	JAZZ	On	\$9,462.00	Sophie Berkal-Sarbit
7 Arts Entertainment	JAZZ	On	\$12,126.00	Kinga Gorny
A440 Entertainment Inc. - Scott Morin	JAZZ	ON	\$25,000.00	Molly Johnson
Alert Music Inc.	JAZZ	ON	\$43,509.00	Michael Kaeshammer
Alien8 Recordings Inc.	ALT	QC	\$13,807.00	Torngat
Alien8 Recordings Inc.	HM	QC	\$0.00	Nadja
Alma Records	M/G	ON	\$29,946.97	Hilario Duran
Alma Records	M/G	ON	\$22,037.80	Jake Langley
Aporia Records Inc.	ALT	ON	\$25,000.00	Lily Frost
Aporia Records Inc.	WLB	ON	\$4,637.00	Morgan Doctor
Big Ride Management	COU	On	\$10,493.00	JUSTINE STEWART
Big Ride Management	COU	On	\$10,494.00	FARMER'S DAUGHTER
Big Ride Management	COU	On	\$3,250.00	Marlee Scott

Black Box Recordings Inc.	ROCK	ON	\$24,654.82	Ten Second Epic
Black Box Recordings Inc.	ROCK	ON	\$15,928.00	Wooden Sky
Black Hen Music	ROOTS	BC	\$4,600.00	Cameron Latimer
Black Hen Music	ROOTS	BC	\$6,571.43	Steve Dawson
Black Hen Music	ROOTS	BC	\$21,974.00	Deep Dark Woods
Black Hen Music	ROOTS	BC	\$24,000.00	John Wort Hannam
Boompa Productions	ALT	BC	\$23,500.00	Salteens
Boompa Productions	ALT	BC	\$12,500.00	Circlesquare
Boompa Productions	ALT	BC	\$3,795.00	Reverie Sound Revue
Boompa Productions	COU	BC	\$8,250.00	Patrick Brealey
Boompa Productions	POP	BC	\$4,250.00	woodpigeon
Brookes Diamond Productions Ltd.	WLB	NS	\$34,441.00	DRUM!; Canada's Heartbeat
Bumstead Productions Ltd.	POP	ON	\$3,631.00	EMMA-LEE
Bumstead Productions Ltd.	POP	ON	\$29,581.00	Two Hours Traffic
Bumstead Productions Ltd.	ROCK	ON	\$23,592.00	Trews
CP Records Inc.	ROCK	On	\$40,000.00	Chris Labelle
CP Records Inc.	URB	On	\$40,000.00	Danny Fernandes
CP Records Inc.	URB	On	\$40,000.00	Ivana Santilli
CP Records Inc.	URB	On	\$40,000.00	David Rain (David Afonso)
Curve Music Inc.	AC	ON	\$25,000.00	Garth Hudson
Curve Music Inc.	COU	ON	\$25,000.00	Lindsay Broughton
Curve Music Inc.	COU	ON	\$24,553.00	Garth Hudson
Curve Music Inc.	ROCK	ON	\$23,558.00	Various Artists
Dine Alone Music Inc.	HM	ON	\$25,000.00	Alexisonfire
Dine Alone Music Inc.	ROCK	ON	\$25,000.00	Moneen
Dine Alone Music Inc.	ROCK	ON	\$12,687.00	Arkells
Distort Entertainment	HM	ON	\$7,300.00	Straight Reads The Line
Distort Entertainment	HM	ON	\$15,000.00	Dead and Divine
Duke Street Records	POP	ON	\$17,791.00	Kenny MacLean
Duke Street Records	ROOTS	ON	\$8,719.00	Chris Bartos
Earl Rosen and Associates Limited	CLA	ON	\$22,549.00	Toronto Consort
Earl Rosen and Associates Limited	CLA	ON	\$8,556.00	Phil Nimmons
G7 Welcoming Committee	ALT	MB	\$24,696.00	Propagandhi
Ground Swell Records	ROOTS	NS	\$12,335.00	Rawlins Cross
Gun Records Inc.	ROOTS	NS	\$38,463.00	Terry Kelly
High Life Music	POP	QC	\$0.00	Empire ISIS
L' Equipe Spectra inc.	JAZZ	QC	\$36,110.00	Susie Arioli
Last Gang Records	DAN	QC	\$14,375.00	MSTRKRFT
Last Gang Records	ROCK	QC	\$5,750.00	Mothers Fathers
Luprock Entertainment Inc.	CHI	ON	\$20,040.34	Rita MacNeil
Luprock Entertainment Inc.	ROOTS	ON	\$25,000.00	Rita MacNeil
Micah Communications Inc.	URB	ON	\$22,948.00	Toronto Children's Concert Choir
Micah Communications Inc.	URB	ON	\$21,748.00	Toronto Mass Choir
Netwerk Productions	M/G	BC	\$38,870.36	Aliqua
NorthernBlues Music	ROOTS	On	\$12,500.00	Twisters
Opening Day Entertainment	CLA	ON	\$25,000.00	Sean Kelly
Opening Day Entertainment	CLA	ON	\$20,660.00	Canadian Brass
Opening Day Entertainment	CLA	ON	\$24,415.00	Canadian Brass & The Toronto Consort
Outside Music Inc.	ALT	ON	\$5,290.00	Dog Day
Outside Music Inc.	JAZZ	ON	\$13,052.00	Hylozoists

Outside Music Inc.	ROOTS	ON	\$14,288.00	Sunparlour Players
Pandyamonium Artist Management	POP	ON	\$11,644.00	Serena Ryder
Pandyamonium Artist Management	URB	ON	\$57,960.00	Jully Black
Paper Bag Records (3)	ALT	ON	\$17,520.00	Slim Twig
Paper Bag Records(2)	ALT	ON	\$18,987.00	Josh Reichmann
Paper Bag Records	URB	ON	\$8,625.00	Two Fingers
Reiny Dawg Inc.	COU	BC	\$25,000.00	George Canyon
Scratch Records	ROCK	BC	\$7,418.00	Green Hour
Signpost Music Ltd.	AC	MB	\$40,000.00	Amanda Falk
Six Shooter Records	ROOTS	ON	\$11,500.00	Elliott Brood
Six Shooter Records	ROOTS	ON	\$8,625.00	Justin Rutledge
Smallman Records	ALT	MB	\$18,630.00	Sights & Sounds
Smallman Records	ALT	MB	\$10,557.00	Comeback Kid
Smallman Records	ALT	MB	\$11,212.00	Josh Youngson
Smallman Records	ROCK	MB	\$19,616.00	Greg MacPherson
Sonic Unyon Records Canada	ALT	ON	\$5,347.00	Teenage Head
Sonic Unyon Records Canada	ALT	ON	\$2,587.00	Angela Desveaux
Sonic Unyon Records Canada	ALT	ON	\$9,614.00	Ghost Is Dancing
Sonic Unyon Records Canada	HM	ON	\$3,795.00	Vatican Chainsaw Massacre
Stephane Carreau enr.	WLB	QC	\$36,616.00	Stephane Carreau
Stomp Records 9045-1170 Quebec Inc.	COU	QC	\$1,840.00	Sarah Blackwood
Stomp Records 9045-1170 Quebec Inc.	REG	QC	\$3,700.00	One Night Band
Stomp Records 9045-1170 Quebec Inc. (2)	ROCK	QC	\$9,125.00	Johnstones
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$7,725.13	Creepshow
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$2,800.00	Brains
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$5,750.00	Subb
Stony Plain Recording Co. Ltd.	ROOTS	AB	\$11,500.00	Tim Hus
Stony Plain Recording Co. Ltd.	ROOTS	AB	\$4,888.00	Big Dave McLean
Sweatshop Union Music	URB	BC	\$25,000.00	Pigeon Hole
Sweatshop Union Music	URB	BC	\$25,000.00	Dirty Circus
Sweatshop Union Music	URB	BC	\$25,000.00	Sweatshop Union
Sweatshop Union Music	URB	BC	\$25,000.00	Metty and Evil: The Trillionaires
Total			\$1,840,612	

The **Emerging Artists Program** was created to support those grassroots artists whose careers are emerging at the national and international levels. The purpose of this program is to provide a strong financial commitment to each project by funding the sound recording and marketing and promotion respectively, to help artists take their careers to the next level. Funding for this program is provided by Canada's private radio broadcasters.

To be eligible to apply to this program, the artist for which funding is being requested, must have sold a minimum of:
1,500 units for World/Classical/Blues/Aboriginal/Jazz Recordings
2,000 units for Urban/Country/Folk/Electronica; or
3,500 units for Pop/Rock/AC projects
and less than 150,000 copies worldwide.

Funding is up to 50% of the eligible budget to a maximum of \$35,000 for the production of the sound recording and \$50,000 for the marketing and promotion of the project. Each artist is eligible to receive a maximum of 2 sound recording loans and 2 marketing & promotion grants during the lifetime of the program. The marketing and promotion funds do not have to support a FACTOR funded sound recording project.

FACTOR received 136 requests totaling \$3,263,975 and approved 50 projects, offering a total of \$1,354,579, which represents 41.5% of the total amount requested. It should be noted that where the amount offered is "0" it reflects the fact that funding was offered but later declined by the applicant.

It should also be noted that several projects that would have previously been supported through the radio marketing program have been transferred to, and are being reported as, part of the Emerging Artists Program.

Recipient	Genre	Province	Offered	Artist
A440 Entertainment Inc. - Scott Morin	JAZZ	ON	\$35,000.00	Nikki Yanofsky
Alex Bolieu Management	M/G	QC	\$18,687.00	We Are Wolves
Ali Milner	JAZZ	BC	\$15,000.00	Ali Milner
Aquarius Records Limited	ROCK	QC	\$35,000.00	Gob
Arts & Crafts International	POP	QC	\$25,000.00	Amy Millan
Arts & Crafts Productions	ALT	ON	\$31,783.00	Most Serene Republic
Arts & Crafts Productions	ALT	ON	\$25,036.00	Stills
Arts & Crafts Productions	ALT	ON	\$35,000.00	Bell Orchestre
Arts & Crafts Productions	M/G	ON	\$35,000.00	Hidden Cameras
Bad To The Cone Inc.	ROCK	On	\$21,474.00	Operation MD
Basia Bulat	M/G	On	\$35,000.00	Basia Bulat
Big Balloons	POP	ON	\$12,823.00	Golden Dogs
Bumstead Productions Ltd.	ROCK	ON	\$11,080.00	Trews
Caracol Records	WLB	BC	\$35,000.00	Alex Cuba
Chief Sound Inc.	M/G	BC	\$0.00	Faber Drive
DALA	M/G	On	\$31,150.00	DALA
DEJA Musique Inc.	ROCK	QC	\$35,000.00	Jonas
Dragonette Inc.	POP	ON	\$0.00	Dragonette
Fifth Season Music Inc.	ROCK	AB	\$34,775.00	Social Code
Hay Sale Records	COU	NS	\$25,000.00	Divorcees
High Romance Music Inc.	ROOTS	ON	\$24,500.00	Catherine MacLellan
Holy F. Music	DAN	ON	\$0.00	Holy Fuck
HRM Records Inc (Her Royal Majesty)	ALT	BC	\$35,000.00	Vincent Black Shadow
Jully Black Entertainment Incorporated	POP	ON	\$50,000.00	Jully Black
Justin Rutledge	ROCK	ON	\$35,000.00	Justin Rutledge
Kellylee Evans	AC	On	\$15,775.00	Kellylee Evans Laurell Barker (formerly Hubick)
Laurell Barker	POP	BC	\$34,097.00	Laurell Barker (formerly Hubick)
Les Productions Breakglass Inc.	M/G	QC	\$35,000.00	Besnard Lakes
Linus Entertainment Inc.	JAZZ	ON	\$35,000.00	Sophie Millman
Manafest Productions	M/G	ON	\$27,255.00	Manafest
Marco Polo	M/G	On	\$35,000.00	Marco Polo
Matthew-Aaron Dusk	M/G	ON	\$35,000.00	Matt Dusk
Max MacDonald	ROOTS	NS	\$9,300.00	Max MacDonald
Michael Pallett Plowright	M/G	On	\$31,337.00	Final Fantasy
Netwerk Music Group	POP	BC	\$35,000.00	Great Lake Swimmers
Neverending White Lights	ALT	On	\$28,462.00	Neverending White Lights
Odel Johnson	REG	On	\$20,000.00	Odel Johnson
Pilate Music Inc.	ROCK	ON	\$35,000.00	Pilot Speed
Rockstar Music Corp	POP	BC	\$35,000.00	Elise Estrada
Royal Wood	ROOTS	On	\$35,000.00	Royal Wood
Ryan Malcolm Entertainment Inc.	POP	ON	\$35,000.00	LOW LEVEL FLIGHT

Secret City Records Inc.	ALT	QC	\$12,500.00	Miracle Fortress
Secret City Records Inc.	ROCK	QC	\$35,000.00	Patrick Watson
Shane Yellowbird	M/G	SK	\$35,000.00	Shane Yellowbird
Six Shooter Records	ROOTS	ON	\$25,213.00	Melissa McClelland
Six Shooter Records	ROOTS	ON	\$35,000.00	Jenn Grant
Teamworks Production & Management	M/G	BC	\$35,000.00	Daniel Wesley
The Junction Inc.	POP	ON	\$12,219.00	Junction
Upper Class Recordings Inc.	POP	ON	\$15,263.00	Russian Futurists
You Say Party! We Say Die!	M/G	BC	\$26,850.00	You Say Party! We Say Die!
Total			\$1,354,579	

The **FACTOR Loan Program** assists artists/labels that have FACTOR recognized distribution with the costs of producing a CD for commercial release/sale. Funds are offered in the form of a forgivable loan. These loans are repaid based on units sold worldwide, at a royalty rate of fifty cents per unit, for two years from the date of the commercial release. At the end of the two years, any funds not repaid are forgiven. Loans of up to 75% of the eligible budget to a maximum of \$25,000 are available through this program. FACTOR received 254 requests totaling \$4,455,695 and approved 35 projects, offering a total of \$662,755 which represents 14.87% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
Avalanche Productions	ABO	QC	\$25,000.00	Elisapie Isaac
A. Jacob Hiebert	ROOTS	ON	\$25,000.00	Big Rude Jake
Alpha YaYa Diallo	WLB	BC	\$20,413.00	Alpha Yaya Diallo
Andrew Burashko	AC	On	\$24,411.00	art of time ensemble & steven page
Andrew Sisk	POP	NB	\$6,000.00	Share
Brian W. Abrams	ROOTS	ON	\$25,000.00	Abrams Brothers
Catherine Wilson	CLA	On	\$16,240.00	EnsembleVivant
Curura Musique	WLB	QC	\$17,281.00	Roberto Lopez Project
Dan Mangan	ROOTS	BC	\$16,300.00	Dan Mangan
David Vertesi	POP	BC	\$13,926.00	Hey Ocean
Effendi Records Inc.	JAZZ	QC	\$13,000.00	Jen-Pierre Zanella
Endearing Records	ALT	BC	\$8,596.00	Paper Moon
Ensemble Arion	CLA	QC	\$25,000.00	Ensemble Arion
George Koller	JAZZ	On	\$24,523.00	George Koller
Hardwood Records	ALT	ON	\$25,000.00	Cuff The Duke
Hardwood Records	ALT	ON	\$25,000.00	Hayden
High 4 Records	POP	ON	\$25,000.00	Crush Luther
High 4 Records	ROCK	ON	\$0.00	Magneta Lane
HRM Records Inc (Her Royal Majesty)	COU	BC	\$25,000.00	Jaydee Bixby
HRM Records Inc (Her Royal Majesty)	HM	BC	\$25,000.00	Jakarta
HRM Records Inc (Her Royal Majesty)	ROCK	BC	\$25,000.00	Bif Naked
Les Productions Castafiore (9098-8015 Quebec Inc.)	ROOTS	QC	\$20,000.00	Annette Campagne
Madawaska Quartet	CLA	ON	\$15,954.00	Madawaska String Quartet
Mark Steele	REG	ON	\$25,000.00	Steele
Melaby Music Inc.	WLB	ON	\$25,000.00	Robert Michaels
Peter Elkas	POP	ON	\$18,584.00	Peter Elkas
Rockstar Music Corp	POP	BC	\$0.00	Romanza

Seventh Rain Music Inc	ROCK	AB	\$10,818.00	Seventh Rain
Sherry St.Germain	POP	BC	\$25,000.00	Sherry St.Germain
Sonic Records	ROCK	NS	\$18,688.00	Novaks
Sparks Music	ALT	ON	\$25,000.00	Spiral Beach
Tonic Records	ROOTS	BC	\$16,000.00	Bocephus King
Upper Management	POP	QC	\$25,000.00	Hannah Georgas
White Whale Records	ROCK	ON	\$18,084.00	Mohawk Lodge
William Beauvais	CLA	ON	\$8,937.00	William Beauvais
Total			\$662,755	

The **Independent Recording Loan Program** assists artists that do not have FACTOR recognized distribution with the cost of producing a CD for commercial release/sale. Funds are offered in the form of a forgivable loan. These loans are repaid based on units sold worldwide, at a royalty rate of fifty cents per unit, for two years from the date of the commercial release. At the end of the two years, any funds not repaid are forgiven. Loans of up to 75% of the eligible budget to a maximum of \$15,000 are available through this program. FACTOR received 521 requests totaling \$6,176,738 and approved 41 projects, offering a total of \$519,452, which represents 8.4% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
Aaron Cadwaladr	ROOTS	BC	\$14,716.00	Aaron Cadwaladr
Andrea Hunt	WLB	AB	\$12,097.00	Sora
Andrew Irwin	URB	BC	\$11,534.00	Andres
Anne Louise Genest for the Annie Lou band	ROOTS	YT	\$10,000.00	Annie Lou
Archie Alleyne	JAZZ	ON	\$7,000.00	Kollage - The Rhythm Section
August	URB	On	\$14,895.00	August
Ben Spencer	ROOTS	ON	\$15,000.00	Ben Spencer's Funeral
Bria Skonberg	JAZZ	BC	\$15,000.00	Bria Skonberg
BunkRock Productions Inc.	ROCK	On	\$0.00	One Second 2 Late
Cary Parker	ROCK	On	\$15,000.00	Shortwave
Cat Jahnke	AC	MB	\$14,013.00	Cat Jahnke
CLK Creative Works	URB	ON	\$15,000.00	Saidah Baba Talibah
Danielle Lelia Duval	ROCK	ON	\$15,000.00	Danielle Duval
Derek "Drex" Jancar	URB	ON	\$14,325.00	Drex
Emotionz	URB	BC	\$14,921.00	Emotionz
Flying Disc Records	POP	NS	\$13,620.00	Jon Mullane
Frazey Ford	ROOTS	BC	\$14,400.00	Frazey Ford
Glen Erickson	ROCK	AB	\$7,580.00	Wheat Pool
Heather Johnson	ROOTS	AB	\$10,833.00	Heather Blush and The Uppercuts
Jessica Rhaye Music	AC	NB	\$10,992.00	Jessica Rhaye
John Abberger	CLA	ON	\$14,000.00	John Abberger
Kathryn Calder	ALT	BC	\$12,305.00	Kathryn Calder aka Long Lost
Mark Watson	AC	ON	\$15,000.00	Essentials
Marlon Wilson	URB	AB	\$8,000.00	Politic Live
matt wells	POP	ON	\$15,000.00	lazybones
Mel M'rabet	WLB	ON	\$13,000.00	Mel MÃ´rabet
Michael Brennan	ROOTS	ON	\$15,000.00	Michael Brennan
Michael Shand	JAZZ	ON	\$13,837.00	Michael Shand

Miles Jones	URB	On	\$15,000.00	Miles Jones
Northern Heights Records	POP	ON	\$15,000.00	Ishan "Ish" Morris
Northern Heights Records	POP	ON	\$15,000.00	Lauren Christoff
Ojiji Music	ROOTS	MB	\$12,650.00	Littlehawk
Pablo Samuel Castro	WLB	QC	\$10,000.00	Ecos de Portoalegre
Patrick Krief	ROCK	QC	\$14,440.00	Black Diamond Bay
Rebekah Higgs	POP	ON	\$11,505.00	Rebekah Higgs
Romi Mayes	ROOTS	MB	\$15,000.00	Romi Mayes
Ruth Moody	ROOTS	MB	\$15,000.00	Ruth Moody
Shannon Butcher	JAZZ	ON	\$15,000.00	Shannon Butcher
The Nathaniel Dett Chorale	CLA	On	\$10,500.00	Nathaniel Dett Chorale
Tonya Kennedy	COU	ON	\$15,000.00	Tonya Kennedy
Yvette Tollar	JAZZ	ON	\$3,289.00	Yvette Brown Tollar
Total			\$504,736	

The **Professional Demo Grant Program** provides grants to artists/groups to assist with the production of a high quality demo to be used to try and secure a recording deal. In many cases, it also affords an artist or group their first opportunity to work in a professional recording facility. Grants of up to 75% of the eligible budget to a maximum of \$2,000 are available through this program. FACTOR received 819 requests totaling \$1,640,992 and approved 124 projects, offering a total of \$226,288, which represents 13.79% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
Alex Goodman	JAZZ	On	\$1,838.00	Alex Goodman
Alex Lefaire	JAZZ	QC	\$2,000.00	Alex Lefaire
Alexandra Kane	URB	On	\$1,275.00	Alexandra Kane
Alexi B. Rioux	ROCK	QC	\$1,920.00	Forever Always
Andrew James O'Brien	ROOTS	NL	\$1,920.00	Andrew James O'Brien
Ann Vriend	POP	ON	\$1,920.00	Ann Vriend
Ariane Mercure	COU	QC	\$1,920.00	Ariane Mercure
Arron Reed Ravnaski	ALT	On	\$2,000.00	Arron Reed
Ashleigh Anne Eymann	URB	BC	\$1,567.00	Ashleigh Eymann
Austin Garrick	DAN	On	\$1,965.00	Austin Garrick, aka "Watts"
b.u.m.p.	ROCK	MB	\$1,988.00	B.U.M.P.
Basia Lyjak	ROCK	On	\$1,920.00	Basia Lyjak
Ben Nudds	POP	ON	\$1,931.00	Ben Nudds
Brandi Sidoryk	ALT	AB	\$1,800.00	Sidney York (a.k.a. Brandi Sidoryk)
Burning Borders	ROCK	BC	\$1,920.00	Burning Borders
Burning Circus Inc.	POP	MB	\$1,920.00	Heather Longstaffe
Burning Circus Inc.	ROCK	MB	\$2,000.00	Sons of York
Canvasland Music Studios	HM	NS	\$2,000.00	Children Of Eve
Carrie-Lynn DeMaeyer (2)	AC	ON	\$3,920.00	Carrie-Lynn DeMaeyer (Perry)
Cassie MacDonald	ALT	No	\$1,550.00	Cassie MacDonald
CBG Artist Development	AC	MB	\$1,920.00	Don Amero
CBG Artist Development	ALT	MB	\$2,000.00	Maximum Sixty
CBG Artist Development	COU	MB	\$1,988.00	Darrellyne Bickel
Chad Scott	URB	QC	\$1,100.00	Finess
Chantal Renee Thorn	COU	On	\$1,920.00	Chantal Thorn
Cheryl Beatty	AC	ON	\$1,920.00	Cheryl Beatty

Chris DeGuzman	URB	MB	\$1,920.00	Chris DeGuzman
Chris James	POP	On	\$1,800.00	Chris James
chris p. witoski	ROCK	BC	\$1,920.00	chris witoski
Chrissy Horse Music	ROCK	No	\$1,991.00	Sorrys
Colin Huebert	ROOTS	ON	\$1,837.00	Colin Huebert
Dale Boyle	ROOTS	QC	\$1,612.00	Dale Boyle
Dan Bouwhuis	AC	On	\$1,830.00	Dan Bouwhuis
Dan Mangan Music	ROOTS	BC	\$2,000.00	Dan Mangan
Daniel Lutz	POP	QC	\$1,875.00	Danny Lutz
Darrel Cameron	ROOTS	NS	\$1,833.00	henrysense
Darrelle London	POP	ON	\$2,000.00	Darelle London
David Arkwright	ALT	On	\$2,000.00	A Step Too Far
David Leask	COU	ON	\$1,920.00	David Leask
Derek Hoffman	ROCK	ON	\$1,800.00	Brighter Brightest
Donald Mackay	ALT	NS	\$2,000.00	Donald Mackay
Double Dragon Productions	URB	BC	\$1,920.00	Double Dragon
DTS Jones Enterprises	ROOTS	ON	\$2,000.00	Anne Blackwell-Peele
DTS Jones Enterprises (2)	URB	ON	\$3,630.00	Relic
Ease Music Entertainment	URB	On	\$1,920.00	Shaun Lynch
Edward Philip Silva Frade	ALT	QC	\$1,845.00	Whiteroom
Elena Yeung	ROOTS	BC	\$1,500.00	Elena Yeung
elie haroun	POP	QC	\$1,454.00	Elie Haroun a.k.a Elias
Fully Loaded Music (2)	ALT	BC	\$3,920.00	Fully Loaded
GARY BOATENG	URB	ON	\$2,000.00	GARY BOATENG
Georgia Higgins	POP	On	\$1,748.00	Georgia Higgins
Gordie Tentrees	ROOTS	YT	\$1,920.00	Gordie Tentrees
Hannah Chan	ROCK	On	\$2,000.00	Hannah Chan
Hannah Ruth Georgas	ALT	BC	\$2,000.00	Hannah Georgas
Head In The Sand Productions	ALT	MB	\$1,920.00	Les Jupes
Henry a-w	POP	BC	\$2,000.00	Henry and the Nightcrawlers
Hilary Grist	ROOTS	BC	\$2,000.00	Hilary Grist
Hussein Alidina	URB	BC	\$1,950.00	Hussein "E.V." Alidina
Ian Goodtimes	POP	On	\$1,463.00	Goodtimes
Ian Lennox	POP	On	\$1,920.00	Exclamation Kid
Jake King	POP	BC	\$1,650.00	Jake King
James Ronald Bath	AC	On	\$1,920.00	Jamie Bath
Janine Farragher	AC	On	\$900.00	Janine Farragher
Jef Kearns	URB	On	\$1,950.00	Jef Kearns
Jeff Pineau	ALT	On	\$2,000.00	Sleepless Nights
Jennifer Foster	POP	ON	\$1,763.00	Jennifer Foster
Jesse Weeks	POP	ON	\$1,706.00	Jesse David Weeks
Jessica Shappard	AC	On	\$1,875.00	Jessica Sheppard
Jessie Treneer	COU	ON	\$1,868.00	JESSIE TRENEER
Joel Baskin	ROCK	On	\$1,200.00	Channel One
John MacKenzie	ROCK	ON	\$2,000.00	Shotgun Rules
Joshua Cockerill	ROOTS	On	\$679.00	Joshua Cockerill
kay peltigrew	AC	ON	\$1,920.00	Kay Pettigrew
Kevin Mark Legault	ROOTS	QC	\$1,762.50	Kitchen Shakers
Latoya Rodney	URB	On	\$1,823.00	Jane from Finch
Leighton Bain	AC	On	\$1,920.00	Leighton Bain

Liane Desrosiers	AC	QC	\$1,920.00	Liane Desrosiers
Lise Monique Oakley	ALT	BC	\$1,920.00	Jackfruit
Luu Breeze	URB	On	\$1,920.00	Luu Breeze
Lynne Dubuc	ROCK	ON	\$2,000.00	Books Elusive
Marc Willerton	POP	MB	\$1,732.00	Marc Willerton Vanderpark: Hanaya, Haddad, Alan Demsky, David Stu
Marcus Wong	ROCK	ON	\$1,920.00	
Mark Bragg	ALT	NF	\$1,575.00	Mark Bragg & The Butchers
Matthew Joseph Pickup	ALT	NS	\$1,285.00	Matthew Pickup
Melissa Beckford	URB	On	\$1,300.00	Ms. Boogie
melissa mannett	POP	SK	\$1,625.00	Melissa Mannett
Michael Herring	JAZZ	On	\$1,800.00	Michael Herring & Don Scott Quartet
Michael Wilson	URB	ON	\$1,920.00	PHATT al
Morgan Little	URB	QC	\$1,995.00	M.O.
Nicholas Jarjour	URB	QC	\$1,900.00	Leila
Nicolas Fraser	URB	ON	\$2,000.00	Sinotra
Patrick Watson Quine	REG	BC	\$1,463.00	Natural Flavas
Piper Davis	DAN	BC	\$1,988.00	Piper Davis
prime eight production	REG	ON	\$1,920.00	lindo p
Rafe Malach	POP	ON	\$1,920.00	Trick of Disaster
Rebekah Higgs	ALT	ON	\$1,920.00	Rebekah Higgs
Rehan Dalal	AC	ON	\$1,920.00	Rehan Dalal
Reinhard Baldizon	WLB	On	\$1,969.00	Adoradores
Roachmouth Records	AC	On	\$1,920.00	Simon King
Robyn Dell'Unto	POP	On	\$2,000.00	Robyn Dell'Unto
Roger Walls	JAZZ	QC	\$1,425.00	Roger Walls
Ryan McMahon (2)	AC	BC	\$4,000.00	Ryan McMahon
Shannon Alvares	POP	ON	\$2,000.00	Shannon Alvares
Shelley Potzold	ROOTS	ON	\$1,875.00	Lady Hayes
shera kelly	POP	BC	\$1,427.00	Shera Kelly
Stearns Entertainment	COU	BC	\$2,000.00	Karen-Lee Batten
Stearns Entertainment	COU	BC	\$1,957.00	WYATT
Stephanie Fera	COU	BC	\$877.00	FERA
Stephen Hedley	AC	BC	\$1,920.00	Stephen Hedley
The Quaint Hearted	JAZZ	Br	\$1,656.00	Quaint Hearted
Tonic Records	POP	BC	\$2,000.00	Ben Sigston
Tonic Records	ROOTS	BC	\$2,000.00	koralee
Tyler Bancroft	ALT	BC	\$1,672.00	Said The Whale
Tyler Messick	ROCK	QC	\$1,500.00	Tyler Messick
Vandana Vishwas	WLB	On	\$2,000.00	Vandana Vishwas
Victoria Pieszczyński	POP	ON	\$1,800.00	Victoria
Will Gillespie	ROOTS	ON	\$1,920.00	Will Gillespie/SALTCOATS
Yael Wand	ROOTS	BC	\$1,920.00	Yael Wand
Yvette Tollar	JAZZ	ON	\$2,000.00	Yvette Tollar with Kek Duna
Total			\$226,288	

The **Professional Publishers & Songwriters Demo Grant Program** provides songwriters and music publishers with funding to assist with the production of a high quality demo to be used to try and secure a recording of the song by another artist/group. Grants of up to 75% of the eligible budget to a maximum of \$2,000 are available through this program. FACTOR received 74 requests totaling \$166,621 and approved 24 projects, offering a total of \$46,236 which represents 27.75% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
Coalition Entertainment Management	POP	ON	\$2,000.00	Justin Nozuka
Daniel Isaiah Schachter	ROCK	QC	\$1,655.00	Daniel Isaiah Schachter
Dwayne King	ROCK	ON	\$1,700.00	Richie Hennessey
Dwayne King	URB	ON	\$1,700.00	Brassmunk/ToneMason
Geoff Gibbons	POP	BC	\$2,000.00	Geoff Gibbons
Greg Bradley	ROCK	BC	\$2,000.00	Greg Bradley
Ignazio Pipitone	AC	ON	\$2,000.00	Ignazio Pipitone
Jamie Warren	COU	ON	\$2,000.00	Jamie Warren
Joseph Janisse (2)	AC	On	\$4,000.00	Joseph janisse
Many Lives Music Publishers	ALT	PE	\$2,000.00	Mark Palmer
Many Lives Music Publishers	ROOTS	PE	\$2,000.00	James Phillips
Many Lives Music Publishers	ROOTS	PE	\$2,000.00	Mike Dixon
Music Mentor Productions	AC	ON	\$1,931.00	Ava Kibalian
Music Mentor Productions	AC	ON	\$1,775.00	Karina Eskandary
Music Mentor Productions (2)	AC	ON	\$3,875.00	Sandy MacGillivray
Music Mentor Productions	DAN	ON	\$2,000.00	Sarina Paris
Nicole Hughes	COU	On	\$2,000.00	Nicole Hughes
Rheal Poirier (2)	COU	BC	\$4,000.00	Rheal Poirier
rodney robert macedougall	ROCK	BC	\$1,800.00	rod macedougall
Tebey Ottoh	COU	ON	\$1,800.00	Tebey Ottoh
wayne crews		On	\$2,000.00	Responsibles
Total			\$46,236	

VIDEO GRANTS

While finding opportunities for videos to be played on television are somewhat limited in many genres, the video is still recognized as an important marketing tool. FACTOR's eligibility requires that all videos must be in support of a recent commercially released, nationally distributed sound recording. The sound recording for which the video is in support of, must have sold a minimum of 2,000 units prior to being eligible to applying for funding. The Board of Directors reviews these applications and determines which projects should receive funding. Funding is up to 75% of their eligible budget to a maximum of \$20,000 – \$40,000.

With the advent of Youtube etc. the cost of shooting videos has been dramatically reduced. Many of these types of videos are being supported through the funds provided for the marketing and promotion of the sound recording.

FACTOR received 69 requests totaling \$1,858,824 and approved 23 projects, offering a total of \$461,725 which represents 24.84% of the total amount requested.

Genre	Genre	Province	Offered	Artist
635-7334 Canada Inc. (Equator Music)	ROCK	QC	\$20,000.00	Midway State

635-7334 Canada Inc. (Equator Music)	ROCK	QC	\$40,000.00	Metric
Black Box Recordings Inc.	ROCK	ON	\$20,000.00	Crash Parallel
Camobear Records	URB	BC	\$10,000.00	Josh Martinez
City and Colour Inc.	ROCK	ON	\$40,000.00	City and Colour
Dare to Care Records	ALT	QC	\$9,946.79	We Are Wolves
Distort Entertainment	HM	ON	\$7,403.13	Cancer Bats
HRM Records Inc (Her Royal Majesty)	COU	BC	\$40,000.00	Jaydee Bixby
Last Gang Records	ROCK	QC	\$10,000.00	Mother Mother
mobiletheband music inc	ROCK	ON	\$10,000.00	Mobile
Mount Zoomer	ROCK	QC	\$20,000.00	Wolf Parade
Nick Thornburn	ROCK	QC	\$20,000.00	Islands
Outside Music Inc.	JAZZ	ON	\$20,000.00	Jill Barber
Pheromone Recordings	ROCK	On	\$35,000.00	Beast
Rockstar Music Corp	POP	BC	\$10,000.00	Elise Estrada
Secret Brain Inc.	ROCK	ON	\$40,000.00	Sam Roberts Band
Timothy Morrison (2)	ROCK	NB	\$19,375.00	AGE OF DAZE
Todor Kobakov	ROCK	ON	\$20,000.00	Major Maker
Underground Operations (2)	HM	ON	\$55,000.00	Protest The Hero
Urban Project Management and Consulting Corp. (UPMC)	URB	ON	\$10,000.00	Point Blank
Waterpark Recordings & Publishing Inc.	WLB	BC	\$5,000.00	Pacifika
Total			\$461,725	

MARKETING & PROMOTION SOUND RECORDINGS

Without funding to assist with the marketing and promotion of sound recordings, there is very little reason to support the sound recording project. For this reason, FACTOR offers matching funding to assist with the marketing and promotion of all sound recording projects which receive funding from the foundation. FACTOR also offers some funding to assist with the marketing and promotion of sound recordings which do not receive financial assistance from FACTOR for the production of the master.

Funding is provided in the form of grants and embraces many different types of expenses. There are many ways to market and promote a new release and FACTOR's programs endeavor to be as open to the creative marketing and promotion initiatives as is financially possible.

FACTOR received 389 requests totaling \$6,846,875 and approved 216 projects, offering a total of \$3,931,168, which represents 57.42% of the total amount requested. Of the 216 marketing projects approved for funding, 52 were for sound recordings for which FACTOR did not support the production of the sound recording. The projects which FACTOR did not support the production of the sound recordings are listed in bold.

Recipient	Genre	Province	Offered	Artist
1589343 Ontario Inc (o/a Orange Lounge Recordings)	AC	ON	\$39,445.00	Justin Hines
604 Records Inc.	ALT	BC	\$10,086.00	Organ
604 Records Inc.	POP	BC	\$30,000.00	Marianas Trench
604 Records Inc.	ROCK	BC	\$30,000.00	Oakalla

604 Records Inc.	ROCK	BC	\$20,000.00	Thornley
604 Records Inc.	ROCK	BC	\$30,000.00	Armchair Cynics
635-7334 Canada Inc. (Equator Music)	ROCK	QC	\$30,000.00	Midway State
Aash Records	POP	NS	\$14,500.00	MIR
Alan Witz	URB	ON	\$50,000.00	God Made ME Funky
Alan Witz	URB	ON	\$5,000.00	God Made Me Funky
Alana Levandoski	ROOTS	MB	\$46,743.00	Alana Levandoski
Alert Music Inc.	ROOTS	ON	\$31,517.00	Roxanne Potvin
Alien8 Recordings Inc.	ALT	QC	\$16,244.00	Duchess Says
Alma Records	JAZZ	ON	\$15,000.00	Hilario Duran
Alma Records	JAZZ	ON	\$5,000.00	Jake Langley
Alma Records	JAZZ	ON	\$10,000.00	Mike Ruby
Annabelle Chvostek	ROOTS	Qu	\$5,000.00	Annabelle Chvostek
Arbor Records Ltd.	ABO	MB	\$17,710.00	Team Rezoofficial
Archie Alleyne	JAZZ	ON	\$5,319.00	Kollage - The Rhythm Section
Arts & Crafts Productions	ALT	ON	\$50,000.00	Bell Orchestre
Arts & Crafts Productions	ALT	ON	\$50,000.00	Apostle of Hustle
Avalanche Productions	ROCK	QC	\$20,000.00	Beast
Awesome Productions & Management Inc.	COU	ON	\$11,241.00	Kenny Munshaw
Black Hen Music	ROOTS	BC	\$20,000.00	Deep Dark Woods
Black Hen Music	ROOTS	BC	\$6,600.00	Steve Dawson
Black Hen Music	ROOTS	BC	\$4,600.00	Cameron Latimer
Boompa Productions	ROOTS	BC	\$50,000.00	Leeroy Stagger
Boompa Productions	ALT	BC	\$20,000.00	Woodpigeon
Boompa Productions	DAN	BC	\$20,000.00	Circlesquare
Brandi Disterheft	JAZZ	On	\$12,000.00	Brandi Disterheft
Bryce Kushnier	DAN	ON	\$20,000.00	vitaminsforyou
Bumstead Productions Ltd.	POP	ON	\$6,123.00	Two Hours Traffic
Bumstead Productions Ltd.	AC	ON	\$28,661.00	Emma-Lee
Burning Circus Inc.	POP	MB	\$5,000.00	Ash Koley
Byram Joseph	URB	ON	\$12,000.00	Slakah the Beatchild
Camobear Records	URB	BC	\$20,000.00	Josh Martinez
CBG Artist Development	POP	MB	\$0.00	Kyle Riabko
CBG Artist Development	POP	MB	\$10,638.00	Sara Diamond
Chad Gusikoski	COU	SK	\$12,000.00	Longshot
Chris McKhool	WLB	ON	\$9,811.13	Sultans of String
Chris McKhool	CHI	ON	\$9,809.00	Chris McKhool
Christina Martin	ROOTS	NS	\$5,000.00	Christina Martin
Coalition Entertainment Management	POP	ON	\$20,000.00	Waking Eyes
Curve Music Inc.	COU	ON	\$20,000.00	Garth Hudson
Curve Music Inc.	ROCK	ON	\$19,713.00	Dunes
Cuto	JAZZ	On	\$5,000.00	Kate Schutt
DALA	POP	On	\$39,494.00	DALA
Daniel Ledwell	ALT	On	\$5,000.00	Daniel Ledwell
Darren McGinnis	COU	NB	\$9,201.00	Darren McGinnis
David Myles	ROOTS	NS	\$5,000.00	David Myles
David Vertesi	POP	BC	\$20,000.00	Hey Ocean
Dine Alone Music Inc.	ROCK	ON	\$11,848.96	City & Colour
Dine Alone Music Inc.	ROCK	ON	\$12,769.00	Black Lungs
Dine Alone Music Inc.	ROCK	ON	\$14,729.00	Arkells

Distort Entertainment	HM	ON	\$6,396.17	A Textbook Tragedy
Distort Entertainment	ROCK	ON	\$35,243.00	Bend Sinister
Distribution Fusion III Inc.	JAZZ	QC	\$24,179.00	Ranee Lee
Distribution Fusion III Inc.	WLB	QC	\$38,048.00	Lorraine Klaasen
Do Right! Music Inc	ALT	On	\$5,000.00	Valery Gore
Do Right! Music Inc	JAZZ	On	\$5,000.00	Elizabeth Shepherd
Dominique Dupuis	WLB	NB	\$12,000.00	Dominique Dupuis
Donald K Donald Group of Labels Inc.	ALT	QC	\$23,888.00	Gob
Duane Andrews	JAZZ	NL	\$29,420.00	Duane Andrews
Duane Gibson	URB	ON	\$49,048.00	D.O.
Duke Street Records	COU	ON	\$13,843.00	Rubberneck
Earl Rosen and Associates Limited	ALT	ON	\$13,972.00	Lily Frost
Endearing Records	ALT	BC	\$49,278.00	Julie Doiron
Enter the Haggis	WLB	ON	\$50,000.00	Enter The Haggis
Flemish Eye Records	POP	AB	\$30,000.00	Chad Vangaalen
Freddy Services Ltd	URB	BC	\$20,000.00	Kyprios
G7 Welcoming Committee	ALT	MB	\$24,523.00	Propagandhi
Greg Sczebel	POP	Br	\$9,775.00	Greg Sczebel
Ground Swell Records	ROOTS	NS	\$50,000.00	Rawlins Cross
Guts Records	URB	On	\$5,000.00	Imaan Faith
Hay Sale Records	COU	NS	\$48,229.00	Divorcees
Hay Sale Records	ALT	NS	\$5,000.00	Jon Epworth
Head In The Sand Productions	ROOTS	MB	\$5,000.00	Record Of The Week Club
Hi-Bias Records Inc.	DAN	ON	\$14,145.95	Canada's Finest House
High Romance Music Inc.	ROOTS	ON	\$34,816.00	Catherine MacLellan
Hilary Grist	ROOTS	BC	\$5,000.00	Hilary Grist
Howie Beck	ALT	ON	\$20,000.00	Howie Beck
HRM Records Inc (Her Royal Majesty)	ALT	BC	\$50,000.00	Vincent Black Shadow
HRM Records Inc (Her Royal Majesty)	COU	BC	\$20,000.00	Jaydee Bixby
James Boyle	POP	On	\$5,000.00	Grand Theft Bus
Jason Wilkinson	ROCK	BC	\$5,000.00	Beyond the Fall
Jayme Stone	WLB	ON	\$8,970.00	Jayme Stone
Jeff Straker	POP	ON	\$3,882.00	Jeffery Straker
Jesse Matheson	ROCK	BC	\$5,000.00	Jesse Matheson
Jordan Cook	ROCK	SK	\$12,000.00	Jordan Cook
Jp Hoe	AC	MB	\$5,000.00	Jp Hoe
Justin Ryan	URB	ON	\$5,000.00	HERO
Kate Rogers	POP	On	\$5,000.00	Kate Rogers
KBS Music	AC	MB	\$5,000.00	Katelyn Dawn
Kelp Records	POP	ON	\$5,000.00	HILOTRONS
Kevin Williams	URB	ON	\$12,000.00	Mayhem Morearty
Kimberley Crawford Beggs	ROOTS	YT	\$5,000.00	Kim Beggs
L' Equipe Spectra inc.	JAZZ	QC	\$30,000.00	Susie Arioli
Land Of Talk	ROCK	QC	\$20,000.00	Land Of Talk
Last Gang Records	DAN	QC	\$14,840.00	MSTRKRFT
Last Gang Records	POP	QC	\$7,375.00	Mothers Fathers
Last Gang Records	ROCK	QC	\$47,894.00	Metric
Last Gang Records	ROCK	QC	\$25,615.00	Mother Mother
Lesley Pike (2)	AC	On	\$10,000.00	LESLEY PIKE
Liberated Entertainment Ltd.	URB	On	\$50,000.00	Gary Beals

Linus Entertainment Inc.	JAZZ	ON	\$43,873.00	Sophie Milman
Lorie Wolf	JAZZ	On	\$11,065.00	Lorie Wolf
Lubo Alexandrov	WLB	QC	\$19,707.00	Lubo & Kaba Horo
Luis Segura	URB	ON	\$12,000.00	LouWop
Manafest Productions	URB	ON	\$5,000.00	Manafest
Maria Catherine Dunn	ROOTS	AB	\$20,000.00	Maria Dunn
Matt Hryhorsky	POP	ON	\$12,000.00	Matt York
McKiller Music	COU	BC	\$10,034.00	One More Girl
Melanie Doane	AC	MB	\$5,000.00	Melanie Doane
Menno Versteeg	ROCK	ON	\$0.00	Hollerado
Micah Communications Inc.	URB	ON	\$5,000.00	University of Toronto Gospel Choir
Micah Communications Inc.	URB	ON	\$19,400.00	Jenna Burke
Micah Communications Inc.	URB	ON	\$14,145.00	Toronto Children's Concert Choir (TC3)
Miles Jones	URB	On	\$10,125.00	Miles Jones
Morojele Music Group	URB	On	\$29,550.00	Andrew "Dru" Grange
Mountain Edge Productions	ROCK	BC	\$5,000.00	sleddogs
Ndidi Onukwulu	ROOTS	BC	\$25,642.00	Ndidi Onukwulu
Netzwerk Music Group	ROOTS	BC	\$50,000.00	Great Lake Swimmers
Northern Electron Music	ROCK	NS	\$17,302.00	In-Flight Safety
Octavo Productions	ROCK	AB	\$0.00	Surgents
OP3 Music	URB	AB	\$35,000.00	Nicole Holness PKA: X-Quisite
OP3 Music	POP	AB	\$5,000.00	Trey Mills
Opening Day Entertainment	CLA	ON	\$18,804.00	Sean Kelly
Opening Day Entertainment	CLA	ON	\$18,765.00	Canadian Brass
OPM Records (2)	COU	BC	\$50,000.00	Aaron Pritchett
Outside Music Inc.	AC	ON	\$20,000.00	Jill Barber
Outside Music Inc.	ALT	ON	\$12,880.00	Sebastien Grainger
Outside Music Inc.	JAZZ	ON	\$10,235.00	Hylozoists
Paper Bag Records	ALT	ON	\$20,445.00	Woodhands
Paper Bag Records	ALT	ON	\$6,181.00	Slim Twig
Paper Bag Records	ALT	ON	\$21,969.00	Winter Gloves
Paper Bag Records	ALT	ON	\$28,838.00	Josh Reichmann
Paper Bag Records (2)	ROOTS	ON	\$20,166.20	Laura Barrett
Patrick Krief	ROCK	QC	\$12,000.00	Black Diamond Bay
Peggy Messing	ALT	QC	\$12,000.00	Dryer
Pilate Music Inc.	ROCK	ON	\$44,839.00	Pilot Speed
Productions Abelin Inc.	AC	QC	\$30,000.00	Richard Abel
Public Transit Recordings Inc.	DAN	ON	\$5,000.00	LAL
Raja Khanna	ALT	On	\$5,000.00	Dirty Penny
Richard Marsella	POP	ON	\$2,175.00	Friendly Rich and the Lollipop People
Ridley Bent Music	COU	BC	\$46,575.00	Ridley Bent
Rising Sun Productions	ABO	MB	\$5,000.00	Eagle & Hawk
Robert Kirkham	ALT	BC	\$5,000.00	Vincent Black Shadow
Rockstar Music Corp	POP	BC	\$50,000.00	Elise Estrada
Ryan Malcolm Entertainment Inc.	POP	ON	\$30,360.00	LOW LEVEL FLIGHT
Sarah Burnell	ROOTS	On	\$5,000.00	Sarah Burnell
Sarena Paton	AC	ON	\$12,000.00	Sarena Paton
Scratch Records	ALT	BC	\$7,418.00	Green Hour
Secret City Records Inc.	ALT	QC	\$45,425.00	Patrick Watson
Shane Chisholm	COU	AB	\$5,000.00	Shane Chisholm

Shannon Butcher	JAZZ	ON	\$4,150.00	Shannon Butcher
Shoshona Kish	ABO	ON	\$50,000.00	DiggingRoots
Shout out out out out	DAN	ON	\$50,000.00	Shout Out Out Out Out
Signpost Music Ltd.	AC	MB	\$30,000.00	Steve Bell
Signpost Music Ltd.	ROOTS	MB	\$22,295.00	Kerri Woelke
Six Shooter Records	ROOTS	ON	\$38,143.00	Jenn Grant
Six Shooter Records	ROOTS	ON	\$5,000.00	Amelia Curran
Six Shooter Records	ROOTS	ON	\$16,732.00	NQ Arbuckle
Six Shooter Records	ROOTS	ON	\$20,000.00	Justin Rutledge
Six Shooter Records	ROOTS	ON	\$20,000.00	Elliott Brood
Smallman Records	ALT	MB	\$5,531.37	Carpenter
Smallman Records	ALT	MB	\$4,798.00	Comeback Kid
Smallman Records	ALT	MB	\$3,997.00	Sylvie
Smallman Records	ALT	MB	\$17,255.00	Sights & Sounds
Smallman Records	ALT	MB	\$6,606.00	Passenger Action
Sonic Records	ALT	NS	\$24,667.00	Hey Rosetta!
Sonic Unyon Records Canada	ALT	ON	\$9,775.00	Simply Saucer
Sound Of Pop	ALT	NS	\$5,000.00	Fed Pennies
Sound Of Pop	ALT	NS	\$5,000.00	Pelt
Sound Of Pop	POP	NS	\$5,000.00	Coco Love Alcorn
Sparks Music	ALT	ON	\$20,000.00	Spiral Beach
Spygirl Music	ALT	BC	\$5,000.00	Spygirl
Starcana Entertainment Inc.	POP	ON	\$30,000.00	Songs From Instant Star 4
Stephen Franke (2)	ROOTS	BC	\$10,000.00	Jon and Roy
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$42,000.00	Saint Alvia Cartel
Stomp Records 9045-1170 Quebec Inc.	COU	QC	\$18,500.00	Sarah Blackwood
Stomp Records 9045-1170 Quebec Inc.	REG	QC	\$14,720.00	One Night Band
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$28,534.00	Creepshow
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$23,000.00	Johnstones
Stony Plain Recording Co. Ltd.	JAZZ	AB	\$10,372.70	Amos Garrett
Stony Plain Recording Co. Ltd.	ROOTS	AB	\$10,937.00	Big Dave Mclean
Stony Plain Recording Co. Ltd.	ROOTS	AB	\$13,829.00	Tim Hus
Sudden Death Records	HM	BC	\$20,000.00	D.O.A.
Sweatshop Union Music	URB	BC	\$20,000.00	Pigeon Hole
Sweatshop Union Music	URB	BC	\$20,000.00	Dirty Circus
Tanya Gillis	ABO	BC	\$19,793.00	Tanya Tagaq
Tasha Schumann	DAN	On	\$5,000.00	Candy Coated Killahz
Teresa Bowskill	ROCK	ON	\$20,000.00	Jimmy Bowskill
The Dears	ALT	QC	\$50,000.00	Dears
The Higgins Entertainment Ltd.	COU	BC	\$15,170.00	Higgins
The High Dials	ALT	ON	\$13,513.00	High Dials
The Joys	ROCK	ON	\$44,425.00	Joys
Tim Vaughn	ROOTS	SK	\$5,000.00	Tim Vaughn
Timothy Morrison	ROCK	NB	\$44,560.00	AGE OF DAZE
Tokyo Police Club	ROCK	ON	\$12,000.00	Tokyo Police Club
Trademark Entertainment North Inc.	WLB	ON	\$12,000.00	Fito Blanco
Treasa Levasseur	ROOTS	ON	\$20,000.00	Treasa Levasseur
True Music Inc.	AC	QC	\$12,000.00	Nadine Medawar
Twilight Hotel Music	ROOTS	MB	\$9,287.00	Twilight Hotel
Tyler Bancroft	ALT	BC	\$5,000.00	Said the Whale

Urban Project Management and Consulting Corp. (UPMC)	URB	ON	\$10,760.00	Point Blank
Warren Flandez	AC	BC	\$12,000.00	Warren Flandez
Wes DeBoer	ROCK	BC	\$5,000.00	Scatterheart
White Whale Records	POP	ON	\$5,000.00	Culture Reject
White Whale Records	ROCK	ON	\$5,000.00	Mohawk Lodge
Wychwood Park Productions	JAZZ	ON	\$17,193.00	DK Ibomeka
Young Galaxy	POP	QC	\$50,000.00	Young Galaxy
Zaki Ibrahim	URB	ON	\$19,525.00	Zaki Ibrahim
Total			\$3,931,168.48	

TOURING & SHOWCASING

Touring and showcasing is a key aspect to the development and longevity of the careers of artists regionally, nationally and internationally. FACTOR therefore provides funding to assist with touring and showcasing at all levels. The maximum funding available for a domestic showcase is \$2,000. The maximum funding available for an International showcase is \$4,000. For both domestic and international tours, FACTOR funding is to a maximum of \$15,000. Only those tours and showcases that show a financial loss will receive funding. FACTOR support is limited to 50% of the eligible budget to a maximum of 100% of the shortfall, not to exceed the program caps.

Showcasing affords an artist/group an opportunity to present themselves to the music industry. Showcases are usually undertaken with the intent to attract the attention of managers, agents, label deals and performance opportunities.

Touring assists with the marketing and promotion of a new release. The industry operates with the expectation that an artist goes on tour to promote the release of a new CD. This helps to maintain and increase their fan base regionally, nationally and internationally.

For the domestic showcases and tours, there was a potential audience for the artists in excess of 900,000 people.

For the international showcases and tours, there was a potential audience for the artists in excess of 4.3 million people.

For **Domestic Showcasing** opportunities, FACTOR received 235 requests totaling \$484,893 and approved 185 showcases for artists, offering a total of \$339,715 which represents 70.06% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
0828482 BC Ltd	ROCK	BC	\$2,000.00	Acres Of Lions
1589343 Ontario Inc (o/a Orange Lounge Recordings)	AC	ON	\$2,000.00	Justin Hines
4DZ Societiez enr.	URB	QC	\$1,847.00	4DZ Societiez
7th Generation	ABO	BC	\$758.00	7th Generation
Aaron Smelski (FUM)	ROCK	BC	\$1,965.85	Hot Little Rocket
Acoustic Avenue Music Agency	ROOTS	BC	\$2,000.00	Samantha Schultz
Adam Beauregard Scott	DAN	On	\$700.00	Green Go
Alex J. Robinson Enterprises Inc.	COU	On	\$2,000.00	Alex J. Robinson
Alexander Mishka Frith	REG	BC	\$2,000.00	Mishka
Alexandre Lemieux	ALT	QC	\$1,144.00	Duchess Says
Alicia Borisonik	WLB	QC	\$1,726.05	Alicia Borisonik
Ann Vriend	POP	ON	\$2,000.00	Ann Vriend

Arthur Fraser Pruce	COU	BC	\$231.42	Art Pruce
Avalanche Productions	ROCK	QC	\$2,000.00	BEAST
Ben Nudds	URB	ON	\$2,000.00	wordPEOPLE
Black Bear Singers gilles moar	ABO	QC	\$2,000.00	Black Bear
Brian W. Abrams	ROOTS	ON	\$2,000.00	Abrams Brothers
Burke Barlow	ROOTS	SK	\$1,737.80	Deep Dark Woods
Canadian Association of Broadcasters	M/G	ON	\$20,000.00	N/A
Canvasland Music Studios	HM	NS	\$2,000.00	Shelter with Thieves
Canvasland Music Studios	ROCK	NS	\$2,000.00	Shelter With Thieves
Cara Luft	ROOTS	MB	\$1,600.00	Cara Luft
Chris Slorach	ALT	On	\$2,000.00	METZ
Christina Martin	ROOTS	NS	\$2,000.00	Christina Martin
Chronograph Records	AC	AB	\$1,272.00	Sillan & Young
Chronograph Records	JAZZ	AB	\$709.00	Hutchinson Andrew Trio
Coalition Entertainment Management	ROCK	ON	\$2,000.00	Waking Eyes
Conlin Donovan Delbaere-Sawchuk	ABO	On	\$2,000.00	Metis Fiddler Quartet
Cool Company Consulting Inc.	ALT	AB	\$1,308.38	Lorrie Matheson
Cool Company Consulting Inc.	ROCK	AB	\$1,934.78	Junior Pantherz
Daniel Newton	ROCK	BC	\$1,716.20	Danny Echo
Daniel Werb	DAN	ON	\$2,000.00	Woodhands
Daniel Werb	POP	ON	\$2,000.00	Woodhands
Danielle French	AC	AB	\$951.80	Danielle French
Danielle Lelia Duval	ROCK	ON	\$590.36	Danielle Duval
Darren Lavallee	ABO	MB	\$849.00	Darren Lavallee
Dave Gowans	ROCK	BC	\$2,000.00	Buttless Chaps
Delhi 2 Dublin	WLB	BC	\$1,700.00	Delhi2dublin
DESERT HEAT	COU	QC	\$2,000.00	Desert Heat
Duane Andrews	JAZZ	NL	\$2,000.00	Duane Andrews
eagle song Dancers (2)	ABO	BC	\$1,989.00	Bob Baker
Easily Amused Music	POP	MB	\$1,853.70	Keith and Renee
Eden Fineday	ALT	BC	\$2,000.00	Vancougar
Elizabeth	ALT	BC	\$1,886.00	Elizabeth
Ellipsis Artist Management	ROCK	BC	\$2,000.00	Painted Birds
Ennis Sisters	ROOTS	NF	\$1,545.12	ENNIS
Fara Jaylene Palmer (2)	POP	BC	\$1,859.09	Fara Palmer
FuzzyLogic Recordings	POP	ON	\$2,000.00	Bicycles
FuzzyLogic Recordings	POP	ON	\$1,033.20	Peter Project
FuzzyLogic Recordings	POP	ON	\$1,222.05	Prairie Cat
FuzzyLogic Recordings	POP	ON	\$685.40	Laura Barrett
FuzzyLogic Recordings	ROOTS	ON	\$695.49	Laura Barrett
Gord Bamford	COU	AB	\$2,000.00	Gord Bamford
Gordie Tentrees	ROOTS	YT	\$2,000.00	Gordie Tentrees
Greentara Music	URB	BC	\$2,000.00	GreenTaRA
Gypsophilia	JAZZ	NS	\$2,000.00	Gypsophilia
Hay Sale Records	ROOTS	NS	\$1,076.00	Adam Puddington
Hey Rosetta! (2)	ALT	NL	\$4,000.00	Hey Rosetta!
Hooded Fang	ALT	On	\$778.00	Hooded Fang

HRM Records Inc (Her Royal Majesty) (2)	COU	BC	\$4,000.00	Jaydee Bixby
Ivonne Hernandez	ROOTS	BC	\$0.00	Ivonne Hernandez and Jeremy Walsh
James Boyle	POP	NB	\$2,000.00	Grand Theft Bus
Janice Pym	COU	NB	\$2,000.00	Jamie Warren
Janice Pym	COU	NB	\$1,747.00	JD Clarke
Jason Kent	ROCK	QC	\$177.21	Jason Kent
Jeff Straker	POP	ON	\$1,139.00	Jeffery Straker
Jen Lane	POP	SK	\$534.93	Jen Lane
Jenn Grant (2)	ROOTS	ON	\$4,000.00	Jenn Grant
Jeremy Gruman	ROCK	On	\$2,000.00	Clips
Jeremy Kerekes	ROCK	BC	\$2,000.00	Green Hour
John Ruskin aka Nardwaur	ALT	BC	\$2,000.00	Evaporators
Johnathan Antoniuk	ROCK	SK	\$841.43	smokekiller
Johnny International Productions Inc.	ABO	On	\$2,000.00	Johnnys
Jonathan L. Stoddart (AKA Ricca Razor Sharp)	URB	AB	\$392.12	Ricca Razor Sharp
Jp Hoe	POP	MB	\$1,409.70	JP Hoe
Kate Rogers	POP	On	\$1,666.00	Kate Rogers Band
Kbam! Kevin Bruce Arts Management	ROOTS	BC	\$2,000.00	Red Chamber
Kevin Ramessar	CLA	On	\$1,360.00	Kevin Ramessar
Kristen Pettinger	ROOTS	ON	\$2,000.00	Billy the Kid
Kyle Matthew Cunjak	POP	NB	\$2,000.00	Olympic Symphonium
Larissa Loyva	POP	BC	\$1,000.00	Kellarissa
Laurie Gordon	ALT	QC	\$2,000.00	CHIWAHA
Leah Salomaa	CHI	ON	\$1,948.99	Leah Salomaa
Leanne Goose	ABO	MB	\$2,000.00	Leanne Goose
Lesley Pike (2)	AC	On	\$4,000.00	LESLEY PIKE
Liam O'Neil (2)	ROCK	QC	\$15,598.15	Stills
Lubo Alexandrov	WLB	QC	\$2,000.00	Lubo & Kaba Horo
Maghan Anne Campbell (on behalf of Hot Panda)	ALT	AB	\$2,000.00	Hot Panda
Marco Yuri Bozenich	POP	BC	\$1,519.09	MeatDraw
Marianne Turner	POP	ON	\$1,926.00	Marianne Turner
Mark Berube	ROOTS	QC	\$2,000.00	Mark Berube and The Patriotic Few
Mark Cameron	CHI	MB	\$310.00	Mr Mark
Mark Watson	AC	ON	\$2,000.00	Essentials
Matthew Klachefsky (2)	ALT	MB	\$2,439.48	Boats
Maurice Libby	JAZZ	SK	\$1,512.11	Whiteboy Slim
Maya Miller	ROCK	BC	\$2,000.00	Pack AD
Menno Versteeg (2)	ROCK	ON	\$4,000.00	Hollerado
Michael Dawson	ROCK	SK	\$1,320.00	Library Voices
Middle Child Music Inc.	ROOTS	ON	\$985.54	Sunparlour Players
Mike Wray	POP	QC	\$1,186.77	MIXYLODIAN
Modernboys Moderngirls	ROCK	On	\$2,000.00	Modernboys Moderngirls
Musica Intima Society	CLA	BC	\$2,000.00	musica intima
Nadine Gagne	CHI	BC	\$1,775.00	Nadine Gagne

Natasha Jay	POP	BC	\$1,374.23	Nat Jay
New Romantic	ALT	ON	\$1,204.00	Lioness
Niel Golden	WLB	BC	\$1,523.24	Niel Golden
Northern Cree	ABO	AB	\$2,000.00	Northern Cree
Ojiji Music	ABO	MB	\$1,170.77	Little Hawk
One Foot Tapping Records	AC	BC	\$756.00	Christa Couture
OP3 Music	POP	AB	\$1,231.64	Trey Mills
OPM Records	COU	BC	\$10,000.00	Aaron Pritchett
ory no'man	ROOTS	ON	\$2,000.00	ory no man too
Passenger Sounds	ROOTS	ON	\$2,000.00	Madison Violet
Patrick Brealey Music	ROOTS	ON	\$824.04	Patrick Brealey
Patrick Krief	ROCK	ON	\$1,963.51	Black Diamond Bay (formerly known as Krief)
Patrick Krief	ROCK	QC	\$1,380.00	Black Diamond Bay
Paul Pittman (2)	POP	BC	\$3,346.48	Young and Sexy
Pharis Romero	ROOTS	BC	\$1,944.18	Outlaw Social
Phyllis Sinclair	CHI	AB	\$2,000.00	Phyllis Sinclair
Pooka Print	ROOTS	BC	\$2,000.00	Cousin Harley
Pooka Print	ROOTS	BC	\$2,000.00	Sojourners
Pooka Print	ROOTS	BC	\$1,284.00	Paul Pigat
Pooka Print (2)	ROOTS	BC	\$4,000.00	Steve Dawson
Quinzy	ALT	MB	\$863.00	Quinzy
Randal Arsenaault	WLB	NL	\$2,000.00	Dr. Zoo
Ray St. Germain	ABO	MB	\$1,574.23	Ray St.Germain
Rebekah Higgs	ALT	ON	\$1,500.00	Catcher
Rockstar Music Corp	POP	BC	\$3,040.00	Elise Estrada
Rod Slaughter	ROCK	BC	\$2,000.00	Novillero
Ryan Kennedy Cook	COU	NS	\$1,736.00	Ryan Cook and Sunny Acres
Shanneyganock	ROOTS	NL	\$2,000.00	Shanneyganock
Shawn Byron Bernard	ABO	AB	\$1,544.01	FEENIX
Shawna Beesley	ROCK	BC	\$2,000.00	adaline
Shirley Jackson	ROOTS	NS	\$672.32	Shirley Jackson & Her Good Rockin' Daddys
Shoreline Records	CLA	On	\$2,000.00	Destino
Shuyler Jansen (2)	ROOTS	BC	\$3,058.00	Shuyler Jansen
Skavenjah	REG	SK	\$2,000.00	Skavenjah
Smallman Records	ALT	MB	\$1,727.00	Sights & Sounds
Sonic Records	ROCK	NS	\$2,000.00	Matt Mays & El Torpedo
Stearns Entertainment	COU	BC	\$1,871.25	Karen-Lee Batten
Summerlad	ALT	AB	\$2,000.00	Summerlad
Tanya Gillis	ABO	BC	\$2,000.00	Tanya Tagaq
Teamworks Production & Management	ROCK	BC	\$2,000.00	Daniel Wesley
Tele Music (2)	ROCK	MB	\$2,879.49	Tele
The Blood Lines	ROCK	SK	\$1,874.14	Blood Lines
the breakmen-archie pateman	ROOTS	BC	\$2,000.00	Breakmen
The Finkelstein Management Company	URB	On	\$1,006.00	Grand Analog
The Fugitives	ROOTS	BC	\$2,000.00	Fugitives

The Gruff	ROOTS	BC	\$487.81	Gruff
The Kerplunks	CHI	BC	\$2,000.00	Kerplunks
The Liptonians	POP	MB	\$1,662.00	Liptonians
The Motorleague	ROCK	NB	\$850.00	Motorleague
The Tom Fun Orchestra Entertainment Group	ALT	NS	\$2,000.00	Tom Fun Orchestra
Thomas Di Ninno	ALT	AB	\$2,000.00	Mt. Royal
Thorny Bleeder Records Inc. (2)	ROCK	BC	\$4,000.00	Art of Dying
Tracy K	ROOTS	On	\$1,104.00	Tracy K
Tracy Lynn Bone	ABO	MB	\$1,729.00	Tracy Bone
Transistor 66	ROCK	MB	\$0.00	American Flamewhip
Troy MacGillivray	ROOTS	NS	\$2,000.00	Troy MacGillivray
Tuck and Roll Productions (2)	ROOTS	NB	\$4,000.00	Keith Hallett
Twilight Hotel Music	ROOTS	MB	\$1,277.00	Twilight Hotel
Upper Management	POP	QC	\$2,000.00	Hannah Georgas
Warren Flandez	AC	BC	\$2,000.00	Warren Flandez
Watchdog Management	ALT	BC	\$749.94	Mother Mother
Wet Secrets	ROCK	On	\$2,000.00	Wet Secrets
White Whale Records	ROCK	ON	\$1,417.10	Mohawk Lodge
White Whale Records	ROCK	ON	\$2,000.00	Octoberman
White Whale Records	ROCK	ON	\$2,000.00	Poorfolk
Winter Gloves (2)	POP	On	\$3,438.00	Winter Gloves
Total			\$339,715.59	

For **Domestic Touring** opportunities, FACTOR received 106 requests totaling \$1,331,181 and approved 68 tours, offering a total of \$599,973, which represents 45.07% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
604 Records Inc.	COU	BC	\$10,000.00	Jessie Farrell
635-7334 Canada Inc. (Equator Music) (4)	ROCK	QC	\$37,500.00	Midway State
Alan Witz	URB	ON	\$7,500.00	God Made Me Funky
Avalanche Productions	ROCK	QC	\$15,000.00	BEAST
Bedlam Music Inc (3)	ROCK	ON	\$12,775.00	Attack in Black
Bedlam Music Inc	ROCK	ON	\$7,500.00	Black Lungs
Bedlam Music Inc	ROCK	ON	\$15,000.00	Arkells
Black Box Recordings Inc. (2)	ROCK	ON	\$19,356.80	Crash Parallel
Bonsound (2)	POP	QC	\$21,587.00	Creature
Bumstead Productions Ltd.	POP	ON	\$14,491.00	Two Hours Traffic
Carolyn Mark	ROOTS	BC	\$4,969.00	Carolyn Mark
Constantines (2)	ALT	ON	\$30,000.00	Constantines
CP Records Inc. (2)	URB	On	\$25,000.00	Danny Fernandes
Danko Jones Inc.	ROCK	QC	\$7,000.00	Danko Jones
Duane Gibson	URB	ON	\$0.00	D.O.
Econoline Crush	ROCK	MB	\$7,500.00	Econoline Crush
Fifth Season Music Inc. (2)	ROCK	AB	\$21,504.00	Social Code
Hardwood Records	ALT	ON	\$0.00	Hayden

Hey Rosetta!	ALT	NL	\$15,000.00	Hey Rosetta!
HRM Records Inc (Her Royal Majesty) (2)	COU	BC	\$22,500.00	Jaydee Bixby
Hunter Valentine Music	ROCK	ON	\$4,086.00	Hunter Valentine
Jason Collett	ROCK	ON	\$7,500.00	Jason Collett
Jenn Grant (2)	ROOTS	ON	\$16,580.00	Jenn Grant
Jonestown Publishing Inc.	POP	ON	\$2,329.52	Apostle of Hustle
Lesley Pike	AC	On	\$5,000.00	LESLEY PIKE
Liam O'Neil (2)	ROCK	QC	\$22,500.00	STILLS
Lights Music	POP	ON	\$10,782.00	LIGHTS
Luke Doucet	ROOTS	ON	\$7,500.00	Luke Doucet
Northstarr Entertainment	URB	On	\$7,000.00	Art of Fresh
Opak Media Inc.	ROCK	QC	\$9,529.00	Miracle Fortress
Outside Music Inc.	AC	ON	\$5,320.00	Matthew Barber
Outside Music Inc.	JAZZ	ON	\$15,000.00	Jill Barber
Pandyamonium Artist Management	POP	ON	\$15,000.00	Serena Ryder
Royal Wood	ROOTS	On	\$1,348.40	Royal Wood
Shoreline Records	CLA	On	\$10,000.00	Destino
Smallman Records	ALT	MB	\$4,932.00	Sick City
Smallman Records	ALT	MB	\$11,057.00	Comeback Kid
Spectra Musique, a subsidiary of L'Equipe Spectra inc	URB	QC	\$15,000.00	Bran Van 3000
Starlite Touring (2)	URB	SK	\$29,000.00	Divine Brown
Stephen Franke (2)	ROOTS	BC	\$15,177.00	Jon and Roy
Teamworks Production & Management (2)	ROCK	BC	\$9,234.73	Daniel Wesley
The End Music	HM	On	\$5,756.71	End
the faculty of	URB	On	\$0.00	Shad
The Joys	ROCK	ON	\$10,246.00	Joys
Tokyo Police Club	ROCK	ON	\$0.00	Tokyo Police Club
Trevor Hayhurst	ROCK	SK	\$5,000.00	Econoline Crush
Upper Class Recordings Inc. (2)	URB	ON	\$17,261.52	Cadence Weapon
Vincent Letellier	URB	QC	\$15,000.00	National Parcs
Watchdog Management	ALT	BC	\$7,203.00	Mother Mother
Weewerk (2)	ROOTS	ON	\$21,447.22	Great Lake Swimmers
Total			\$599,972.90	

For **International Showcasing** opportunities, FACTOR received 282 requests totaling \$1,023,011 and approved 203 international showcases, offering a total of \$616,116, which represents 60.23% of the total amount requested.

Recipient	Genre	Province	Offered	Artist
635-7334 Canada Inc. (Equator Music)	ROCK	QC	\$2,322.00	Midway State
635-7334 Canada Inc. (Equator Music)	ROCK	QC	\$4,000.00	Metric
A.L.R. Productions Inc.	ROCK	QC	\$3,459.20	Broadcast Radio
A440 Entertainment Inc. - Scott Morin	JAZZ	ON	\$4,000.00	Nikki Yanofsky
A440 Entertainment Inc. - Scott Morin	JAZZ	ON	\$4,000.00	Molly Johnson
Adam Hannibal	URB	MB	\$4,000.00	DJ Brace
Adrienne Pierce	AC	BC	\$622.19	Adrienne Pierce
agentB.org - Agence Bousquet, Michele	JAZZ	Qu	\$4,000.00	Karen Young
Aids Wolf (2)	HM	QC	\$6,000.00	AIDS Wolf

Alana Levandoski	ROOTS	MB	\$2,000.00	Alana Levandoski
Alex Norman	ROCK	On	\$4,000.00	illScarlett
Alexander Mishka Frith	REG	BC	\$4,000.00	Mishka
Alexandre Lemieux	ALT	QC	\$0.00	Duchess Says
Alexis Puentes	WLB	BC	\$1,823.00	Alex Cuba
Anastasia Anestopoulos	DAN	QC	\$3,995.00	Thunderheist
Andrew Collins	ROOTS	ON	\$2,870.00	Creaking Tree String Quartet
Ann Vriend	POP	ON	\$3,000.00	Ann Vriend
Ann Vriend	POP	ON	\$3,000.00	Ann Vriend
Avalanche Productions	ROCK	QC	\$4,000.00	BEAST
Barzin	ALT	ON	\$4,000.00	BARZIN
Bedlam Music Inc	ROCK	ON	\$0.00	Attack in Black
Bedlam Music Inc (2)	ROCK	ON	\$5,106.70	Moneen
Bedlam Music Inc	ROCK	ON	\$4,000.00	Bedouin Soundclash
Big Balloons	ROCK	ON	\$4,000.00	Golden Dogs
Black Box Recordings Inc.	ROCK	ON	\$3,910.00	Wooden Sky
Brad Keller	ROOTS	On	\$2,121.00	Creaking Tree String Quartet
Buck 65 Music	URB	BC	\$2,523.00	Buck 65
Bumstead Productions Ltd.	JAZZ	ON	\$3,614.00	Emma-Lee
Bumstead Productions Ltd. (2)	POP	ON	\$5,191.36	Two Hours Traffic
Burke Barlow	ROOTS	SK	\$2,370.00	Deep Dark Woods
Camobear Records	URB	BC	\$2,770.40	Josh Martinez
Caracol Records (2)	WLB	BC	\$4,176.00	Alex Cuba
Carlos del Junco	ROOTS	ON	\$4,000.00	Carlos del Junco
Carolyn Mark	ROOTS	BC	\$4,000.00	Carolyn Mark
Carrie Catherine	POP	SK	\$4,000.00	Carrie Catherine
Castrati Music (2)	ROCK	MB	\$5,999.78	Nods
Catherine MacLellan	ROOTS	PE	\$1,846.00	catherine maclellan
Christina Martin	ROOTS	NS	\$952.00	Christina Martin
Christopher Eaton	ALT	ON	\$2,669.19	Rock Plaza Central
Coalition Entertainment Management	ROCK	ON	\$3,790.00	Waking Eyes
Cuff the Duke	COU	ON	\$4,000.00	Cuff The Duke
Curve Music Inc.	ROCK	ON	\$3,053.69	Dunes
Curve Music Inc.	ROOTS	ON	\$3,163.00	Peter Katz
DALA	POP	On	\$3,025.00	DALA
Dan Mangan	ROOTS	BC	\$1,341.00	Dan Mangan
Daniel Werb (2)	ALT	ON	\$6,000.00	Woodhands
Danko Jones Inc.	ROCK	QC	\$4,000.00	Danko Jones
Darling You Inc. (2)	POP	ON	\$6,000.00	Ohbijou
Derek Tokar	ALT	ON	\$4,000.00	Uncut
Do Right! Music Inc	JAZZ	On	\$2,000.00	Elizabeth Shepherd
Domenica Music	ROCK	MB	\$4,000.00	Domenica
Don Adams	COU	BC	\$823.17	Amber Nicholson
Don Brownrigg	AC	NS	\$884.00	Don Brownrigg
Duane Gibson	URB	ON	\$3,968.00	D.O.
Easily Amused Music	POP	MB	\$2,094.58	Keith and Renee
Easy Tiger Promotions and Entertainment	ALT	ON	\$2,188.00	Coast
Ed Hanley	WLB	On	\$3,934.00	Autorickshaw
Eden Fineday	ALT	BC	\$4,000.00	Vancougar
ELfin Saddle	ALT	QC	\$0.00	Elfin Saddle

Emilie-Claire Barlow	JAZZ	On	\$2,746.98	Emilie-Claire Barlow
Enoch Kent	ROOTS	ON	\$863.00	Enoch Kent
Fidget	ALT	On	\$2,393.00	Fidget
Floor Thirteen Music	ROCK	MB	\$4,000.00	Floor Thirteen
FuzzyLogic Recordings (2)	POP	ON	\$3,893.94	Laura Barrett
Gordie Tentrees	ROOTS	YT	\$4,000.00	Gordie Tentrees
High Voltage Music	ROCK	On	\$4,000.00	DEAN LICKYER
Hot Springs (2)	ROCK	QC	\$4,000.00	Hot Springs
iconoclaste musique inc.	ALT	QC	\$4,000.00	Blue Seeds
Immaculate Machine	ALT	BC	\$4,000.00	Immaculate Machine
James Porter	ROCK	MB	\$3,480.00	Kelly Fairchild
Jay Semko (2)	ROOTS	On	\$6,000.00	Jay Semko
Jeff Stojak	DAN	BC	\$3,401.00	Jeff Daniels
Jenn Grant (2)	ROOTS	ON	\$6,000.00	Jenn Grant
Jesse Cook (2)	WLB	On	\$5,065.78	Jesse Cook
Jimmy Bowskill	ROCK	ON	\$4,000.00	Jimmy Bowskill
Joanne Myrol	COU	AB	\$4,000.00	MYROL (Joanne & Haley Myrol)
John Gregory O'Regan	ALT	On	\$3,973.00	D'Urbervilles
John Ruskin aka Nardwaur	ROCK	BC	\$3,874.00	Evaporators
John Wort Hannam	ROOTS	AB	\$1,074.16	John Wort Hannam
Johnathan Antoniuk	ROCK	SK	\$2,737.00	smokekiller
Jp Hoe	AC	MB	\$1,884.00	Jp Hoe
Julie Crochetiere	AC	ON	\$5,785.56	Julie Crochetiere
Julie Elaine Claytor	ALT	NB	\$3,186.00	Julie Doiron
Julie Kerr	COU	BC	\$4,000.00	Widow Maker
Justin Rutledge	ROOTS	ON	\$2,001.00	Justin Rutledge
Katie Stelmanis	POP	On	\$1,949.00	Katie Stelmanis
Kay Productions Musique Inc	ROCK	QC	\$2,459.00	Pete Moss
Ken Whiteley	ROOTS	ON	\$2,475.00	Ken Whiteley
Kevin Kane	POP	BC	\$2,177.74	Kevin Kane
Kimberley Crawford Beggs	ROOTS	YT	\$1,750.78	Wanderer's Paeon
Kindling Music Inc.	ALT	ON	\$1,995.00	David Martel
Krista Muir	POP	QC	\$1,018.00	Krista Muir
Kupid's Play	POP	On	\$3,965.00	Parvati
Kyle Matthew Cunjak	POP	NB	\$2,581.00	Olympic Symphonium
Land Of Talk	ROCK	QC	\$4,000.00	Land Of Talk
Lesley Pike (3)	AC	On	\$6,000.00	LESLEY PIKE
Lights Music (2)	POP	ON	\$5,706.79	LIGHTS
Lindsay Jane	ROOTS	MB	\$4,000.00	Lindsay Jane
Lindsay May	ROOTS	BC	\$1,850.00	Lindsay May
Lorrie Matheson	ALT	AB	\$3,643.00	Lorrie Matheson
Luke Doucet (2)	ROOTS	ON	\$6,000.00	Luke Doucet
Maghan Anne Campbell (on behalf of Hot Panda) (2)	ALT	AB	\$5,492.14	Hot panda
Maria Catherine Dunn	ROOTS	AB	\$4,000.00	Maria Dunn
Mark Andrew Hamilton	ALT	AB	\$745.00	Woodpigeon
Mathieu Charbonneau	ALT	QC	\$1,696.00	Tornгат
Matthew Klachefsky	ALT	MB	\$4,000.00	Boats
Max Turnbull	ALT	ON	\$4,000.00	Slim Twig
Maya Miller	ALT	BC	\$3,329.95	Pack AD

Maya Miller	ROCK	BC	\$1,211.25	Pack AD
Melissa McClelland	ROOTS	On	\$4,000.00	Melissa McClelland
Menno Versteeg (2)	ROCK	ON	\$6,000.00	Hollerado
Michael Moya	ALT	QC	\$3,312.00	Hrsta
Monumental Records	POP	QC	\$3,579.00	Empire ISIS
Monumental Records	URB	QC	\$664.19	Empire ISIS
Morgan Ross	ROCK	BC	\$4,000.00	Birds of Wales
Music Management International Inc.	ROOTS	NS	\$3,422.00	Annabelle Chvostek
Music Management International Inc.	ROOTS	NS	\$3,335.00	Samantha Robichaud
Ndidi Onukwulu	ROOTS	BC	\$4,000.00	Ndidi Onukwulu
Neville Quinlan	ROOTS	ON	\$4,000.00	NO Arbuckle
Nick Krgovich	ALT	BC	\$3,500.00	No Kids
Nudie and The Turks	ROOTS	PE	\$3,613.00	Nudie and the Turks
Oliver Nickels	DAN	BC	\$2,904.00	Ragdoll / Oliver Nickels
Ollie Ple Ent	DAN	BC	\$3,320.00	Ollie PIA®
One Hundred Dollars	COU	On	\$3,877.00	One Hundred Dollars
Opak Media Inc. (2)	ALT	QC	\$6,000.00	Patrick Watson
Opak Media Inc.	ROCK	QC	\$3,000.00	Miracle Fortress
Outside Music Inc.	JAZZ	ON	\$4,000.00	Jill Barber
Passenger Sounds	ROOTS	ON	\$4,000.00	Madison Violet
Patrick Krief	ROCK	ON	\$3,018.00	Black Diamond Bay (formerly known as Krief)
Patrick Krief	ROCK	QC	\$2,982.00	Black Diamond Bay
Paul Arnusch	POP	AB	\$3,212.00	Whitsundays
Paul Banwatt	ALT	On	\$2,838.00	Rural Alberta Advantage
Plants and Animals	ROCK	QC	\$3,729.00	Plants and Animals
Po'Girl Music Inc.	ROOTS	BC	\$3,633.00	Po'Girl
Polaris Music Prize Inc	ROCK	ON	\$15,000.00	Polaris Music Prize
Rachelle Van Zanten	ROCK	BC	\$2,017.65	Rachelle van Zanten
Rod Slaughter	POP	BC	\$2,040.94	Novillero
Romi Mayes	ROOTS	MB	\$4,000.00	Romi Mayes
Royal Wood	ROOTS	On	\$2,922.22	Royal Wood
Ruby Coast	ROCK	On	\$3,918.00	Ruby Coast
Ryan Malcolm Entertainment Inc.	POP	ON	\$1,440.00	LOW LEVEL FLIGHT
Sebastien Grainger	ROCK	On	\$2,952.00	Sebastien Grainger
Shane Nelken	ALT	BC	\$4,000.00	Awkward Stage
Shanneyganock	ROOTS	NL	\$4,000.00	Shanneyganock
Shout out out out out	DAN	ON	\$4,000.00	Shout Out Out Out Out
Shuyler Jansen	ROOTS	BC	\$2,789.00	Shuyler Jansen
Skavenjah	REG	SK	\$4,000.00	Skavenjah
Smallman Records	ALT	MB	\$2,274.00	Sylvie
Socalled Entertainment Inc.	WLB	QC	\$3,519.00	Socalled
Sophie Milman Music Inc	JAZZ	AB	\$4,000.00	Sophie Milman
Steve Strongman	ROOTS	ON	\$3,517.00	Steve Strongman
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$4,000.00	Saint Alvia
Suzie Ungerlieder	ROOTS	On	\$1,941.00	Oh Susanna
Tanya Davis	ALT	NS	\$1,561.00	Tanya Davis
Tanya Gillis	ABO	BC	\$4,000.00	Tanya Tagaq
Tele Music	ROCK	MB	\$3,996.00	Tele
the faculty of	URB	On	\$4,000.00	Shad
The Funky Mamas	CHI	ON	\$3,917.00	Funky Mamas

The Gruff	ROOTS	BC	\$413.00	Gruff
The High Dials (2)	ALT	ON	\$5,999.71	High Dials
The John Henrys	ROOTS	On	\$2,500.00	The John Henrys
The Joys	ROCK	ON	\$4,000.00	Joys
The Laws	ROOTS	ON	\$0.00	Laws
The Midways	ROCK	On	\$2,852.45	Midways
The Morning After	ROCK	MB	\$3,711.00	Morning After
The Sheepdogs	ROCK	SK	\$3,007.00	Sheepdogs
Trews Music Inc. (2)	ROCK	ON	\$6,000.00	Trews
Troy MacGillivray	ROOTS	NS	\$4,000.00	Troy MacGillivray
Twilight Hotel Music (2)	ROOTS	MB	\$3,985.48	Twilight Hotel
Tyler Bancroft	ALT	BC	\$2,061.00	Said The Whale
U Venture Group Inc.	ROCK	On	\$4,000.00	Revival Dear
Upper Class Recordings Inc.	POP	ON	\$2,856.03	Russian Futurists
Watchdog Management (2)	ALT	BC	\$3,948.00	Mother Mother
We Were Lovers	ROCK	SK	\$2,103.00	We Were Lovers
weewerk	ROOTS	ON	\$9,964.29	Various Artists
Wet Secrets	ALT	On	\$4,000.00	Wet Secrets
Wet Secrets	ALT	On	\$2,000.00	The Wet Secrets
Whap Productions	ALT	BC	\$3,964.41	You Say Party! We Say Die!
Winter Gloves	POP	On	\$4,000.00	Winter Gloves

Total **\$616,116.70**

For **International Touring** opportunities, FACTOR received 180 requests totaling \$2,422,351 and approved 85 international tours, offering a total of \$911,210, which represents 37.62% of the total amount requested. This low percentage of funding offered can be attributed directly to the stringent process the Board of Directors must utilize when reviewing funding requests because of the limited financial resources available.

Recipient	Genre	Province	Offered	Artist
6942466 Canada Inc. (Sunset Rubdown Touring Inc)	ALT	QC	\$7,500.00	Sunset Rubdown
Andy Bernstein	URB	On	\$3,834.39	Abdominal
Basia Bulat	ROOTS	On	\$7,500.00	Basia Bulat
Bedlam Music Inc	POP	ON	\$15,000.00	Bedouin Soundclash
Bedlam Music Inc	POP	ON	\$15,000.00	City and Colour
Bedlam Music Inc	ROCK	ON	\$15,000.00	Bedouin Soundclash
Bedlam Music Inc	ROCK	ON	\$11,250.00	City and Colour
Bedlam Music Inc	ROCK	ON	\$11,250.00	Black Lungs
Bedlam Music Inc	ROCK	ON	\$7,794.41	Attack in Black
Bison Music	HM	Br	\$15,000.00	BISON b.c.
Blood & Water Inc.	ALT	On	\$15,000.00	Black Mountain
Blue Rodeo Productions	ROOTS	ON	\$5,000.00	Blue Rodeo
Cameron Todd Pipes (2)	ROCK	BC	\$26,250.00	3 inches of blood
Carl Newman	ALT	BC	\$15,000.00	A.C. Newman
Christopher Eaton	POP	ON	\$12,048.77	Rock Plaza Central
Coalition Entertainment Management (2)	POP	ON	\$23,267.00	Justin Nozuka
Coalition Entertainment Management	ROCK	ON	\$15,000.00	Justin Nozuka
Constantines	ALT	ON	\$3,500.00	Constantines
Dan Boeckner (2)	ALT	QC	\$12,255.05	Handsome Furs

Daniel Bejar	ALT	BC	\$10,000.00	Destroyer
Danko Jones Inc.	ROCK	QC	\$15,000.00	Danko Jones
Despised Icon	HM	QC	\$10,000.00	Despised Icon
Dragonette Touring Inc	POP	ON	\$0.00	dragonette
Flemish Eye Records	ALT	AB	\$10,000.00	Women
Hardwood Records (3)	ALT	ON	\$21,500.00	Hayden
Hey Rosetta!	ALT	NL	\$7,500.00	Hey Rosetta!
Holy F. Music	ALT	ON	\$15,000.00	Holy Fuck
Holy F. Music	DAN	ON	\$12,000.00	Holy Fuck
Howie Tsui	ROCK	ON	\$3,668.80	Acorn
Howie Tsui	ROOTS	ON	\$11,364.00	Acorn
Islands	ALT	On	\$15,000.00	Islands
Jason Collett	ROCK	ON	\$14,515.00	Jason Collett
Jean-Jacques Tartaglia	HM	ON	\$4,900.00	ZEROSCAPE
Jesse Cook	WLB	On	\$8,500.00	Jesse Cook
Kindling Music Inc.	ROCK	ON	\$15,000.00	Cliks
Kiran Ahluwalia	WLB	NY	\$11,250.00	Kiran Ahluwalia
Land Of Talk (2)	ROCK	QC	\$13,974.50	Land Of Talk
Liam Cormier (2)	HM	ON	\$15,735.58	Cancer Bats
Liam O'Neil (3)	ROCK	QC	\$41,250.00	STILLS
Lights Music (2)	POP	ON	\$30,000.00	LIGHTS
Netzwerk Management	ROOTS	BC	\$10,752.61	Martha Wainwright
Opak Media Inc.	ALT	QC	\$12,577.00	Patrick Watson
Opak Media Inc.	ROCK	QC	\$7,500.00	Miracle Fortress
Outside Music Inc.	AC	ON	\$7,500.00	Matthew Barber
Passenger Sounds	ROOTS	ON	\$7,500.00	Madison Violet
Plants and Animals (3)	ROCK	QC	\$30,000.00	Plants and Animals
Potty Mouth Productions Inc	ROCK	On	\$10,000.00	Kathleen Edwards
Potty Mouth Productions Inc.	POP	On	\$11,250.00	Kathleen Edwards
Roy Vucino	ALT	QC	\$5,000.00	CPC Gangbangs
Secret Weapon Touring Inc. (2)	ROCK	ON	\$26,250.00	Sam Roberts Band
Smallman Records	ALT	MB	\$4,269.00	Comeback Kid
Sophie Milman Music Inc	JAZZ	AB	\$15,000.00	Sophie Milman
Stomp Records 9045-1170 Quebec Inc.	ROCK	QC	\$15,000.00	Saint Alvia Cartel
Stomp Records 9045-1170 Quebec Inc. (2)	ROCK	QC	\$17,500.00	Creepshow
Suzie Ungerlieder	ROOTS	On	\$3,744.17	Oh Susanna
Sweatshop Union Music	URB	BC	\$11,250.00	Sweatshop Union
The Duhks Inc. (2)	ROOTS	MB	\$30,000.00	Duhks
The Flatliners	ROCK	On	\$11,070.00	Flatliners
The Most Serene Republic Inc	ALT	ON	\$15,000.00	Most Serene Republic
Thorny Bleeder Records Inc.	ROCK	BC	\$15,000.00	Art of Dying
Tokyo Police Club	POP	ON	\$15,000.00	Tokyo Police Club
Tokyo Police Club	ROCK	ON	\$11,250.00	Tokyo Police Club
Umi Entertainment	POP	ON	\$15,000.00	Sunshine State
Underground Operations (2)	HM	ON	\$30,000.00	Protest The Hero
Upper Class Recordings Inc. (2)	URB	ON	\$12,997.44	Cadence Weapon
Watchdog Management (2)	ALT	BC	\$23,443.00	Mother Mother
weewerk	ROOTS	ON	\$15,000.00	Great Lake Swimmers
Total			\$911,210.72	

MARKETING SUPPORT FOR BUSINESSES

As globalization has taken over the development of businesses, including the music industry, it is of critical importance that companies are provided with assistance to ensure that they can increase their financial viability and enhance their competitiveness. The cost of doing business nationally and internationally is affected by many things beyond the control of the music industry, (i.e. high travel costs and an ever increasing number of niche type music industry conferences). FACTOR support in this area continues to be one that requires increased financial assistance.

Record companies, music publishers, artist managers, distribution companies and professional associations operating in the music industry apply for funding through the two programs that FACTOR offers, supporting some of their financial needs that enable them to do business at the domestic and international level.

DOMESTIC & INTERNATIONAL BUSINESS DEVELOPMENT

As the world continues to become more and more accessible, it is important that Canadian owned labels and managers are afforded the opportunity to expand their financial viability and competitiveness. To support them in their global dealings, FACTOR provides funding which represents 50% of the total eligible budget to assist with eligible companies in their travel expenses. Whether it be a meeting or attendance at important music related conferences, funding to a maximum of \$15,000 per year, per company is available.

FACTOR received 286 requests totaling \$1,217,451 and approved 246 projects offering a total of \$733,544, which represents 60.25% of the total amount requested.

Recipient	Province	Offered
1589343 Ontario Inc (o/a Orange Lounge Recordings)	ON	\$8,568.00
604 Records Inc.	BC	\$3,898.00
6276091 Canada inc (2)	QC	\$5,292.00
635-7334 Canada Inc. (Equator Music)	QC	\$4,629.00
649377 BC Ltd.	BC	\$3,522.00
A-B-A-C-A Youth Records Ltd.	BC	\$6,096.00
Alert Music Inc. (2)	ON	\$811.05
Alien8 Recordings Inc.	QC	\$1,832.21
Anthem Entertainment Group Inc.	ON	\$4,235.00
Aporia Records Inc. (2)	ON	\$10,000.99
Arbor Records Ltd.(2)	MB	\$15,000.00
Avalanche Productions (3)	QC	\$4696.55
Awesome Productions & Management Inc.	ON	\$7,097.00
Bedlam Music Inc (9)	ON	\$15,000.53
Black Box Recordings Inc. (5)	ON	7,937.78
Blood & Water Inc.	On	\$3,366.00
Blue Heron Music Group (3)	BC	\$5,735.89
Bongo Beat Records (2)	BC	\$5,211.00
Boompa Productions	BC	\$1,629.10
Borealis Recording Co. Ltd. (2)	ON	\$5,211.00
Boulev'Art Inc (4)	QC	\$9,709.00
Bumstead Productions Ltd.	ON	\$15,000.00
Camobear Records (2)	BC	\$6,613.00
Cardster Music Co. (3)	ON	\$13,522.64
Casablanca Kids Inc. (3)	ON	\$12,350.69
CBG Artist Development	MB	\$1,579.25

Chief Sound Inc.	BC	\$0.00
Coalition Entertainment Management	ON	\$0.00
Contact Artist Management (2)	MB	\$1,934.26
Conveyor Canada (2)	On	\$6,403.00
Cross Current Music Inc. (5)	QC	\$10,865.00
Curve Music Inc. (6)	ON	\$15,000.13
DEJA Musique Inc.	QC	\$1,506.91
Delinquent Records Music	BC	\$0.00
Dine Alone Music Inc. (6)	ON	\$14,533.60
Disques Ninja Tune Inc. (2)	QC	\$3,190.00
Distort Entertainment	ON	\$1,400.00
Distribution Fusion III Inc. (2)	QC	\$4,927.53
Divine Industries Inc.	BC	\$1,362.30
Do Right! Music Inc	On	\$4,039.00
Effendi Records Inc.	QC	\$2,800.00
Envision Management & Production (3)	QC	\$10,238.36
FamGroup (2)	QC	\$10,016.00
Flemish Eye Records (2)	AB	\$6,774.88
Hardwood Records (2)	ON	\$2,792.98
Hi-Bias Records Inc.	ON	\$7,770.00
HRM Records Inc (Her Royal Majesty) (2)	BC	\$9,202.13
Hypnotic Records Inc.	ON	\$6,871.00
JHL Music Ltd	On	\$10,235.00
Kelp Records	ON	\$3,657.00
Kindling Music Inc.	ON	\$10,580.00
Kupid's Play	On	\$5,572.00
L'agence Station Bleue (4)	QC	\$16,322.50
Last Gang Records (2)	QC	\$2,852.00
Magnum Opus Management	YT	\$7,635.40
Mainstage Management	BC	\$5,132.00
Many Lives Music Publishers	PE	\$4,730.00
MCM Entertainment Management Inc.	QC	\$2,271.00
Meta4 Music (2)	AB	\$0.00
Music Management International Inc. (3)	NS	\$8,250.22
Netwerk Management (5)	BC	\$11,796.00
Northstarr Entertainment (2)	On	\$5,836.00
Nova Music Group	On	\$0.00
Octavo Productions	AB	\$0.00
Oliver Sudden Productions Inc.	QC	\$3,861.00
Opak Media Inc. (4)	QC	\$9,412.00
Opening Day Entertainment (4)	ON	\$9,209.00
Outside Music Inc. (3)	ON	\$8,987.00
Pandyamonium Artist Management (3)	ON	\$3,367.61
Paper Bag Records (7)	ON	\$12,576.39
Paquin Entertainment Group (3)	MB	\$11,779.32
PHD Canada Steve Dickson	BC	\$3,204.00
Pooka Print (2)	BC	\$10,439.00
Premier Muzik International Corp	QC	\$9,262.00
Q&A Music Rights Administration Inc. (2)	On	\$3,685.13
Quay Entertainment Services Ltd. (5)	NS	\$4,613.10

RGK Entertainment Group (4)	ON	\$14,687.53
Rising Sun Productions	MB	\$2,904.17
Royal Mountain Management	QC	\$3,432.00
Royalty Records Inc. (2)	AB	\$3,422.99
Saboteur records inc. (2)	QC	\$6,160.00
Secret City Records Inc. (3)	QC	\$5,819.00
Semprini Records	QC	\$5,204.00
Signpost Music Ltd.	MB	\$6,955.84
Six Shooter Records (2)	ON	\$13,109.00
Smallman Records (4)	MB	\$4,420.70
Solitudes Ltd./Somerset Entertainment (3)	ON	\$14,184.00
Sonic Records (3)	NS	\$2,587.00
Sonic Unyon Records Canada	ON	\$9,734.00
Sparks Music	ON	\$6,544.00
Spincycle Promotions Group dba Frontside Artist Management	BC	\$2,402.26
Starcana Entertainment Inc.	ON	\$4,903.00
Starfish Entertainment Inc. (2)	ON	\$5,363.00
Statik distribution (Platine le disquaire inc) (2)	QC	\$6,031.18
Stomp Records 9045-1170 Quebec Inc. (7)	QC	\$15,834.39
Stony Plain Recording Co. Ltd. (3)	AB	\$15,000.06
Sunshine Records Ltd.	MB	\$2,156.00
The Children's Group Inc (2)	ON	\$10,367.01
The Finkelstein Management Company (3)	On	\$9,273.4
Thompson Management (2)	BC	\$3,047.00
TKO Entertainment Corp. (3)	BC	\$9,050.00
Turbo Recordings (2)	QC	\$4,209.98
Underground Operations	ON	\$500.00
Upper Class Recordings Inc. (2)	ON	\$9,198.62
URBNET Communications	ON	\$802.61
Watchdog Management (5)	BC	\$15,000.34
Watson Entertainment (2)	ON	\$10,624.00
Weewerk (2)	ON	\$2,855.95
Whap Productions (3)	BC	\$3,546.03
White Whale Records (2)	ON	\$4,395.00
Wonderboy Entertainment Inc.	ON	\$1,837.00
Your Operator Productions (3)	BC	\$1,800.00
Total		\$733,544

LABEL, MANAGER & DISTRIBUTOR BUSINESS DEVELOPMENT SUPPORT PROGRAM

This program was developed to support labels, managers and distributors with some of the hard costs involved with supporting the development/exploitation of the careers of the artists they represent. Eligible costs include memberships to music related associations, subscription fees to industry related publications, Soundscan, and skills upgrading initiatives. FACTOR provides funding up to a maximum of \$15,000 per fiscal year which represents 50% of the total eligible budget.

FACTOR received 60 requests totaling \$572,538 and approved 52 projects offering a total of \$428,306 which represents 74.8% of the total amount requested.

Recipient	Province	Offered
604 Records Inc.	BC	\$12,226.00
Alex Bolieu Management	QC	\$2,406.00
Alien8 Recordings Inc.	QC	\$8,596.00
Alma Records	ON	\$15,000.00
Bent Penny Records	ON	\$7,730.00
Black Box Recordings Inc.	ON	\$12,937.00
Bonsound	QC	\$9,876.00
Boompa Productions	BC	\$6,095.00
Boulev'Art Inc	QC	\$8,514.00
Bumstead Productions Ltd.	ON	\$5,277.00
Camobear Records	BC	\$6,060.50
Casablanca Kids Inc.	ON	\$15,000.00
Chronograph Records	AB	\$13,897.00
Contact Artist Management	MB	\$8,423.00
Curve Music Inc.	ON	\$14,490.00
Dine Alone Music Inc.	ON	\$3,122.00
Distort Entertainment	ON	\$7,975.00
Distribution Fusion III Inc.	QC	\$15,000.00
District Six Music Management Corp.	ON	\$8,999.00
Do Right! Music Inc	On	\$3,737.00
Envision Management & Production	QC	\$6,756.00
HRM Records Inc (Her Royal Majesty)	BC	\$5,836.00
iconoclaste musique inc.	QC	\$955.00
Jericho Beach Music	BC	\$9,064.00
Kindling Music Inc.	ON	\$5,477.00
L'agence Station Bleue	QC	\$11,989.00
Les Productions Bros Inc.	QC	\$6,239.00
Magnum Opus Management	YT	\$13,800.00
Micah Communications Inc.	ON	\$13,483.00
Music Management International Inc.	NS	\$4,289.00
Netwerk Management	BC	\$13,624.43
Noise Factory Records	ON	\$6,555.00
Oliver Sudden Productions Inc.	QC	\$3,031.00
OP3 Music	AB	\$7,731.00
Opening Day Entertainment	ON	\$11,493.00
Paper Bag Records	ON	\$3,861.00
RGK Entertainment Group	ON	\$6,069.00
Semprini Records	QC	\$7,715.00

Sheri Jones Entertainment Consulting	NS	\$6,041.00
Six Shooter Records	ON	\$15,000.00
Smallman Records	MB	\$7,072.00
Sound Of Pop	NS	\$13,771.00
Spincycle Promotions Group dba Frontside Artist Management	BC	\$15,000.00
Spirit River Distribution	AB	\$1,409.00
Stark Ravings	ON	\$3,892.00
Stomp Records 9045-1170 Quebec Inc.	QC	\$9,100.00
Stony Plain Recording Co. Ltd.	AB	\$6,709.00
The Management Trust	ON	\$5,721.00
Upper Management	QC	\$3,536.00
Watchdog Management	BC	\$8,358.00
weewerk	ON	\$3,681.30
Your Operator Productions	BC	\$5,688.00
Total		\$428,306

COLLECTIVE INITIATIVES

This program supports both business and music industry related not for profit organizations. Funding is provided to support initiatives that encourage the growth and development of the Canadian music industry. Educational and professional information sessions/seminars and national initiatives that promote various sectors of the music industry are supported through this program.

The Department of Canadian Heritage has introduced a new funding stream to the Collective Initiatives Program. It is intended to support Minority language projects. Support is provided to artists touring and showcasing or to organizers of initiatives that include artists that meet the minority language criteria. For the purpose of the funds administered by FACTOR, a minority language artist would be an artist that is performing in English that is currently living in the province of Quebec. The funding for this program comes from the Official Language Minority act as set down by Parliament and the Government of Canada. For the fiscal year ending March 31, 2009 a total of \$400,000 in funding was provided.

FACTOR received 74 requests totaling \$4,014,214 and approved 50 projects offering a total of \$2,295,145, which represents 57.18% of the total amount requested.

Recipient	Province	Offered
2008 Canadian Smooth Jazz Awards	ON	\$5,000.00
Alberta Music Industry Assoc.	AB	\$9,336.00
Avalanche Productions (4)	QC	\$170,000.00
B.C. Country Music Association	BC	\$5,000.00
CAAMA	ON	\$25,000.00
Canadian Association of Broadcasters	ON	\$23,100.00
Canadian Country Music Association (2)	ON	\$220,000.00
Canadian Folk Awards Project	ON	\$5,000.00
Canadian Music Week Inc.(3)	ON	\$155,000.00
Canadian Organization of Campus Activities	ON	\$10,000.00
Canadian Songwriters Hall of Fame	ON	\$100,000.00
CARAS (2)	ON	\$350,000.00
CIRPA (3)	ON	\$275,310.00

East Coast Music Association	PE	\$100,000.00
Fan Tan Entertainment	BC	\$95,000.00
Indian Art - I - Crafts of Ontario	ON	\$35,000.00
International Transmission Events Inc (2)	BC	\$135,000.00
Manitoba Audio Rec. Industry Assoc.	MB	\$20,000.00
Mom Cant Cook	ON	\$5,000.00
Music and Film in Motion	ON	\$10,000.00
Music BC Industry Association	BC	\$20,000.00
Music Industry Assoc of Nova Scotia	NS	\$10,000.00
Music Managers Forum Canada (2)	ON	\$52,337.00
Music Newfoundland & Labrador	NF	\$12,500.00
Music PEI	PE	\$2,000.00
MusicYukon	YT	\$20,000.00
National Jazz Awards Canada	ON	\$50,000.00
North By Northeast Conference Ltd.	ON	\$100,000.00
Ontario Council of Folk Festivals	ON	\$7,500.00
PhemPhat Entertainment Group	On	\$7,500.00
Polaris Music Prize Inc (2)	ON	\$135,000.00
Pop Montreal Int'l Music Festival	QC	\$40,882.00
Quebec OFF Festival	QC	\$5,000.00
Slyngshot Productions	AB	\$5,000.00
Toronto Blues Society, The	ON	\$10,000.00
Western Association of Broadcasters (2)	AB	\$14,680.00
Western Canadian Music Alliance Inc	MB	\$50,000.00
Total		\$2,295,145

A component of the Collective Initiatives program is the **Songwriter's Workshop and Seminar Support Program** which is geared towards assisting professional songwriters. Specifically, this program helps underwrite the costs of songwriter's workshops and seminars that are focused on educating songwriters on the craft of writing songs.

In total, FACTOR received 43 requests totaling \$29,304 and approved 29 projects offering a total of \$18,370, which represents 62.69% of the total amount requested.

The following songwriters were approved for these grants to assist in the craft of songwriting:

Recipient	Province	Offered
Ania Ziemirska	On	\$290.00
Caroline Spence	BC	\$503.10
Chris MacLean	QC	\$750.00
Cori Brewster	AB	\$611.30
Crossway Records Inc.	AB	\$750.00
D. Michelle Gold	ON	\$488.00
Darlane G Cooper	MB	\$750.00
Dave Borins	ON	\$633.94
Deborah Lee Puder	BC	\$542.00
Don Sawchuk	On	\$750.00
Doug Sylvester	SK	\$750.00
Eric Murakami	ON	\$750.00

Joanne Ingrassia	On	\$750.00
Julia Michelle Beattie	BC	\$693.98
Katrina Kadoski	BC	\$560.00
Kaya Fraser	ON	\$679.00
Lily Cheng (2)	ON	\$419.75
Lisa Swain	ON	\$712.91
Marcia Taylor	On	\$682.39
Marty Siltanen	AB	\$536.25
Mel Farrimond	NS	\$750.00
Mountain Edge Productions	BC	\$750.00
Sonia Lapensee	On	\$750.00
Stephen Didunyk	ON	\$667.28
Stuart John Gogarty	On	\$750.00
Terry Maxwell (2)	ON	\$1,425.00
Tracey Ducharme	On	\$675.00
Total		\$18,370

FACTOR CONTRIBUTION AS COMPARED TO TOTAL INVESTMENT

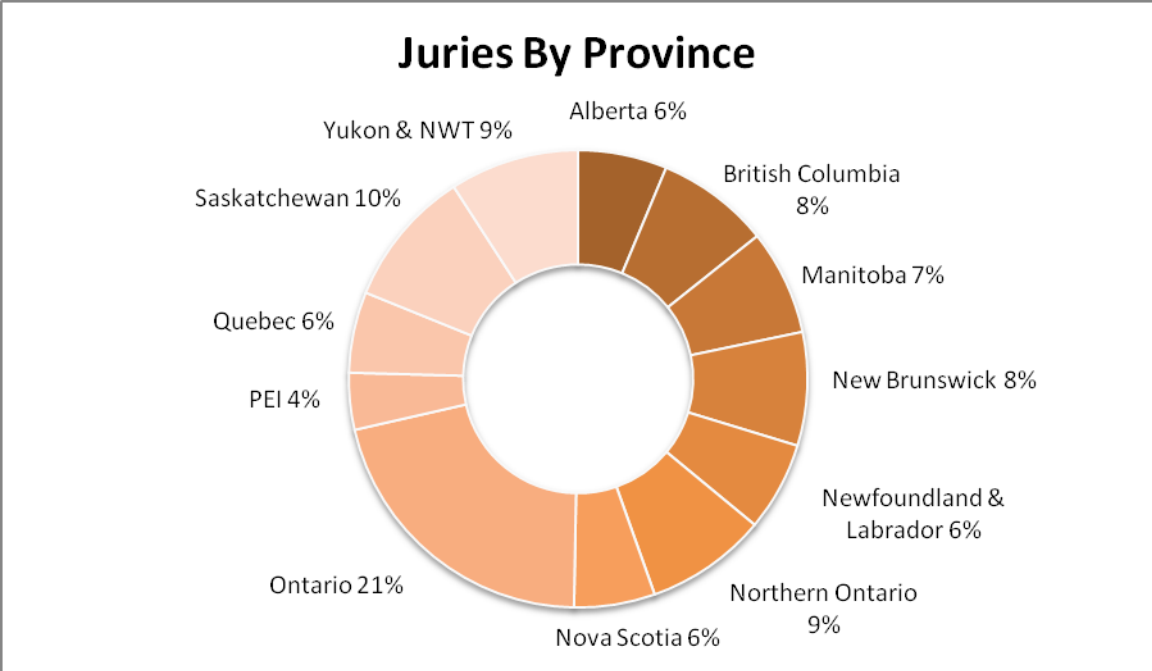
Program Type	FACTOR Contribution	Total Cost	% of Contribution
Business Development	2,098,666	21,501,452	9.76%
Sound Recording	2,973,117	6,993,287	42.51%
Video	442,101	967,694	45.69%
Label, Manager's & Distributor's Business Development	923,934	2,355,120	39.23%
Touring & Showcasing	2,135,248	5,508,345	38.76%
Marketing & Promotion of Sound Recordings	1,421,778	3,402,233	41.79%
Total	9,994,845	40,728,131	24.54%

PROJECT EVALUATION PROCESS

The FACTOR Board of Directors policy from the inception of the organization is to not make creative decisions. The Board reviews applications and makes its decisions regarding funds to be offered based on the financial budget presented. The FACTOR Loan, Independent Recording Loan, Professional Demo Award and Songwriter's Demo Grant programs all require a creative assessment. This assessment involves music and broadcasting industry professionals who attend juries to determine which projects should be offered funding. All applications for these programs are subjected to a genre specific jury and require two yes answers to then move on to the super jury level. At the genre specific jury, between three to five experts assess from 12 – 20 submissions and make recommendations based on the creative presentation as well as the marketing plan submitted. Those applications that receive the required genre specific jury recommendations go on to a super jury. This panel reviews all the genre recommended projects to determine which of these projects are the best of the best.

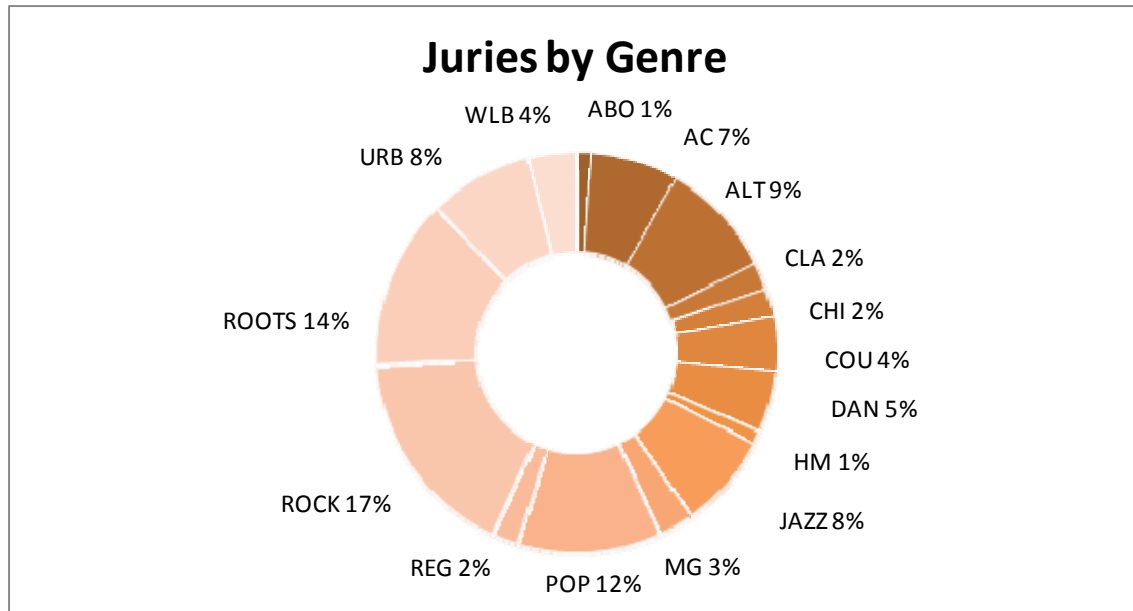
Juries by Province

Alberta	11
British Columbia	14
Manitoba	13
New Brunswick	14
Nova Scotia	10
Newfoundland & Labrador	11
Ontario	37
PEI	7
Quebec	10
Saskatchewan	17
Yukon & NWT	16
Total	175



JURIES BY GENRE

Aboriginal	ABO	2
Adult Contemporary	AC	13
Alternative	ALT	17
Childrens	CHI	4
Classical	CLA	4
Country	COU	8
Dance	DAN	9
Heavy Metal	HM	2
Jazz	JAZZ	14
Multi Genre	MG	5
Pop	POP	18
Reggae	REG	4
Rock	ROCK	28
Roots	ROOTS	25
Urban	URB	15
Worldbeat	WLB	7
Total		175



FACTOR Jurors 2008/2009

The FACTOR Loan, Independent Recording Loan, Professional Demo Award and Songwriter’s Demo Grant programs all require a creative assessment. This assessment involves music and broadcasting industry professionals who attend juries to determine which projects should be offered funding.

The 175 juries that were conducted last year involved the participation of 550 music and broadcasting professionals who donated their time to serve on the various juries. As well, FACTOR is represented by provincial music industry associations across Canada. Part of their affiliation with FACTOR requires them to conduct juries throughout the year.

The following 550 individuals donated their time to participate in evaluation sessions this past year

Abberger, John	Amero, Don	August, Rick	Belsito, Chris
Adair, Aaron	Ames, Shawn	Baardman, Sam	Bender, Tim
Agahzadeh, Farzin	Anderson, Denise	Babin, Tommy	Benedicton, Don
Agostino, Tony	Andrew, James	Baker, Brenda	Benjamin, Paul
Ales, Tait	Arai, Bernie	Baker, Brian	Benny, Nadine
Alexander, Devin	Arcand, Vicki	Baker, Peter Beran	Beveridge, Kelly
Alexander, Lee	Arrington (Ger), Scot	Baptiste, Deydra	Beye, Howard
Allan, Walsh	Arsenault, Colin	Barbosa, Dulce	Bird, Catharine
Allen, Barry	Arsenault, Dennis	Barlow, Kim	Bisaillon, Jean Robert
Allen, Brian	Arsenault, Marc	Barnes, Micah	Bishop, Don
Allen, Mike	Ashely, Daniel	Batstone, Chris	Blackhall- Butler, Naomi
Allen, Ron	Atkinson, Zach	Bausman, Holly	Blackwell, Matthew
Alper, Eric	Aucoin, Maurice	Bavness, Will	Blake, Dave

Blake, Stacey	Coneley, Ben	Doyle, Tim	Griffith, Matt
Bock, Frank	Conely, Bill	Dumont, Justin	Groulx, Richard
Boechler, Brian	Connolly, Ross	Dusk, Matt	Grunau, Brenda
Bolseng, Chris	Conroy, Cheryl	Dyck, Greg	Guay, Chas
Bond, Susan	Coon, Bill	Edelson, Natalie	Haddock, Dave
Booth, Todd	Coons, Aaron	Edwards, Nicole	Hamill, Morgan
Borcar, Ramachandra	Cooper, Daniel	Farnell, Allana	Hancoch, Todd
Borgwardt, Bill	Corbett, Sheldon	Faulcower, Wayne	Hancock, Logan
Boudreau, Janesta	Côté, Geneviève	Feduk, Mark	Hanifan, Peggy
Bourgeois, Yolande	Cramer, Howard	Feduk, Patricia	Hanley, Ed
Boushel, Patricia	Crofford, Joanne	Feltham, John	Hannigan, Ruth
Boyko, Diane	Croucher, Jordan	Fenton, Rick	Harder, Matthew
Bragg, Mark	Crouse, Zac	Fenton, Sarah	Hare, Steve
Breen, Fergus	Crowell, Colin	Ferguson, Karla	Harper, Ty
Bridgewater, Alanna	Cuber, Chris	Ferris, Sean	Hart, David
Brinston, Dave	Cujak, Kyle	Field, Gary	Hatch, Johnny
Britton, Dan	Cull, Janet	Finaly, Janice	Haunt, Isabella
Brooms, Dan	Curiel, Orion	Fitzpatrick, Jamie	Hawnt, Zoë
Browmpton, Jack	Cutler, Daniel	Fontaine, Kim	Hayes, Bob
Brown, Jacqueline	Dalrymple, Garry	Forgeson, Ian	Heaton, Jon
Brown, Sean	David, Jesse	Fowlow, Armondo	Hendriks West, Kara
Browne, Gene	Davidson, Bruce	French, Dallas	Hermant, Andrew
Browning, Mark	Davidson, Dan	Gagnon, Mark	Hermant, Andy
Bruhmueller, Billy	Davies, Robert	Galati, Alaina	Herrers, Jeff
Budreski, Mat	Dawson, Mike	Gallant, Brock	Hesser, Paul
Burnett, Mark	Day, Edward Scott	Gallant, Christian	Hewson, Jean
Burns, Jason	Day, Mark	Gallant, Nikkie	Heyligers, Erica
Burrows, Lauren	De Jorg, Mark	Gallo, Rob	Hillier, Gillian
Bynoe, Troy	Delsooz, Vanessa	Gantreau, Jac	Hiscoch, Matthew
Byron, James	Denney, Mike	Garvey, Kevin	Hiscozk, Matthew
Cairns, Carol	DePoe, Brian	Garvin, Rick	Hogan, Janeatt
Cashen, Kyle	Deschambault, Roland	Gasparik, Christine	Hogan, Josh
Cassidy, Bruce	Devonish, Jay	Gay, Lana	Hogue, Maurice
Ceaser, Mark	Differ, Jim	Georg, Cherelle	Homer, Adrian
Chano, Jenno	DiGiuseppe, Susanna	Gerstenbuhler, Eric	Houle, Debbie
Chibulemo, Amaika	Dille, Zoe	Gibson, Maryanne	Hurstfeild, Adam H
Chiles, Robbyn	Dimitrova, Nelly	Gillespie, Mary Ellen	Hussain, Tariq
Chovinard, Carole	DiSalle, Gary	Gillis, Carla	Hutchins, Chris
Christiansen, Lisa	Disalle, Paul	Gleeson, Peter	Inman, Evangeline
Clark, Kelly	Dixon, Dwayne	Gosine, Carl	Irving, Ron
Cody, Don-e	Doherty, Matt	Gould, Adam	Jensen, Brandy
Cohen, Jeff	Dolynchuk, Sandra	Grant, Adam	Joaskelainen, Sheldon
Coleman, Don	Donnelly, Scott	Greggs, Michael	Johnson, Jaylene

Johnson, Matt	Layman, John	McCarthy, Rusty	Murphy, Caralee
Johnson, Scott	Leblanc, Marc	McCarthy, Tara	Murray, Tony
Jones, Nathan	Leclair, Paul	McDonald, Terry	Nadasdi, Terry
Jones, Owen	LeDrew, Chris	McGinnis, Lyn Besse	Naimphally, Ravi
Jordan, Todd	Ledwell, Dan	McGuire, Erin	Neilsen, Brent
Josef, Michelle	Lefick, Hillary	McIntosh, Greg	Neilsen-Smith, Chris
Juleta, Darlene	Letendre, Francis	McIntyre, Kevin	Nelson, Amy
Justice, Gary	Levandier, Don	McIsaac, Adam	Ng, Tan- Nee
Kack, Kevin	Lewis, Eric	McKay, Sean	Nicholson, Glen
Kaip, Matt	Libby, Maurice	McKool, Chris	Noble, Sierra
Kelly, Kevin	Lindgren, Chris	McKillip, Lynda	Nolin, Paul
Kelly, Lorena	Linseman, Peter	McLeod, Don	Norton, Paul
Kennedy, Scott	Little, Marc	McMullen, Glenn	Nti, Dominic
Kinew, Wab	Lloyd, Dominic	McNally, Ryan	Oakie, Laura
King, Bob	Locke, Allan	McNeil, Candi	O'Donovan, Declan
Klass, Chrissy	Loeffler, Shelly	mcNeil, Kyle	O'Driscoll, Martin
Klassen, Henry	Loewenberg, Paul	McQueen, Katya	O'Keefe, Mary Christa
Klassen, Joyce	Lopes, Carlos	McRuer, Ian	Olivieri, Gino
Koat, Cal	Lozowchuk, Dayna	Mehta, Nicky	Olsson, Chantal
Kobayakawa, Brian	Lucas, Brandon	Melnychuk, Alexia	Orcherton, Jenelle
Kolenich, Ellen	Ludwig, Justin	Melzer, Andrew	Organ, Doug
Kom, Mathais	Lynn, Kevin	Mendoza, Andres	P, Shawn (DJ Plus)
Konog, Emily	Mabro, Amanda	Mendoza, Nina	Packham, Blair
Kopesi, Mary Anne	MacArthus, Mark	Merett, Mitch	Paley, Grant
Korbyl, Richard	MacGillivray, Sean	Merryweather, Paul	Palmer, Stephen
Krepart, Susan	MacIntyre, Robin	M'Gonigle, Steve	Palmier, Matthew John
Kuntsi, Mark	MacIlsac, Jason	Michaelson, Sarah	Panas, Jamie
Kusiba, Matt	MacLean, BJ	Mikeli-Jones, Jordi	Panda, Jeremy
Kuzub, Tony	MacPherson, Keith	Miller, Karla	Paradis, Marc
Kwan, Allison	Madeau, Francois	Millington, Doug	Pare, Chris
LaBelle, Frank	Madsen, Alex	Milne, Wanda	Paschall, Suzanne
Lablanc, Michael	Magee, Mike	Milner, Paul	Pavey, Patricia
Lalla, Sean	Mah, Nicholas	Minemoto, Sharon	Peacock, Liam
Lanciault, Mathieu- Gilles	Major, Luke	Minnikin, Ruth	Pead, Sonya
Landry, Jon	Makurge, J.J.	Mitchell, Steve	Pearson, Getta
Landry, Nadine	Malliet, Andrew	Molloy, Patrick	Pearson, Hunter
Lapointe, Eric	March, Rhea	Monette, Tracey	Perry, Brad
Larivière, Michael	Marcotte, Don	Moore, Bob	Perry, Chris
LaRose, Fred	Marentette, Julian	Morgan, Brad	Peters, Graeme
Latimer, Devin	Marley, Nancy	Morris, Sandy	Peterson, Lloyd
Laughton, Stuart	Martens, Rod	Mousaly, Adam	Piercey, Ryan
Lauzon, Jani	Martin, Bryan	Muller, Lorraine	Pocklington, Sarah
Lawson, Lorraine	McCann, Kris	Munn, Murray	Polack, Joanne

Polonsky, Bill	Samson, Pam	Straker, Jeff	Wattie, Kate
Post, Peter	Saunders, Wayne	Strickey, Glen	Weber, Greg
Potts, Trevor	Scaffeo, John	Sudra, Nina	Weeds, Cory
Potvin, Mark	Schenstead, Ben	Sullen, Luke	Weekes, Kate
Power, Bryan	Scherzinger, Peter	Sywulsley, Sasha	Weeks, Jesse
Power, Glynn	Schmidt, Marc	Szeto, Michelle	Weipert, Frank
Price, Keith	Scholz, Mark	Tacik, Roman	Weiss, Andreas
Prins, Mark	Schuler, Jack	Taddo, Catherine	Weller, Sam
Pugh, Lindsay	Schultz, Tean	Tanaka, Jesse	Wener, Eli
Pura, Dave	Schur, Danny	Tantalo, Carrie-Ann	White, Dave
Quanbury, Dave	Scott, Mitchell	Taylor, Doug	Whiting, Keith
Quebec, Brian	Segato, Lorraine	Taylor, Julian	Wickham Thomas, Aisha
Rabin, Philippe	Selgman, Daniel	Taylor, Paul	Williams, Denise
Radutu, George	Sernich, Robin	Taylor, Troy	Williams, Perry
Rault, Michael	Shan, David	Thesiault, Leo	Williams, Troy
Readman, Danette	Shan, Madhui	Tilley, Steve	Williams, Wayne
Reed, Donald	Sherman, Dave	Timmins, Leah	Willison, Doug
Reeves, Tara	Siam Lim, May	Tippe, Rick	Wills, David
Reich, Geoff	Siltanen, Marty	Tomkins, Rick	Wilson, Cameron
Reid, Jan	Silverstone, Tracy	Townsend, Jill	Wilson, Marlon
Renzi, Ed	Simao, Louis	Trecarten, Janet	Wilson, Scott
Reville, Lynne	Sinclair, Duncan	Truhlar, Richard	Wojnarowicz, Matt
Reza, Dayha	Sinclair, Kimberly	Tse, Tiffany	Wolch, Michael
Rhodes, Blair	Skinner, Peter	Tuck, Lauren	Wright, Aidan
Ricci, Angie	Sloimovits, Serge	Tuner, Tara	Wright, James
Richard, Stephane	Small, James	Turnbull, Josh	Wright, Robert
Richardson, Ryan	Smith, Bruce	Turner, Chi	Wyatt, Derek
Rizun, Steve	Smith, Jordan	Tutty, Paddy	Yaremko, Dan
Robert, Davis	Smith, Rob	Van De Ven, Tim	Yarlowe, Elka S.
Robert, Lloyd	Smith, Sam	Van Dongen, Jacob	Yoshida, Shena
Robert, Rainbow	Snyder, Jo	Van Dusen, Sara	Young, Robyn
Robinson, Christian	Solomon, Adam	Van Teeffelen, Scott	Zaide, Elysha
Rogers, Ron	St Clair, Mike	Vincent, Stephen	Zayak, Kim
Romanow, Doug	Starr, Randy	Walker, Scott	Zdan, Brandy
Rossignol, Rene	Steel, James	Walters, Ginette Lavack	Zolis, Jim
Roy, Jason K	Stertz, Shelley	Wark, Peter	
Rusinak, Mel	Stewart, Jeanette	Warkentin, Don	
Salai, Tracy	Stewart, Robyn	Warkentin, Mike	
Salomaa, Leah	Stoll, Gerry	Warner- Smith, James	

OUTREACH INITIATIVES

FACTOR recognizes that it is not always possible to write a cheque to every artist that applies for funding. Another way that FACTOR has been able to support artists is through the hosting of Open Mics. At the Open Mics which are held at a local venue, artists are invited to come out and perform in front of a live audience. In some cases this is the first live performance and artist has had. To date FACTOR has hosted 16 Open Mics, providing 266 artists with 396 live performance opportunities. Following their Open Mic performance, six have succeeded in securing funding from FACTOR. The list below represents the artists who have performed at Open Mics and those names that are bolded represent the artists that have since received funding from FACTOR.

A Hundred Magic Lions	Ewan Dobson	Madeleine Slate	Shawn Crozier
After Runnymede	Helen Carlson	Mandi Kennel	Shawnee Lynne
Akin Busari	Jaahvid	Mandippal	Shelley Thomas
Alex Woodrow	Jamie Mac	Marianne Turner	Solo Key
Amanie	Jayson Dasilva	Max & Magor	Speck Nasty
Angelica	Jem Ucar	Natasha Bowley	Speck Nasty & King Fabuloso
Anna Lee	Joe Wizard	Obnoxious Boy Rude featuring SK	Specs
Ben & Matt	Jon Epworth	Paisley Jura	Spectx
Brandon Pascoa	Jon Travis	Peter Kastner	Symmetry (Spoken Word)
Brett & Yash	Joseph Hero	Pierina Cincinnato	The Soles
Carla Magna	Juan Mesa	Prolific	TK
Carlo Dizio	Keshia	Rick	Tom Zaugg
Clint Mitchell	King Fabuloso	RNA & Gilly Dieasso	Trick of Disaster
Dan Bouwhuis	Kit Cairns	Robert Davis	True Notion
Dana Doidge	Lauren Christoff	Roger Beckett	Uphalloni
Daniel White	Lauren Heenan	Roger Zuraw	Violet
Darrelle London	Leslie	Rosslyn Picton	Yuumei
David Ward	Loretta Fullerton	Ruth Cassie	Zack Stephenson
Emer	LS	Scotty Stiles	
Emily Payne	Lynsay Ryan	Shanna aka Platinum Voice & SDO Key	

FACTOR SEMINAR SERIES

FACTOR has added an educational component to the services it provides to the Canadian music industry. Last year two seminars were hosted at the FACTOR offices.

The Seminar Series was launched on October 23, 2007. The first topic was "How to Successfully Apply to FACTOR". FACTOR Staff participated in the panel, giving tips and advice on programs, getting through the paperwork, using the online application system and answered questions from the attendees. Attendance to this seminar was approximately 50 people.

The second seminar was held on February 26, 2008. The topic was "Clean Out Dad's Van, We're Gonna Tour!" and was moderated by Darrin Pfeiffer (High 4 Records, on air DJ 102.1 The Edge). Panelists included Nanci Malek (Bentertainment), Colin Lewis (Agency Group), Brian Hetherman (Curve Music/ Cerberus Artist Management), Stephen Himmelfarb (Paquin Entertainment) and Eric Warner (Over the Top Festival/ MySpace Canada). Panelists discussed touring and showcasing, giving tips of the trade and answering questions from the attendees. Attendance to this seminar was approximately 65 people.

FACTOR's third seminar since launching the Seminar Series in 2007 was **How to Treat Your Band Like a Business**. Held May 20, 2008, the panelists covered many topics including proper bookkeeping, copyrighting your material, benefits to owning your masters and understanding "Return On Investment". Panelists included Susan de Cartier (Starfish Entertainment Inc.), Lorne Sprackman (Sprackman Terrence Inc., Business Management), Lisa Whynot (Entertainment Lawyer), Daniel Cutler (Publisher) with moderator Julian Taylor (Bent Penny Records).

The fourth seminar held February 10, 2009 was about *Getting Your Music On Air*. Topics ranged from how to market yourself to radio and working with a radio tracker to the importance of building your relationships with radio to enhance and further your musical career. Panelists were Yvonne Valnea (President of Last Tango Productions), Vish Khanna (Programmer for CFRU 93.3 and Host/Associate Producer for CBC Radio 3), J.D. Moffat (Operations Manager for Bayshore Broadcasting) and Justin Dumont (Music Director from the new FLOW 93.5).

These seminars are free and are held from 4:30-6:30pm in FACTOR's Board Room. The format of the seminars is to introduce each panelist and allow them to explain who they are and what they do for the industry. This is followed by an hour/hour and a half Question and Answer period from the attendees.

To get the word out, press releases are emailed to applicants in the GTA who have applied for funding. There is also a sign up sheet for all attendees at the seminar if they wish to be contacted about FACTOR's upcoming seminars. All press releases are posted on FACTOR's website (www.factor.ca).

Seminars are also available in real time as a live webcast and chat online at www.factorseminars.ca. This technology is made possible from Adam Leon of Transmitter Studios. While the seminars are in progress, Adam moderates the live chat and asks the questions posted by the listeners. Listeners can hear the entire discussion from the comfort of their own home – or coast to coast to coast if they are not from the GTA. New this year, all seminars will be archived online so listeners can go back and reference them anytime they need too.

Upcoming topics for 2009 include seminars on The Recording Process, Touring and Showcasing and "Getting off the Ground".

REGIONAL OUTREACH INITIATIVES

Over the 2008-2009 fiscal year FACTOR attended the following conferences:

- Transmit China – Beijing
- Western Association of Broadcasters Convention – Kananaskis, AB
- Canadian Organization of Campus Activities Conference – Ottawa, ON
- NXNE – Toronto, ON
- Canadian Country Music Awards – Winnipeg, MB
- Western Canadian Music Awards – Edmonton, AB
- Canadian Association of Broadcasters Convention – Ottawa, ON
- MIDEM – France
- Toronto Blues Summit – Toronto, ON
- FACTOR Musicians Workshop – Windsor, ON
- East Coast Music Awards – Cornerbrook, NL
- Canadian Music Week – Toronto, ON
- JUNO Awards – Vancouver, BC

FACTOR also held independent information panels at the following:

- Metalworks – Toronto, ON
- Beats-Mind-Movement – Toronto, ON
- FACTOR/Radio Workshop – Saskatoon, SK
- FACTOR/Radio Workshop – Regina, SK
- Urban Genre Panel – Edmonton, AB

- FACTOR/Radio Workshop – Edmonton, AB
- FACTOR/Radio Workshop – Calgary, AB
- FACTOR/Radio Workshop – Windsor, ON

SUCCESS STORIES

Radio Airplay Activity

To determine what if any level of radio airplay activity has been received by FACTOR supported artists, FACTOR undertook to do an analysis of spins as recorded/reported by Mediabase. The analysis has been conducted for period from January 1, 2004 to December 31, 2008. The results are as follows:

The following 293 FACTOR supported artists have received radio airplay during this five year period.

A Perfect Day	Bless	Coral Egan	Flashlight Brown
Aaron Pritchett	Blue Rodeo	Corb Lund	Four80East
Acorn	Box	Corb Lund Band	George
Alex Murdoch	boy	Cory Lee	George Canyon
Alexisonfire	Boys Night Out	Cowboy Junkies	Giorgia Fumanti
Alexz Johnson	Brad Johner	Crash Parallel	Gob
Alfie Zappacosta	Brendan Canning	Creepshow	God Made Me Funky
Ambush	Brian Byrne	Crowned King	Golden Dogs
Amy Millan	Brian Byrne	Crush	Gord Bamford
Amy Sky	Britt Black	Crush Luther	Gordie Sampson
Andrea Menard	Broken Social Scene	Cruzeros	Great Big Sea
Andreena Mill	Bruce Cockburn	Crystal Castles	Great Lake Swimmers
Andy Stochansky	Buck 65	Damhnait Doyle	Grimskunk
Apostle of Hustle	By Divine Right	Daniel Powter	Hawksley Workman
Arcade Fire	Cadence Weapon	Danko Jones	Hayden
Armchair Cynics	Canadian Tenors	Danny Michel	Hidden Cameras
Art of Dying	Cancer Bats	Dave Gunning	Higgins
Ashley Maclsaac	Caribou	David Usher	Holly McNarland
Attack in Black	Carl Henry	Dearly Beloved	Hot Hot Heat
Auburn	Carolyn Dawn Johnson	Dears	Idle Sons
Barlow	Chad VanGaal	Death From Above 1979	In Essence
Be Good Tanyas	Charlie Major	Delerium	Indio
Bedouin Soundclash	Choclair	Derek Miller	Instant Star Alexz Johnson
Belly	Chris Koster	Doc Walker	IRS
Bend Sinister	Chromeo	Dragonette	Islands
Besnard Lakes	Cities In Dust	Duhks	J.W. Jones
Beverly Mahood	City and Colour	Edwin	Jacksoul
Bif Naked	Classified	Elliott Brood	Jakalope
Big Black Lincoln	Cliks	Ember Swift	Jake Methews
Billy Klippert	Colin James	Emm Gryner	Jamie Warren
Bishop Brigante	Colin Linden	Enter the Haggis	Jason Collett
Black Halos	Comeback Kid	Fefe Dobson	Jeff Healey
Black Lungs	Conjure One	Feist	Jeff Martin
Black Mountain	Constantines	Fembots	Jelleestone

Jeremy Fisher	Marbel Index	Peter Katz	Solution
Jersey	Marianas Trench	Pilate	Sophie Milman
Jets Overhead	Mark Inside	Pilot Speed (formerly Pilate)	Stars
Jim Bryson (2)	Martha Wainwright	Point Blank	State of Shock
Jimmy Bowskill	Massari	Prairie Oyster	Stephen Fearing
Jimmy Rankin	Matt Mays	Priestess	Sum 41
Jimmy Swift Band	Matthew Barber	Protest The Hero	Susan Aglukark
Joel Plaskett	Melanie Durrant	Prozzak	Susie Arioli
Emergency	Melissa McClelland	Quartette	Suzie McNeil
Johanne Blouin	Metric	Ray Bonneville	SweatShop Union
Johnny Hollow	Michael Carey	Ray Robinson	Swollen Members
Johnstones	Midway State	Real McKenzies	Taras
Jonas	Miniatures	Reason	Tea Party
Jorane	MIR	Red 1	Team RezOfficial
Julie Doiron	Miracle Fortress	Reggae Cowboys	Teenage Head
Jully Black	Misty Lee Olsen	Rheostatics	Ten Second Epic
Junction	Mobile	Ridley Bent	The Joys
Justin Hines	Moka Only	Rita MacNeil	The Mark Inside
Justin Nozuka	Molly Johnson	Robert Michaels	Theory of a Deadman
Justin Rutledge	Moneen	Rochester aka Juice	Thornley
Kardinal Offishall	Money Money	Rocketface	Tin Foil Phoenix
Kataklysm	MOSQUITO-B	Ron Hynes	Tokyo Police Club
Kathleen Edwards	Most Serene Republic	Ron Sexsmith	Tom Wilson
Kayle	Mother Mother	Rosette	Trews
Kazzer	MSTRKRFT	Roz Bell	Two Hours Traffic
Kevin Drew	Nathan	Sadies	Uncut
Kinnie Starr	Nazanin	Saint Alvia	Various Artist (Much Music Movie)
Kyle Riabko	Neurosonic	Salads	Vincent Black Shadow
Ladies and Gentlemen	Neverending White	Sam Roberts	Waking Eyes
Land of Talk	Lights	Sarah Harmer	Weakerthans
Leeroy Stagger	New Pornographers	Sattalites	Wide Mouth Mason
Lennie Gallant	No Warning	Sean Kelly	Winter Gloves
Lily Frost	Not By Choice	Serena Ryder	Wintersleep
Limblifter	Novaks	Shad	Wolf Parade
Low Level Flight	Novillero	Sherrie Lea	Xavier Rudd
Lowest of the Low	Oh Susanna	Sky	X-Quisite
Luke Doucet	Panurge	Skydiggers	Zoe Bentley
Lynn Miles	Patrick Watson	Skye Sweetnam	
Maestro	Paul Brandt	Small Sins	
Magneta Lane	Pavlo	Social Code	
Manafest	Peaches		

- They have received a total of 1,016,564 **domestic radio** spins which is an average of 3,469 spins per artist
- They have received a total of 1,008,686 **international** radio spins which is an average of 3,443 spins per artist.
- In total, these 293 FACTOR supported artists have received a **total** of 2,025,250 **radio airplay spins** which represents an average of 6,912 spins per artist.

Potential Audience Capacity

FACTOR supported artists have received funding to support a total of 181 Domestic Tours and Showcases and a total of 156 International Tours and Showcases. These showcases and tours have enabled FACTOR-supported Canadian artists to have the potential to perform to audiences of just over 3 million people.

The domestic audience potential exposure is in excess of 650,000*.

The international audience potential exposure was in excess of 2.4* million people.

“*” *Note: These figures are derived from the venue capacities. It is virtually impossible for FACTOR to determine the exact audience attendance at each and every performance. The capacity figures are there the most exact manner in which to track the Potential Audience capacity.*

Touring and Showcasing

CERTIFICATIONS AND AWARDS

The Canadian Recording Industry Association (CRIA) verifies sales of audio recordings in Canada and issues certifications based on the number of copies sold. Gold (40,000 units), Platinum (80,000 units), 2 X Platinum (160,000 units) and 3 X Platinum (240,000 units) etc. to Diamond (1,000,000 units).

The artists listed below have received Gold, Platinum, etc. certifications for sound recording projects since January 2007. These artists have all received financial assistance from FACTOR through one or more of its programs. FACTOR supported audio recordings that have received certification(s) are highlighted in bold.

Artist	Album Title	Certification	Year
Alexisonfire	Crisis	Platinum	2007
	Watchout	Platinum	2007
Arcade Fire	Neon Bible	Gold	2007
Bedouin Soundclash	Sounding A Mosaic	Platinum	2007
	Street Gospels	Gold	2008
Belly	The Revolution	Gold	2007
Bif Naked	I Bificus	Platinum	2009
Billy Talent	Billy Talent	3x Platinum	2007
	Billy Talent II	2x Platinum	2007
Blue Rodeo	Small Miracles	Gold	2007
Broken Social Scene	You Forgot It In People	Gold	2008
City and Colour	Bring Me Your Love	Gold	2008
Daniel Powter	Daniel Powter	Gold	2007
Feist	Let It Die	Platinum	2007
	The Reminder	Gold	2007
	The Reminder	Platinum	2007
	The Reminder	2x Platinum	2008
Great Big Sea	Fortune's Favour	Gold	2008
Illscarlett	All Day With It	Gold	2008
	The Light That Guides You		
Jim Cuddy	Home	Gold	2007

Johnny Reid	Kicking Stones	Gold	2007
	Born To Roll	Gold	2008
	Kicking Stones	Platinum	2008
	Dance With Me	Gold	2009
Jully Black	Revival	Gold	2008
K.D. Lang	Watershed	Gold	2008
K-OS	Atlantis Hymns for Disco	Platinum	2007
	Sunday Morning	Gold	2007
Lights	Drive My Soul	Gold (Digital)	2008
Loreena McKennitt	An Ancient Muse	Platinum	2007
Lowest Of The Low	Shakespeare My Butt...	Gold	2008
Matthew Good Band	In a Coma	Gold	2007
	Hospital Music	Gold	2008
Mobile	Tomorrow Starts Today	Gold	2007
Neverending White Lights	Neverending White Lights	Gold (Digital)	2007
Nickelback	All The Right Reasons	6x Platinum	2007
	Dark Horse	3x platinum	2008
	Dark Horse	4x Platinum	2009
Nicola Ciccone	Nous Serons Six Milliards	Gold	2007
Pascale Picard	Me, Myself and Us	Gold	2007
	Me, Myself and Us	Platinum	2007
Patrick Watson	Close To Paradise	Gold	2007
Rush	Snakes and Arrows	Gold	2007
	Snakes and Arrows Live	Gold (Digital)	2009
	Love At The End Of The World	Gold	2008
Sam Roberts	Wintersong	2x Platinum	2007
Sarah Mclachlan	Rarities, B-Sides & Other Stuff Vol.2	3x Platinum	2009
	Remixes	Platinum	2009
	If Your Memory Serves You Well	Gold	2007
Serena Ryder	Set Yourself On Fire	Gold	2007
Stars	Best I Ever Had	Gold (Digital)	2008
State Of Shock		Platinum	
	Money Honey	(Digital)	2008
Sum 41	Underclass Hero	Gold	2008
Tegan and Sara	So Jealous	Gold	2009
	The Con	Gold	2009
The Midway State	Never Again	Gold (Digital)	2009
The Tragically Hip	Fully Completely	Diamond	2007
	Hipeponymous	Platinum	2007
	Yer Favorites	2x Platinum	2007

2009 JUNO AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Alanis Morissette	Pop Album of the Year
Blue Rodeo	Music DVD of the Year
Dallas Green	Songwriter of the Year
Divine Brown	R&B/Soul Recording of the Year
DJ Brace	Instrumental Album of the Year
Doc Walker	Country Recording of the Year
Downhere	Contemporary Christian/Gospel Album of the Year
Ensemble Caprice	Classical Album of the Year, Vocal or Choral
-	Performance
Feist	Video of the Year
James Ehnes	Classical Album of the Year, Solo or Chamber
Jane Bunnett	Ensemble
Jane Bunnett	Contemporary Jazz Album of the Year
Jayne Stone	World Music Album of the Year
Kardinal Offishall	Single of the Year
	Rap Recording of the Year
Lights	New Artist of the Year
Molly Johnson	Vocal Jazz Album of the Year
Nickelback	JUNO Fan Choice Award
	Album of the Year
	Group of the Year
Old Man	
Luedecke	Roots & Traditional Album of the Year - Solo
Oliver Jones	Traditional Jazz Album of the Year
Sam Roberts	Artist of the Year
	Rock Album of the Year

2009 ECMA AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Brenda Stubbert	Roots/Traditional Solo Recording of the Year
Christina Martin	Pop Recording of the Year
Classified	Fans Choice Award
David Myles	Folk Recording of the Year
Duane Andrews	Instrumental Recording of the Year
Gordie Sampson	Single of the Year
	Songwriter of the Year
Hey Rosetta!	Group Recording of the Year
	FACTOR Recording of the Year
	Alternative Recording of the Year
Jill Barber	Jazz Recording of the Year
	Female Solo Recording of the Year
Joel Plaskett Emergency	Entertainer of the year
Matt Mays and El	
Torpedo	Rock Recording of the Year
Ryan LeBlanc	World Recording of the Year
The Tom Fun Orchestra	Recording of the Year
Wintersleep	Video of the Year

2008 CCMA AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Corb Lund	Roots Artist/Group of the Year
Doc Walker	Album of the Year Group or Duo of the Year Fans Choice Award Single of the Year (It's a Beautiful Life) Video of the Year (It's a Beautiful Life) Songwriter(s) of the Year
George Canyon Gord Bamford	Humanitarian Award Top Male Talent of the Year
Hey Romeo	Top Talent of the Year, Group or Duo
Jessie Farrell	Female Artist of the Year Top Female Talent of the Year Rising Star Award
Johnny Reid	Male Artist of the Year Top Selling Canadian Album
Prairie Oyster	Hall of fame Inductee

2008 WCMA AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Alex Cuba	Outstanding World Recording
Bob Evans	Outstanding Instrumental Recording
Corb Lund	Outstanding Roots Recording - Solo
Feist	International Achievement Award
k.d. Lang	International Achievement Award
Little Miss Higgins	Outstanding Blues Recording
Nickelback	International Achievement Award
Paul Brandt	Outstanding Country Recording
Spirit of the West	2008 WCMA Hall of Fame
State of Shock	Outstanding Rock Recording
Steve Bell	Outstanding Contemporary Christian/Gospel Recording
Twilight Hotel	Outstanding Roots Recording - Duo/Group
The Weakerthans	Outstanding Independent Album Songwriter(s) of the Year Video of the Year

2008 CANADIAN ABORIGINAL MUSIC AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Ray St. Germain	Best Aboriginal Music Radio Program Promoting Aboriginal Music
Tanya Tagaq	Best Album Cover Design Best Female Traditional/ Cultural Roots Album
Christa Couture	Best Folk Acoustic Album
Eagle & Hawk	Best Group or Duo

Northern Cree & Friends	Best Rock Album
	Best Hand Drum Album
	Best Pow Wow Traditional Album
Derek Miller	Best Original Score in Aboriginal / Indigenous Theatre, Dance or Film/ Video Production
Fara Palmer	Best Producer Engineer
7th Generation	Best Rap or HipHop Music Video
Winston Wuttunee	Best television program or Special Promoting Aboriginal Music

2009 INDIE MUSIC AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Annihilator	Favourite Metal Artist/Group
Canadian Brass	Favourite Artist/Classical Group
Crystal Castles	Favourite Electronic Artist/Group or Duo
Doc Walker	Favourite Country Artist/Group
Hey Rosetta!	Favourite Album
	Favourite Artist/Band Website
Jack Grunsky	Favourite Children's Artist/Group or Duo
Kathleen Edwards	Favourite Folk/Roots Artist/Group
Lights	Favourite Single
	Favourite Solo Artist
Matt Mays & El Torpedo	Favourite Rock Artist/Group
Nikki Yanofsky	Favourite Jazz Artist/Group
Protest the Hero	Favourite Punk/Hardcore Artist/Group
Shad	Favourite Urban Artist/Group
The Midway State	Favourite Pop Artist/Group
The Trews	Favourite Video
	Favourite Live Artist/Group

2009 CANADIAN RADIO MUSIC AWARDS FOR FACTOR SUPPORTED ARTISTS

<u>Artist</u>	<u>Award</u>
Age of Daze	Best New Group/ Solo Artist of the year (Rock)
Crash	
Parallel	Bets New Group/ Solo Artist of the year (CHR)
Lights	Best New Group /Solo Artist of the Year (Hot AC)
	Best New Group /Solo Artist of the Year (Mainstream AC)
Justin Hines	FACTOR Breakthrough Artist of the Year

*Listings appearing in **boldface** are FACTOR-supported audio recordings. All other listings received some other means of support from FACTOR.

REGIONAL REPRESENTATION

Provinces and Territories	Regional Evaluation Coordinators	Representatives
Alberta	Alberta Recording Industry Association	Kennedy Jenson Karen Douglas
British Columbia	Music BC Industry Association	Savry Bou
Manitoba	Manitoba Music	Rachel Stone
New Brunswick	Music New Brunswick	James Boyle
Newfoundland & Labrador	Music NL	Jennifer Winsor
Nova Scotia	Music Nova Scotia	Christine Buiteman
Ontario (Outside of The Greater Toronto Area)	Music & Film in Motion	Mike Large
Prince Edward Island	Music PEI	Devin Casario
Quebec		Shevaughn Battle
Saskatchewan	Saskatchewan Music	Derek Bachman
Yukon	Music Yukon	Steve Gedrose

FACTOR NATIONAL ADVISORY BOARD

Provinces and Territories	National Advisory Board Members	Representatives
Alberta	Alberta Recording Industry Association	Alvin Jahns
British Columbia	Music BC Industry Association	Bob D'Eith
Manitoba	Manitoba Music	Sara Stasiuk
	Aboriginal Representative	Alan Greyeyes
	Western Canadian Music Alliance	Rick Fenton
New Brunswick	Music New Brunswick	Jean Surette
Newfoundland and Labrador	Music NL	Denis Parker
	East Coast Music Association	Steve Horne
Nova Scotia	Music Nova Scotia	Shelley Nordstrom Scott Long
Ontario	Music & Film in Motion	Dennis Landry
	Canadian Music Publishers Association	Catharine Saxburg
	Canadian Independent Record Production Association (CIRPA)	Duncan McKie
	Urban Music Association of Canada	Will Strickland
	Music Manager's Forum	Susan de Cartier
	Songwriters Association of Canada	Don Quarles
	Aboriginal Representative	Blaine Commandant
	Canadian Independent Recording Artist's Association	Aisha Wickham Thomas
Prince Edward Island	Music PEI	Rob Oakie
Saskatchewan	Sask Music	J.P. Ellson Mike MacNaughton
Yukon	Music Yukon	Mark Smith

THE CURRENT STATE OF THE INDUSTRY

(An Overview and Background to the FACTOR Business Plan)

THE CONTINUING EVOLUTION OF THE MUSIC INDUSTRY REPORT FOR FACTOR KEY DEVELOPMENTS OF 2008, WHAT TO LOOK FOR IN 2009

PREFACE

THE ECONOMIC SITUATION IN CANADA AND THE WORLD – 2008/2009

While it may seem somewhat unusual to preface a report on the challenges and opportunities facing the Canadian music sector in 2009 given all that has happened in 2008, it would seem appropriate to include a short preface on the whole economy and its relevance and relationship with the music sector. In normal times this would not be needed but these are clearly not normal times and some context would seem appropriate which includes the overall picture of the world surrounding the music business.

Last year the report described 2007 as a tumultuous year in the business – one hesitates to assign an adjective to describe 2008 but it certainly wasn't benign! The purpose of this short section is to highlight some facts about the overall economy that have emerged not only from the last six months but also the twelve months before that as well and how these might impact the music sector.

First, are the concepts that are currently being put forward (in very simple form). Governments will have to dole out money in large amounts to solve critical short term problems and to bolster the economy. This concept seems beyond discussion in almost every major economy but many voices are already saying that these monies have to come with performance criteria and a clear assessment of results. These would be the return of effective, efficient lending practices, good access to capital, the end of the possibility of deflation, the return to economic growth patterns plus the end to governments running deficits as soon as possible. Obviously there is room for some debate on how and when but clearly several of these objectives and how well they are achieved in the next two years will have considerable bearing on the music sector, and its growth and prosperity.

It is of course not only major Western economies in North America, Europe and Japan who have or are proposing to 'turn on the taps', but also many of the 'emerging' economies such as India, China, Thailand, Indonesia, Malaysia and Russia as well. Indeed every government appears to be trying to avoid the maelstrom and return to the relative financial calm that prevailed for many years (if one excludes the tech bubble around the turn of the century and the downturn in Asia in the late nineties).

However the consensus amongst governments, media and indeed the population at large in most countries is that 2009 will be a very tough year of retrenchment, and 2010 will not be much better.

A clear example of this is the value of tech start-ups, which is really no surprise as stocks of high flyer market leaders Google and Apple are down by around 50%.

As an example of trends in this regard, over recent years Digg and Facebook and their business concept of persuading users to participate in and to utilize their web site (crowd sourcing) received millions of dollars in investment as they were expected to be the next blockbusters of the Internet and enable shareholders to cash out with significant profits. However with declining valuations the money starts to dry up and many start-ups just close. Even for companies such as Digg that can still raise money, there are many new complications. Retaining the 'best and brightest' with their stock options deep underwater is only one example with merger and acquisition possibilities also rapidly disappearing. The public profile of Digg is

much larger than its financial might – in 2007 the company lost about \$2.8 million on \$4.8 million of revenues while in the first three quarters of 2008 it lost about \$4 million on \$6.4 million in revenues. Indeed the valuations of tech start-ups continue to drop. Bit Torrent tore up an agreement that would have given it \$17 million in venture money and instead took \$7 million, laid off two thirds of its employees and cut its valuation from \$177 million to \$35 million U.S. dollars.

Indeed a start-up from a few years ago – satellite radio company Sirius/XM - has a stock value that has dropped to pennies and faces major refinancing hurdles in 2009 just to stay in operation. Also one of the bulwarks of the supply chain for its satellite radio devices, GM, is not exactly throwing off giant profits and has a few problems of its own.

These examples have been picked for their relevance to the music sector and new technologies as a whole, not just in Canada, but worldwide. The reality is that in the context of music at the macro business level they are adding yet more uncertainty into the decisions and plans that need to be thought through by participants in music and entertainment.

Also of paramount importance to music sector development and prosperity are the projections and expectations for avoiding a serious recession in most developed countries let alone expecting economic growth in 2009. The prognostications are almost unanimous, with an economic plan led by the Federal Reserve and Ben Bernanke to combat the 'most dangerous economic downturn in decades' by cutting rates to essentially zero with the goal of providing cheaper credit to every part of the economy, starting with housing. However the general consensus is that 2009 will at the very best see house prices at a standstill in the U.S. with only a slow recovery predicted in 2010. "The recession is going to be a long one and the recovery not a big one" to quote a senior economist at Merrill Lynch with this view being echoed by the chief economist at The Economist Intelligence Unit who predicts even tougher times ahead for the world economy and specifically the economic effects flowing from the choking off of credit. His conclusion the 'go go' years of 2003-7 are history and replaced by the 'go slow' years of 2009 onwards. The good news, if indeed it is, is that no one expects a repeat of the great depression. However, equally clear, will be the need for close observation of the financial position on a constant basis. Clearly 2009 will be the year of the CFO.

The U.S. economic editor for the Economist offers three scenarios with two being pessimistic for 2009 and beyond and one offering some hopes for 2010 and beyond, and headlines the article "Pick Your Scenarios", however none turn out to be particularly appealing. Other problems for the essentially youth based music industry in the future are forecast in articles in Fortune and the Economist while reviewing a new book by Matt Miller on economic and social trends.

While the author specifies these as American problems and indeed they are, the three major concerns could apply to the entire developed world. The first is the belief that the individual shapes their own economic destiny. Clearly this concept is much stronger in the U.S. than in Europe, Canada or Japan for example but as the BRIC countries develop and the G20 instead of the G8 becomes a reality, the level of competition for jobs will only grow. This leads to the second and third points which are that the perception of the U.S. population and, by extension that of developed countries, is that they are 'entitled' to endless growth and prosperity, that their children will earn more than they do and they can live beyond their means because everyone can all earn enough later to cover the debts. Clearly this is starting not to be the case, at least for the short term, not just in the U.S., but to varying degrees in many other countries.

To return briefly to technology, lurking on the horizon is a major change in the way business is conducted and people will live their lives, 'the cloud' or (as they are more prosaically called), computer data centers. Indeed to judge by Google searches this is clearly an 'idea du jour' that could suffer from some initial 'over hype' but equally clearly would seem to be a major trend for the future. To summarize; data centers are rapidly evolving into service factories; software will be transformed into a combination of services; the cloud's communications with its clients will become ever more intelligent and interactive; as IT gets 'cloudier', the economics of the business will change; the cloud will make businesses more adaptable, interconnected and specialised and often smaller; the cloud may be the ultimate form of globalization. In

summary it would seem that computers as we know them are starting to evaporate altogether and becoming a global 'cloud', accessible from anywhere. Clearly if this scenario plays out as predicted, there are massive macro-economic implications not to mention some major effects on the music and entertainment industries.

To conclude the brief overview of the macro issues that face the Canadian and world economies in 2009 a quick look at the situation in Canada would be an appropriate way to wrap up this section.

In general economic terms, Canada is a favoured country in that, while it has, like others suffered substantial drops in share prices and in product demand in several key areas – automobiles, resources and forestry for example, generally in terms of deficit, solvency of banks and the Canadian economy in general, things could no doubt be better, but are significantly better than the situation in the U.S. or the U.K. for example.

However equally clearly, the Canadian economy, still strongly resource based, will need to make some substantive changes over the next few years in the manufacturing field – automobiles clearly come to mind as an industry that needs both considerable work and restructuring. While one reads on a regular basis of 'innovation' agendas and the need for this nirvana to happen, the reality often lags behind the words. Indeed if one compares an article in March 2000 in Canadian Business entitled 'Canada Needs More Ideas, More R & D and More Guts' if it is ever to be a leader with one in the Globe at the start of 2008 by Roger Martin, dean of U of T Rotman School of Management that essentially says the same thing eight years earlier and obviously with little effect in the interim period, there is clear cause for concern. To quote the Canadian Business article "...the pervasive mediocrity of Canada is disconcerting" and it generally calls into question the reality of effective government policy making at all levels. Indeed to back up this point in a special section of the Hill Times of November 17th 2008 on Innovation policies, experts in the field are quoted as saying that they doubt innovation, science and technology will top the government's agenda – an area that of course includes Intellectual Property Rights and specifically for the music sector, Copyright.

While Canada by no means brings up the rear in many areas, in the field of Intellectual Property Rights in general it is definitely getting close. It is anticipated that the sentiments expressed by the new Minister and the Department of Industry may result in changes in this regard that will increase Canada's competitiveness in the upcoming difficult times for the economy and for Canadians in general. Once again these macro discussions have a very clear relevance to the Canadian music sector as a whole.

Finally many of the facts quoted are from a variety of sources in the financial field and particularly from The Economist, Fortune, Business Week and Canadian Business.

GENERAL OVERVIEW AND DISCUSSION OF THE 'BIG PICTURE' ISSUES, CONCERNS AND OPPORTUNITIES OF THE CANADIAN MUSIC SECTOR IN 2008

This first section is designed to provide a 'big picture' overview of the Canadian music sector (and of course particularly the independent sector), while Section 2 will be more detailed about specific developments and activities as well as providing an update of the Big New Issues of 2007 and how the sector progressed in 2008. Perhaps first – courtesy of Seth Godin – lets have a quick look back in history to where the music industry has come from and then explore where it is today.

In the past, many respects the music industry was an almost 'perfect' industry and several important factors made it so. A medium – radio – that while it was basically set up to use music to sell advertising also helped to increase public awareness of music in many different formats and genres; the music business was in many respects an oligopoly ie: a small number of key companies (majors) competing against each other. If you were a band hoping to break big in a mainstream genre, you needed one of these companies and this gave them a good deal of negotiating clout; music was a key part of young peoples' lives, it was a 'soundtrack' for different generations over several decades; entire chains of retailers devoted to selling your

product and promoting what you sell; this technology is both cool and cheap to make and you can sell it for a good net profit, you can't copy it and if it wears out you have to buy another one. It's a bad idea to get rid of this; several magazines devoted to promoting the product you sell and a whole TV channel on cable about music; it used to cost a great deal of money to make a recording and again artists needed you to fund it, and last, if it became a top 40 best seller and is listed on the chart, people buy your music because others are buying it, you're popular because you're popular!

However in today's world almost every one of these benefits has effectively disappeared and the way to operate has radically changed and the old model only operates in a much more restricted way today with many of the benefits expunged. In its place are a plethora of new 'models', some of which will be very successful, others less so while still others will be failures.

The trick is, of course, to ascertain as effectively as possible, through research and industry knowledge which have the best chance of succeeding, as opportunities for independents and artists are continuing to grow in a variety of different ways. For example many niche format indie labels can be successful as small business, as Loreena McKennit and Ani DiFranco continue to prove. However it should be clearly understood that 2008, and certainly the last six months, was certainly not 2007 and the year 2009 looks to be a very tough year for indies. The reasons are there in the macro environment, the lack of access to credit in general and investment funds in particular. These were always difficult at best for small labels and artists but in today's world are virtually impossible. The other major impact of the macro economic scenario that has played out in the latter part of 2008, and which looks certain to continue, is the collapse of retail sales in general and of recorded music sales in particular as record chains change their 'product mix' and become more 'entertainment' stores featuring DVD's, electronic games, etc. When this is coupled with the substantial decrease in floor space allocated to records at big box and supermarket outlets and the continuing closures of independent stores, clearly times are very challenging for all involved in the recorded music business and the necessity to have a variety of 'strings to your bow' becomes ever more critical. Then of course there is the economy in 2009 and the potential havoc to small music players that this can cause given their general lack of cash and operating reserves to face these extremely difficult times. It has been said that the music industry is to a great extent 'recession proof' given that people going through tough times still like small luxuries that are relatively cheap such as records (physical or digital) for example. However research conducted in the U.K. shows that in the last major downturn from 1991 to 1993 this was not in fact the case as sales dropped overall more than other financial criteria would have indicated. It is also often said that while the recorded music sector may be in trouble, music publishers, promoters, managers and others continue to do well and that more people than ever spend more time listening to music than ever before.

Again while this fact may be quite true, it of course begs the question - is it being monetized by the music providers in an appropriate fashion? Also it should be remembered that these sayings and beliefs have been propagated in more 'normal' times. The reality of the current situation is more a 'once in a lifetime' scenario and, as many companies and people can attest things that were thought to be outside the realm of possibility this time last year are now occurring on a regular basis. To summarize from a 'big picture' stand point, there are fewer and fewer certainties in the music business and certainly not for the clientele that FACTOR services and supports through its programs, both in terms of the Canadian music sector and the economy as a whole for, at best, the next two years and most likely for considerably longer.

With rapidly changing business models and time, there are many different approaches and opinions as to the best business methods to achieve your objectives. As a brief example of different opinions one can offer those expressed by Chris Anderson – author of the Long Tail – in a Wired magazine article entitled 'Free! Why \$0.00 is the Future' and Professor Deborah Spar of Harvard in her recent book 'Ruling the Waves – A History of Business and Politics Along the Technological Frontier'. Mr. Anderson posits that making money by giving something away for free is not new. Gillette gave away razors in order to sell blades and a similar tactic was employed by Lord Thompson in Northern Ontario plus, according to recent press reports, by Ted Rogers at CHFI-FM of giving away radios to acquire listeners. However as Chris Anderson says, with the Internet, a new type of free has emerged, not based on cross subsidies but in the fact that the cost of

products themselves is rapidly dropping to close to zero – read digital products using IP for example – and this reality is not only affecting the current business models but will inevitably lead to totally new and different business models that are still unfolding but will radically change many content industries not just music, but also video, print, etc. To go back to the original concept it is as if the price of steel production for blades and razors has dropped to zero. Gillette can give away razors and blades but make money in other ways (shaving cream). Deborah Spar on the other hand covers many scenarios from the compass to the Internet. She notes that piracy and non payment that occurred in every example – see for example the British East India Company and also the development of the telegraph in the 19th Century – the end result was that business and government policies in the end subsumed the piracy and they become ‘legitimate’ and part of ‘civilized society’. While she admits that this is clearly not yet the case with the Internet – very much still the ‘Wild West’ in many markets or perhaps the ‘Wild East’ in China – her thesis is that acceptance and control will be the ultimate end result.

However just to be clear both Mr. Anderson and Professor Spar do not say that the current status quo will return any time soon, if ever, and both agree that the music business will look very different in a few years. The \$64,000 question is exactly how, and what business model will have emerged to best service the new realities.

Some examples of new business concepts are E-Commerce Transaction based; Music Subscriptions; Ad-supported music systems, etc. However all of these examples have plusses and minuses for different reasons and while some appears to be successful, (iTunes, MySpace, Facebook), it is still hard for ad supported players to build a successful business for licensed music while iTunes is an adjunct to the highly successful iPod. Advertising funded models can also suffer in a downturn as Will Page, Chief Economist at MCPS/PRS Alliance in the U.K reminds us in a September article as costs are often fixed by negotiation while ad revenues are prey to market realities.

However equally clear record labels per se are not going to go away any time soon, and although it seems likely they will continue to evolve and change, some will fail and some will be very successful. To expect them to just collapse is just not a realistic view, not the least of the sufferers in such an outcome would be the current ecosystem of digital and physical music stores, concert promoters, managers, radio stations, etc. It would make much more sense to work towards positive changes to how companies operate and how to make all involved in the chain from artists to consumers happy. This is by no means to deride or degrade the new ‘artist driven’ models and the approach they bring to the table. In tomorrow’s Internet world there is clearly a place for both types of business to exist.

Another area of the music sector and which affects participants big and small from artists to writers to copyright owners is that of effective, efficient clearance of copyright material for users and effective, efficient payment systems of rights licensed through collecting societies. These collectives (except in very rare instances) are non-profit societies owned and controlled by members (creators and copyright owners). However in today’s world as changes in objectives and circumstances occur, changes will be taking place in both the structure and the relationships between the various players involved and will no doubt be the subject of considerable discussion at both business and government levels as is already the case in the European Union in the past year. However the end result of the European situation is at best very unclear, as of now, and seems likely to be fluid for some considerable time at least.

Yet another ‘big picture’ issue that continues to come to the forefront is that of so called ‘cloud computing’ and private storage clouds and the ‘lightnet’ and ‘darknet’ possibilities for the use (or the misuse) of intellectual property that can easily flow from the rapid increase in the use of cloud storage for backup, etc. by business and consumers in general. This technology will soon become easy to use and commonplace. Unfortunately this means that the laws of unintended consequences will almost certainly come into play and many well meaning and innocent people could be allowing access to or passing on yet more movies and music. There are already many sites devoted to this new phenomenon. To quote Shelly Palmer when having just checked out the Apple mobile me site, in turn slightly misquotes Joni Mitchell saying “I’ve looked at clouds from both sides now and then you’ll realize you really don’t know clouds at all.” This is clearly a

new development with all sorts of potential ramifications for the music sector and one that needs close attention in the future, particularly given its potential macro economic and technological impact for the future on society and business in general.

To conclude this 'big picture' section some facts on the music business then and now, the music business as it may be in the future according to Terry McBride of Nettwerk and some thoughts on the music business by economists Will Page of MCPS/PRS and Oliver Bomsel, Professor on Industrial Economics at the Centre of Industrial Economics, Ecole de Mines, Paris.

First a comment from early 2008 regarding Universal/Interscope artists Soulja Boy regarding his 2007 Grammy nomination hit Crank That, a radio staple and the two videos of the song that generated 27 million views and 3 million digital track sales as well as 2 million plus ringtone sales. However he is falling short in album sales with U.S. sales of just under 750,000. Given the revenues from digital singles and ringtones constitute about 10% and 15% of the gross from a CD sales; it's clear there is a major bottom line hit occurring.

When these numbers are compared with Eminem, the 2004 Grammy winner with 'Lose Yourself' with sales of 1.4 million digital downloads and album sales of 4.7 million. A rough estimate suggests that while the two releases sold a comparable number of units' total revenues for Eminem were four times as high. Obviously, as noted earlier in this section the need to acquire alternative revenue streams is now a vital part of the equation for the music sector.

Terry McBride CEO of Nettwerk spoke in June '08 in London at a MusicTank event on the issue of the Millennial Generation and his document is both interesting and contains some very valid comments. However the comments and conclusions reached are, in some cases, clearly up for discussion as he particularly notes the ability to monetize sociability as has been done by Yahoo, AOL, Facebook, YouTube and others which many feel strongly has not been meaningfully achieved. There is clearly room for different opinions and views here.

Terry also recommends a plan for artists to develop their profile such as creating additional assets beyond the album, putting assets on as many content platforms as possible, creating a personal web site that collects data and encourages fans to join your tribe, touring with like-minded artists to reinforce your brand, considering Karma pricing on your web site and live shows, plus engaging in as many aspects of brand building as possible. Finally he makes the point very clearly that in the future one model alone cannot support the industry, there have to be many revenue streams.

To conclude, here are some economic comments first from Will Page and then Oliver Bomsell. Mr. Page, when asked to discuss the big economic issues today, noted first that the industry should understand what happens when the unit value of the 'good' is eroded and why 'scale' and 'bundling' are needed as a result. He feels that there is a lot to be learned from Telco's who he feels are much better equipped to scale their business over the medium term even if ARPU (Average Revenue Per User) needs to fall over the short term. Second, he noted that iTunes business model that dominates the digital market place is essentially an unbundled granular model that erodes unit value from \$9.99 to \$0.99 and the ramifications of this are far reaching for the music business. He used as an example a question whether every iTunes sold be celebrated as a new \$0.99 gain or as \$9.99 lost. Third was the issue of displacement which he feels is a much misunderstood concept in the music industry. As an example he posited that Duran Duran would usually price a show at \$50 but instead would price it at \$250. If the consumer has a music budget constraint, is this \$200 that HMV or iTunes doesn't see? If there is a budget constraint, then ticket price hikes will have an immediate effect on sales, which is important to consider overall. Turning to Professor Bomsell, when asked what he thought the economist's role in the music industry in this new era was, he noted that as the long standing medium for the delivery of music, the record had its own economics but, the branding, packaging and pricing of music has to be re-thought, which is a job for economists.

The second question was the big issue in the music business. In response, Professor Bomsell posed several questions: Will a removal of the DRM's from online retail music sales speed up the end of the CD? How to cope with Apple's dominance in online music distribution? How to enhance alternative distributors? On which bundling, and pricing model? How will the Internet be a competitor to radio, as a means to promote new artists, new products, new brands? How to synergise better live performances and music sales? How to earn more from music publishing?

However there is one thing that can clearly be said about music in all its forms. It's importance to both the human psyche, emotions and enjoyment in general from time immemorial, a fact that was noted on the cover of the year end edition of the Economist – 'Why We Love Music' and what it called one of humanity's strangest attributes its "all singing all dancing" allure. This of course mirrors the thesis of Professor Daniel Levitin in his book 'This is Your Brain on Music' and his just-published new book 'The World in Six Songs', wherein he notes the common history of music and humanity over several thousand years.

This concludes the 'big picture' section and the report continues with the section titled 'Opportunities and Challenges' facing the Music Industry.

OPPORTUNITIES AND CHALLENGES FACING THE MUSIC INDUSTRY

As has been seen over the past few years, the continuing development of technology, with the vast number of changes and opportunities that continue to be created are an ever increasing factor in the overall music, recording, marketing, distribution mix and continue to force companies to constantly adapt and try to think through all of the options and opportunities and challenges in an effort to get ahead of the curve. These are all playing a major role in the directions and evolution of the sector.

Of course this is without even mentioning the elephant in the room – the need to develop efficient methods of monetization of all these new, different and concurrent approaches that are on top of the more 'traditional' systems and their audiences and consumer markets.

Last year the focus of the report was on digital sales, but as the platforms continue to change and expand this report will be more wide ranging and look at the wider selection of scenarios now open to artists and labels both in Canada and around the world.

In line with the comment last year that 2007 had been a 'momentous' year but instead of looking for an adjective that would address 2008 as it played out over the twelve months it should just probably be said that it was 'interesting' to say the least when the many challenges in the music business were overlaid with the major worldwide economic downturn. Or as someone said – with some dark humour – it could be worse, we could have a job on Wall Street!

The essential conundrum the sector faces is that music consumption has rarely, if ever been higher – indeed as Professor Levitin says in the 'The World in Six Songs', "Americans spend more on music than they do on prescription drugs annually and the average American hears five hours of music a day." Clearly the problem is not popularity, but creating and operating new and effective business models to address the problems and monetary issues that flow from these new applications and technologies.

However to first offer some context to this section, it was reported that by The Neilson Company that total album sales in the U.S. fell from 500 million units in 2007 to 428 million in 2008, a substantial decline. Clearly as the major 'engine' of the music business this does not bode well, particularly given the sales drops experienced between U.S Thanksgiving and Christmas on a weekly basis when compared with 2007 sales and on a comparative basis at a faster decline than earlier in the year.

Meanwhile, digital track sales such as at the iTunes store were up 27%, breaking the 1 billion sales figure in a year for the first time. However this continues to be a troubling trend, as digital sales are mainly of single songs, which of course deliver substantially lower net dollar sales. As noted by the director of charts for Billboard, music consumption has never been at a higher clip, it's just a matter of trying to turn it into revenue, he noted.

Also in a somewhat ironic turn of events, vinyl is also making a comeback with more vinyl albums sold (1.88 million) than in any year since 1991. Surprisingly the independent store would also appear to be making something of a comeback, particularly in the selling of vinyl product. However the reality of this format is that, while it adds to the wide variety on offer, vinyl album sales as a whole are still a very small percentage of the total and while interest in music and sales continues to grow annually with Nielsen reporting the biggest sales week in history in the final week of 2008 with sales of 65 million the average retail price per purchase is far below where it was ten years ago.

This section will review both what has happened and look at what might happen in the next few years as technology continues to evolve and the structure and operation of some of the current sectors continues to evolve and change; and look at these and their effects on the sector plus how sectoral players can best seize the opportunities they offer.

While 2009 (and probably 2010 at the very least) will be a challenging time in the bigger economic scheme of things, the events that are occurring in today's world can only add to the continuing challenges currently being faced by music as a whole, there is increasing optimism that the many music issues that have arisen and will continue to arise for the foreseeable future will prove increasingly susceptible to solutions that will result in new business models that serve both consumers and creators, and the music industry infrastructure as a whole will evolve into new models either adapted from today's world, or something quite new.

What is very clear already is that often a new model cannot be 'pigeonholed' and what is happening more and more is that previous boundaries – eg. we do A & R plus production, you do promotion, you do marketing you do distribution, either as divisions within the same company, or contracted out, but still essentially part of the recording contract of a label with an artist, are more and more evolving into the forms, many still experimental but with a very cooperative approach with the artists and a team which can be any one of several business entities. An example of this might well be management who constructs the team or alternatively it could be a music publisher. Things are more and more fluid and experimental with every year that passes it seems regarding who does which task.

As the reader will note, developments and changes even in the twelve months that are contained in this report show very clearly that the whole sector is expanding to offer opportunities in a wide variety of ways. Some of these new developments are already functioning but others are still in embryonic stages or still to come to market in an effective way. These will be included in the technology section.

In the U.K. following the Sky/Universal Music partnership to create a music download service and the prediction that bundling it in with the broadband or set top box subscription will be inevitable, it seems that Virgin Media – Sky's biggest rival – is also looking to partner with a major, or several major labels, but many knowledgeable observers say the obvious partner is Playloder, the independent that for five years has pioneered the concept of licensed file sharing bundled with ISP subscriptions would be ideal as Playloder is already set up as a 'white label'. The bottom line is essentially making music feel free by bundling it with high value products such as mobile phones or broadband subscriptions. The real question is whether music fans in the U.K. will prefer the licensed file sharing of Playloder or more conventional download stores such as Sky or its rival 7Digital.

In the games field, Microsoft says it is providing 38 million downloads per month through Xbox 360 music games and this amounts to more than 80% of all downloadable songs for music games such as Rock Band

and Guitar Hero. More than 2 million copies of Rock Band have been sold for Xbox 360 in the U.S. alone and music is the second most popular console genre, passing sports in the last few months.

Speaking of Napster, Best Buy announced in September that it would purchase the 'New' Napster for \$14 million. However, this problem remains that very few consumers want to rent music. However subscription repackaged into a mobile handset or ISP might well revitalize the concept as Best Buy has the wherewithal to bundle it with devices and sell it in its stores and so become a serious competitor for Nokia and others.

As already pointed out, the year 2008 was noteworthy for the rapid growth of new marketing and distribution approaches pushed by technology. While the music industry had hoped to ride out the recession and used the fact of being a low cost item to bolster its contention, the reality according to year end figures is turning out to be very different unfortunately, with CD sales for the last quarter of 2008 well below those of 2007 and digital sales growth also flattening out. However there is some good news, but unfortunately mostly for major labels, in the deals being cut for major advances for new licensee/digital providers, such as the 'Comes With Music' approach from Nokia Mobile and others like it. The reality in all of these is that the independents see little or nothing of these funds, either actual cash or equity participation as do majors. It is to be hoped that the efforts of Merlin to license these rights on behalf of indies will change this.

Speaking of majors, one of the key events of 2008 was the finalizing of the Sony/BMG purchase in a deal valued at \$1.2 billion with both sides of the deal hoping to come out winners. In particular Sony hopes to harmonize its music and consumer electronics divisions to create new synergies, to quote this somewhat overused phrase!

Hopefully a new sense of reality in the creative process is also taking hold, the concept of the music being the critical ingredient for the consumer is once again taking hold over an 'it's just about the marketing' concept. As Lyor Cohen of WMG remarked at 'In the City' in Manchester England, "these days labels are taking very few chances, and both material and the artists have to show great potential." Indeed at Popkomm 2008, the central themes were the three Cs – Creativity, Communication and Commerce.

In the live music sector, it seems that many indie bands are finding creative ways to survive and prosper. In a recent NYT interview, the Drive By Truckers, a Southern rock band noted their success was achieved from constant touring, attracting a following through the Internet and with ticket and merchandise sales doubling in ten years are making a reasonable living doing it. Obviously a hit record would be nice, but as the old saying goes – if you're not on the field, you can't play the game, and staying connected always gives you chances for a greater success. Ironically this method is easier for the 'indie' approach that's trying flat out for mainstream success that requires a great deal of upfront investment to even play the game! The good news/bad news is that while opportunities such as music use in games, music enabled phones, synchronization usage etc. continues to expand, record sales continue to decline while the music share of entertainment spending as a percentage of the overall continues to drop.

Changes in relationships with major labels, particularly in Canada, are also becoming more evident as independents will partner with majors either across the board or project by project and for those with clout, a record company becomes a partner not an owner, only sharing in revenues and not controlling them. This is particularly a reality in Canada given the access to funding sources not available to majors, which offers opportunities for creative thinking on new ways to cooperate and bring artists to market.

These changes manifest themselves in other ways today. The new label chiefs talk of a 'multifaceted' approach and not just selling CDs but also undertaking merchandising and management are valid approaches if done well.

Managers are expanding their companies to include other facets of the business including records and are coming at things from a different direction and competing with both record companies and the Live Nations of the world. Indeed according to Terry McBride of Nettwerk, assuming that the necessary funding is in place, managers start off with a clear advantage, given that artists have become essentially masters of their

fate in many areas, and managers and artists often start with over 60% of all revenues generated. To illustrate this shift, Linkin Park's manager noted at Musexpo in LA that while ten years ago the first priority was getting a record deal, this has now sunk to number five on the list with touring being the key priority. While majors say they still play a big role in artist development, in a large number of instances it is very likely to be the indie company, the manager or the music publisher who does this, a point made by David Vodicka of Australian indie Rubber Records. Indeed, someone joked at this event that instead of concentrating on 360° deals majors should concentrate on selling to an audience from 3 to 60. Given the depth of their catalogues, this is not bad advice if you think about it!

In the world of digital sales, sales have increased but at the same time seem to be flattening somewhat, a worrying trend if it continues. According to Sound Scan data, Canadian digital sales as compared with the U.S. are still somewhat lower. However online services in Canada began about 18 months later than in the U.S. and in both 2006 and 2007 Canadian digital sales grew much faster than in the U.S. and the percentage of digital to physical sales are also catching up. 2008 continued this trend with Canada still running about a year behind the U.S. but closing the gap.

IFPI data to mid 2008 shows digital sales rising by 25%, year over year and accounting for 22% of all recorded music sales compared with 15% in 2007. The growth in digital sales is pretty constant across world markets with digital gaining substantially in all markets.

In other digital news, Amazon has launched an MP3 service to challenge iTunes in some markets. While they are far behind iTunes in sales, their entry in the U.K. has sparked a price war initially with major new album releases at less than half the iTunes price. However commentators believed that its real advantage is being DRM free, an advantage over Apple that has just been eliminated, but the problem for Amazon, along with other new entrants, is that their revenues come from digital sales, while Apple/iTunes generate most of their revenues from the device (iPod) sales and unless Amazon has a better deal for content than Apple (unlikely) they won't be able to maintain their super discount prices and still be profitable.

Also launching in the U.S. (shortly in other markets including Canada), My Space Music had delivered a million song plays a week after launch. However there were very few indie products included in this number, as the company had gone the usual route of cutting deals with the majors against a big advance and also often an equity stake. Neither of these benefits were offered to indies such as A2IM members or companies represented by Merlin, although deals were cut with The Orchard and IODA where they represented the rights of indies in this regard as their contracted digital distributors.

Another digital service provider, eMusic announced in November it had sold 250 million MP3 downloads since 2003. The service is available in the U.S., Canada and the E.U. in 26 countries and contains over 4.5 million tracks. eMusic noted that the latest 100 million downloads only took about one third as long to reach as the first 100 million. However as noted earlier, downloads in all of their forms do not appear to be giant sales makers. The real beneficiaries seem to be broadband ISPs.

Warner Music Group, like Universal Music Group, saw substantial digital sales growth in the first three quarters of 2008. Warner's were up 27% to \$167 million while Universal grew 33% in the nine month period and also made up for loss of physical sales said Universal. And finally in digital news, Forrester research in a report published in late November predicted that industry digital sales will rise to a 41% share of sales in 2012 from about 20% now but will not fully compensate the sector for declining CD sales in the same time period.

In a recent story on video games, The Economist noted their popularity worldwide but cautioned that while they seemed to be recession proof, 2009 had yet to prove this theory. As far as music related games, the success of both Guitar Hero and Rock Band are almost mythical with over \$1 billion in sales and 50 million tracks downloaded. However while they are serious money makers for music, questions have arisen regarding the monetary worth of each track, with WMG in particular being very vocal in this regard.

While these two games are the big hits, new entrants such as Wii Music, Ultimate Band, Rock free and Pop Star Guitar will also be competing for the consumer dollar as well. However, probably the biggest news for 2009 is the announcement by MTV that, through a deal with the Beatles, it will be releasing a video game featuring the group's music.

Clearly the music business will continue to change and evolve but in today's world it is equally clear is picking the winners and the losers will be anybody's guess. The variety of options from bundling music into current market options in a variety of products, streaming, à la carte sales, access through social networks, etc. etc. are all approaches and mostly based on educated guess work and all of these leaps have to be made to find out which concept (or concepts) will actually work. In a world of disruptive change companies with a model that is currently successful will have to most difficulty in adapting according to 'The Innovator's Dilemma' by Clayton Christensen. Or to quote Seth Godin, "a fearful trapeze artist is usually a dead trapeze artist". Given the realities of CD sales today however there would seem to be little option for companies big and small but to pursue innovative approaches. When this is combined with the current stock market reality of all time lows in WMG, Live Nation and Sirius/XM shares, it is clear that change is not just in the wind but blowing at close to hurricane force for music whether indie or major, Canadian or foreign.

BIG ISSUES ADDENDUM

Last year's report noted several big new issues in 2007 and what follows is both an update on what happened in 2008, and where these might go in 2009.

However, how and in what manner each of these issues will be ultimately resolved in the future given the owner/user/consumer realities in each plus the necessary involvement of governments and regulatory bodies, both nationally and trans-nationally for most of these issues is still a matter for conjecture in most cases.

To run down the issues from last year in order:

1) The response in France to illegal downloading. This issue is still very much on the 'front burner' but clearly has proven more difficult to bring to fruition than at first thought even with the support of the President of France. While the French are still going ahead, the European Parliament has reservations on privacy etc., and as to whether the 'three strikes' proposal would stand up legally and it voted against such a law in Europe. However this vote is non-binding on individual States it would appear, and France has vowed to proceed anyway. Meanwhile in Britain there has been considerable government support on the issue but a different approach has been taken with the government preferring a commercial solution. However this comes with strings as the Minister Andy Burnham has made it abundantly clear to the ISP's that a payment system has to be worked out or the government will go ahead and legislate in 2009. This brought the ISP's to the table and resulted in the signature of a Memorandum of Understanding (MOU) by both sides to proceed with negotiations, with the aim of reaching a commercial solution sooner rather than later.

2) The Microsoft bid to purchase Yahoo was 'on again – off again' during the first half of 2008, but finally was called off both for commercial and regulatory reasons it seems, combined with heavy lobbying from Google and given the current economic turmoil, may or may not be revived in 2009. In the meantime Google can go back to eating Yahoo's lunch said one commentator. However the many issues that surrounded it – the dominance of Google plus the potential major restructuring of the advertising business across the globe in the future certainly haven't gone away and can be expected to become major issues in 2009 and on as technology and national economies continue to evolve and react to 'real world' circumstances and situations.

3) Following on his keynote speech at MIDEM concerning the ISP problem, Paul McGuinness has continued to pursue his campaign and in a major keynote at the Music Matters conference in Hong Kong in June, made a variety of cogent arguments and substantive points to back up his January comments.

In particular he noted that the major record business is at last redefining itself in the face of modern realities, something that the indie sector has been involved in already for quite a while. However while there is enormous interest in monetizing 'access' to music what this all means is as yet not at all clear. In a world where a generation doesn't want to pay for content other, ways to achieve this may well have to be found – the money has to come from somewhere and the simple fact remains that monetizing in an environment awash with unauthorized free content is very difficult. Indeed this problem, that was previously a musical one, is now rapidly spreading across the cultural and creative content world and notably to movies, newspapers and more recently to books and major league sports broadcasts. In his view the answer to 'where has all the money gone' is simple – to satellite/cable operators, ISP's, device manufacturers and P2P software companies and he cites many examples of this. Clearly the McGuinness approach is very well argued but this is increasingly not even just a music problem but a cultural sector problem. Indeed this subject was the basis of articles on 'Digital Socialism' and the 'Tyranny of the Consumer' which strongly criticized advocates of free use and access and their arguments and concluded that Milton Freedman was right; "There is no such thing as a free lunch" and the lunch wanted for free should be subsidized by advertiser, live performances, merchandise, etc. or just about everyone except the majority of individuals actively consuming music!

4) New approaches to sales and marketing continued through 2008 with some working out very well and some not, plus expanding their scope to new and relatively unknown artists but the current reality is that all of these examples continue to be the exception not the rule for a variety of 'business and market reality' reasons. Specific comments and examples of some 2008 projects will be found in Section 5 of the report.

5) The live music phenomenon continues to evolve with Live Nation continuing to expand its 360° concept with further major signings including Canadian group Nickelback. However they appear to be suffering through some internal dissension with the departure of Michael Cohl, while at the same time having their shares battered on the stock market. Obviously in this regard they are suffering in the same way as a wide variety of companies but also there are concerns about the concept itself and the timing involved. This is perhaps an unfair comment given that almost no one predicted the 2008 market mayhem but the reality is that this is a fact of life, and life is very often unfair.

6) While some new approaches are showing signs of success, many did not in 2008 and examples of this whole area both positive and negative will be presented in more detail in Section 3 on New Technologies. However the 'poster child' that we quoted last year – Q-Trax – does not appear to have progressed too far in 2008, once again highlighting the reality that new approaches often sink through hitting unforeseen reefs as they succumb to timing issues of the –'it's often better to be lucky than good' type!

7) The issue of user generated content and the many issues of rights and payments continued to be very much front and centre and continues to grow in both importance and discussions about how best to deal with the plethora of issues involved in a wide variety of industries. Just as an example, a short list of these would include investment, music, video, mobile, radio, newspaper, advertising and technology issues. Given such a wide ranging and inclusive list, obviously these will continue to play a substantial role in both cultural sector, business and policy roles both at government and regulatory levels for many years to come.

8) Finally a review of the EMI Music purchase by Terra Firma and a short update on what has happened in 2008. First the basic numbers followed by a brief commentary based on the Annual Review (AR) of EMI's performance by Maltby Capital, the entity that enabled Terra Firma to buy EMI in August 2007 through a highly leveraged \$8 billion deal. Again timing is everything as getting the money in August 2008 could have proven somewhat elusive to say the least! The report covered the last four months of 2007 and the first eight of 2008. It contained major criticisms of previous management in terms of both operations and

corporate governance and offers a radically new vision of a modern record company with a new executive suite with many from outside the music industry. While details of the implementation strategy were not disclosed, Billboard reported that it involves four key elements – consumer focus, innovation, strengthening artist/fan relationships and digital.

In raw numbers, revenues were down about 25% while expenses (due to write downs, write offs and settlements) were up 25%. Gross operating profit was also down by 25%.

The AR has several objectives – to emphasise the clean break between the old and new EMI, to indicate and establish the new priorities and to offer key comparisons between old and new but as the report clearly states, 'this will not be a quick fix'. Indeed first informal indications are that a turn around in both expenses and revenues is occurring, however market share in the U.S. and the U.K. in the first three months of the new financial year are still marginal at best.

The AR also makes comments on previous management practices and while some of this can be attributed to 'distancing itself' it is also interesting to note the lack of effective metrics in many areas to guide management. At the heart of this critique is the accusation that EMI, while presenting itself as a 'fast mover' failed to digitize its catalogues and failed to understand changing consumer behaviour.

TECHNOLOGY ISSUES – CHANGES/DEVELOPMENTS

Change and evolution of varying types and degrees in the Canadian and world music sectors is an ever present constant in today's world given the continuing flow of new products, technology and models which cause the changing environment that Canadian artists and their representatives constantly face in getting attention for their work and also in competing with works emanating from around the world. They are working to reach out to a consumer faced with a multiplicity of choices plus in 2009, a new part of the equation - a major turndown in the economy.

As noted in previous reports, if one briefly reflects it seems that more and more the only constant in the equation is change. That said, it seems reasonably clear that change will continue for the foreseeable future to be a factor in all areas of music from creation to marketing to distribution. The key issue will continue to be consumer acceptance of changes. The whole sector is in the middle of working through enhancing current models and effectively assimilating new models that are products of technology.

This section will endeavour to give a brief but hopefully comprehensive overview of what happened in 2008 and where things might be heading in 2009 plus at least a sense of the market potential. The major news of course is the announcement by Apple that by April they expect that iTunes will introduce variable pricing for its downloads as well as removing DRM, thus matching non Apple services such as Amazon etc., that are already selling DRM free. However first some comments from a recent Pew Associates survey on the Internet today (Internet 2 and what an Internet 3 might look like in 2020). The survey conducted with about 600 leading internet activists, builder and commentators and 600 stakeholders entitled 'Future of the Internet III' not surprisingly produced a wide variety of opinions, predictions and suggestions far too numerous to go into here about the coming changes in society and its structures around the world from a vast number of perspectives. However in the context of this report, the focus is on music, and to some extent allied cultural industries. It appears pretty clear that Pew feels that change will continue until 2020 as society transforms itself and leaves the 20th century behind in many first world countries to begin with and then in other markets. Indeed the expansion of the Internet seems inexorable. A Cisco Systems report projects that by 2012 the annual volume of IP traffic will reach half a zettabyte. To clarify, a zettabyte is 1000exabytes, which already allows access to a phenomenal amount of data, but a zettabyte will be the new milestone beyond 2012. The Cisco report also predicts growth by a factor of six for IP traffic between 2007 and 2012. In fact there seems to be a close analogy between the start of the 20th century and this one. There were also many major inventions occurring around the turn of that century – automobiles, electricity, movies, telephones, radio, etc. but all of which only

really 'took off' in the 1920's as citizens, government and society in general became comfortable with all of these and they become just another part of life. A similar pattern seems to be evolving now with the well known generational divide of the Net Generation and the other generations as described by author Don Tapscott in his books 'Growing Up Digital' and 'Grown Up Digital' and how this new generation thinks and operates compared to previous ones. Again this is a much bigger picture than just music, but one that has profound ramifications for music nonetheless. This new generation are already 'changing the game' in many respects and as they enter the workforce in numbers will also cause a revolution there as well. However a simple look at generational dynamics shows that this change-over will continue to grow over the next ten years and by 2020 will be a major societal force. This fact is already clear in news reports that younger and younger kids are asking for electronic and tech 'toys' such as Nintendo Wii, iPods, iPhones and digital cameras, plus they consider emailing to be outmoded and only text message plus they have contributed substantially to helping to create the new buzz word of 2008 – twittering.

A recent article in 'Wired' magazine lists some 'disruptive' technologies in music making; the iPhone and its competitors such as the Blackberry Storm that go beyond music playback and into music creation; open source audio software such as Audacity and Koblo Studio, by using open source anyone can now record, edit and produce music for free; virtual synthesizers that allow musicians to customize their sounds in ways unimaginable in the old hardware world and finally portable digital recorders that contain many advanced recording features and are virtually distortion free at any level.

With its launch of the second generation iPhone in the U.S. Apple sold over a million units the first weekend and with the iPhone and the newly announced Blackberry Storm products that are in direct competition, music through phone devices will definitely be one of the stories of 2009. However, for a variety of reasons, uptake of mobile continues to be slower in North America than in Europe and Asia.

New projects/products announced in Canada in 2008 include the MuchMusic and Rogers Multiplatform Musical Experience with a live concert show at "Live in the Lot" featuring 'Fall Out Bay' available cross platform and with ancillary tie-ins and promotions. Also in October, Corus Radio launched a new music discovery service – Music On Air and Online with Alan Cross on its rock stations. Cross will also bring his expertise to Splice Interactive, the interactive arm of Corus Radio.

In another development Toronto based GlassBox is launching AUX, a new multiplatform channel, which is a mixture of music content videos, live performances, interviews, profiles dedicated to emerging music in Canada. It has plans to showcase both new and established artists and will be available via mobile, VOD, podcasts and conventional television. It will add to the already operating BITE TV which is currently available on cable, satellite and IPTV as well as mobile carriers and leading broadband services.

In a recent interview a Jupiter Research analyst commented on DRM uses in general and stated that it isn't going away anytime soon even though Napster and Amazon are selling à la carte without it. He cited two reasons – the 'lost generation' of consumers accustomed to getting things free and also the continuing dominance of iTunes in the à la carte sales field. However although we now know the iTunes circumstances will shortly be changing, he feels that these sales may remain a relatively niche business, particularly with new concepts coming on stream such as the Nokia Comes with Music "all you can eat" approach. There are many different variations on this concept but the reality is that they all need DRM to work and he fears that DRM may end up being even more complex in the future. No one has yet discussed an 'all you can eat' DRM free approach and is frankly not likely to in the immediate future.

However in this context one should certainly not forget the 'other side of the coin' to technical protection measures, that of rights management information (RMI) otherwise known as digital watermarks, which could well be a substitute in many circumstances for DRM. Let us not forget the WIPO treaties oblige signatory nations such as Canada to enact legislation dealing with the circumvention not just of DRM but RMI as well.

Eric Garland, CEO of Big Champagne, states that analyses of watermarked (RMI) traffic can be done with 'forensic precision' and would be a huge benefit to owners in establishing a burden of proof that their businesses are being damaged and therefore to their bargaining power with ISPs etc.

A new study by the Economist intelligence Unit sponsored by the Business Software Alliance places Canada in sixth place in the world in IT competitiveness up from ninth last year, but noted that despite good scores in IT infrastructure and human capital, Canada lags behind other markets when it comes to fostering a legal environment that gives strong copyright protection. The survey looks at more than 60 countries worldwide.

In a recent press release iLike of Seattle, the leading social music discovery service says it now has over 30 million users and has unveiled a new ad platform for concerts and full song playback through Rhapsody, plus concert promoters, venue agents, booking agents and indie bands can now use iLike self service advertising tools to reach music fans across the top social networks in a wide variety of ways, plus developers will also be able to conveniently add music to their websites via iLike. Music fans can enjoy the enhanced experience of full length song playback with a monthly threshold of twenty-five uses. At the same time, for artists and labels iLike and Rhapsody are deploying a new model that will monetize music consumption.

In competing announcements Apple announced its new iPod Nano while Microsoft announced a new version of Zune with new features. To no one's surprise, Apple got about 99.9% of the press! Depending on which report you read somewhere between 200 and 600 online music services of various types and business objectives will be coming on line in 2008 and 2009. However the overriding opinion is – no surprise – that most will fail, something that seems very likely anyway in today's environment, but which given the increasing power and control of the major players would appear to be an even more likely outcome.

To give an overview the following are a few of the better funded examples that at least stand a chance of getting established.

Amazon owned Createspace has added an MP3 distribution service that will enable indie musicians and labels to sell downloads through its Amazon MP3 online store with no set up fees involved. Artists would receive about 60/65 cents per track depending on the pricing at retail. This would undercut other services but CreateSpace doesn't offer distribution to iTunes and others.

A gaming powerhouse is coming to Canada with the merger of Silverbirch with Lighthouse Industries. The GM of Silverbirch Gaming notes that up until now it's unprecedented for a Canadian company to become a fully integrated developer and publisher of games for all platforms and genres and expects this new company to be a big benefit to Canadian creators and artists.

Google announced the launch of a new browser in September which is also effectively a new operating system. It would appear that Chrome is a declaration of war against Microsoft and Netscape, and while the odds on Google in this contest are good, it is certainly by no means a slam dunk. Google believes that the future is running applications on the web and already runs the biggest and most efficient data centers on earth. However given the power and resources of the two protagonists a short term definitive outcome, unless it is negotiated, would seem unlikely.

And to conclude this section a few thoughts, facts and comments on a couple of issues.

The first is mobile phones. If they are indeed to be the future of the music industry independent artists should be worried. Unlike the major labels, until recently the only access option for many indies was to go through aggregators such as Orchard or IODA as one on one deals with wireless operators are rare to say the least and the final deal on offer is just not as good financially as the majors get. Maybe the intercession of indie owned collecting agency Merlin will accomplish new and better payment regimes in the future but for now this is very much a work in progress.

Compounding the problem is that often system operators are turning to third parties in many markets to manage this part of their business and by so doing are cutting off yet one more slice of the pie. Export markets are a vital source of total revenues for Canadian indie artists and companies and there is clearly a problem if total revenues received from these markets suffer a further diminution from this practice.

Finally there is also at least for the moment 'the Long Tail' problem. While online it seems that this concept has benefited indies in the sale of their products that by definition is often niche product, this option seems to virtually be non-existent in mobile phones as purchases are driven by radio airplay or the 'What's Hot' menu of the operators. The Long Tail of lesser known tracks simply plays very little part in the current world of mobile.

Another recent major announcement was that of the entry into Canada of MySpace and MySpace Music. While that should be of considerable benefit to the music sector as a whole, the reality of 2008 and something that, given the current state of the economy, merits serious consideration is that given the amount of money spent to build or acquire services such as MySpace, YouTube and Facebook, advertising is not being attracted in the amount that was expected and financial projections are just not being met.

While this will not of course spell financial doom for any of these extremely well financed companies any time soon, MySpace is generally regarded as a bellwether for the industry as a whole given its size, however it, along with social networks such as Facebook and Bebo are just not 'producing the goods' in projected ad revenues and seem even less likely to do so in 2009 given the state of the economy in most key markets. "The jury's still out on MySpace's ability to monetize" said Michael Nathenson at Sanford Bernstein, a fact agreed to by Peter Chernin, President and CEO of News Corporation in a summertime conference call that preceded all of the fall financial mayhem. The same situation is occurring at YouTube. Google paid \$17 billion to acquire this property but even with the 'best brains' running the operation and a global audience, it could only manage \$31 million in earnings in 2007 with projections only reaching \$175 million in 2012, with very low earning 'page rates' at present. The present situation and the inability of this entire high powered new media to monetize these assets would seem to be a benefit for more 'traditional' media, at least for the foreseeable future.

As is noted every year, new technology is usually very beneficial to the sector with the new opportunities it offers, but as was also noted in last year's report, the 'devil is in the details' and often predictions of success for a particular product or application even by major players with very substantial funding just don't work out as planned. Perhaps to end this section it might be appropriate to use a saying often attributed to Mark Twain that is certainly relevant when it comes to any specific technology application – 'predictions are very hard, especially about the future'!

CANADIAN ARTISTS AND CREATORS

Other sections of this report discuss in more depth many of the issues that confronted Canadian independent artists, creators and their representatives in 2008 and will continue in 2009 and while their talent and determination to succeed in an increasingly complex and difficult environment is without question, the need for united approaches and positive and constructive thinking regarding funding issues, industry relationships with both creators and copyright owners as well as users and the need in these increasingly difficult times is clear for both the music sector and Canada in general, all must work together for the best interests of the sector.

Some of the comments made last year would probably bear repetition regarding the changes being wrought by technology plus legislative and regulatory actions. Also, as noted last year, the competitive environment amongst countries wanting to promote and develop their music sector and increase exports continues to grow and given today's economic realities is becoming ever more competitive. The need for all parties

involved to work together as much as possible and to combine to make the best and most effective uses of funding dollars, using both best practices and reasoned rational approaches and programs backed by good research and information will be increasingly important in 2009 and onwards.

However while the environment generally is a challenging one the good news is that Canadian artists continue to be recognized and respected by critics and consumers not just in Canada but also markets around the world. Canadian success is being recognised not just in the U.S., U.K. and France but other major markets such as Germany, Italy, Japan and the Netherlands, not to mention a host of smaller markets around the world. 2008 was a mixture of old and new for Canadian artists with such stalwarts as Neil Young and Bryan Adams touring during the summer and playing many sell-out dates in a variety of different locations and countries.

However, clearly the biggest Canadian success was, to no one's surprise, Celine Dion in her return to her hometown of Montreal for an extended series of sell-out concerts at the Forum in Montreal, which proved to be one of the top concert dates of the year according to Billboard magazine.

Leslie Feist continued with another very successful year and followed her Grammy nominations with a string of Juno wins, continued to sell lots of records not just in Canada but also in many other markets, as 'The Reminder' and the song '1,2,3,4' continued their popularity. She also increased her exposure through a solid touring schedule as well.

The Polaris Music prize launched its third edition and the depth of talent in Canada was yet again demonstrated with such artists as Kathleen Edwards, the alt-country singer, the very literate rock group from Winnipeg the Weakerthans and psych-rockers from Vancouver, Black Mountain being amongst the nominations, there was substantial media coverage from the mainstream media and not just music oriented media.

On a different level of highly successful rock group Nickelback joined Madonna, Jay-Z, Shakira and U2 on the Live Nations roster and it will be interesting to see how this plays out in the future, particularly given the departure of Michael Cohl who was clearly a key player in the equation.

Two labels who continued to clearly believe in and support their artists very closely showed up regularly in 2008, namely Arts and Crafts, home to Feist, and Nettwerk, who continued their many innovative approaches to the music sector in two new ways by partnering with leading game creator Electronic Arts to form a new company, Artwerk with the objective of signing new and established artists in the recording, publishing and distribution areas to expand the resources and opportunities available to both companies but now with a combined approach that can only benefit artists both Canadian and foreign. On a totally different note, Nettwerk Music Group has joined with Naxos Music Library the streaming audio resource with the result that the Nettwerk catalogue of Canadian artists will be available through the Naxos Music Library.

Turning to year end numbers, the name to mention is clearly that of Celine Dion, not only did she sell out a series of concert dates in her home town of Montreal, but also performed sell-out concerts in Toronto and Vancouver as well as many other venues. Indeed of the top 10 concert dates for Canadian artists she had 9 with the only exception being Leonard Cohen in Dublin who had the third best concert earnings in the top 10 dates. Celine Dion also featured with the top selling album with 'Taking Chances' selling 319,000 copies. The top song on the Hot Hundred by a Canadian was 'Dangerous' by Kardinal Offishal, Hedley had three chart entries, with 'Don't Call Me Baby' by Kreesha Turner also achieving a high Hot 100 ranking. The same artist was also the number one emerging Canadian artist while the Vancouver group State of Shock on the Cordova Bay label placed two songs on the emerging artist lists.

The music critic from the National Post listed albums by four Canadian artists amongst his album of the year choices – In Field and Tower by Hayden on Hardwood Records, Roberto Occhipinti on Alma Records, Plants and Animals on Secret City Records and Point Blank on Koch Records. The choices ranged from hip hop through the ballads of Hayden to polyrhythmic jazz and the intricacy of the songs of Plants and Animals.

As every year demonstrates, the talent of Canadian artists continues to shine through however the fact remains that strong and enduring financial and program support is critical to expand their success outside Canada.

To close this section, speaking of success in any year and in any time it would be almost impossible to top the success in the U.K. at Christmas of a 74 year old Canadian writer/singer, albeit a greatly renowned one from Montreal, Leonard Cohen who on the extremely competitive Christmas week chart had not one, not two, but three versions of his song 'Hallelujah' at No. 1 and No. 2 with different artists performing cover versions, but also his own version at No. 30 on the chart as well. If anything shows the talent and diversity and success of Canadian creativity, it is this example which there is little doubt will be very hard to surpass in the future!

MARKETING AND PROMOTIONS, CHANGES AND DEVELOPMENTS

As already noted, 2007 was a 'momentous' year of change but was easily surpassed by 2008 as new providers entered the market and new and innovative marketing methods continued to gain traction amongst consumers. While many of these had their genesis in the Internet, these were not the only source of inspiration as the music sector continues to offer ever growing numbers of opportunities.

While some of these opportunities are restricted to primarily major players, some as will be seen, are more open to smaller players and can produce very positive results. Given the opportunities on offer, the issues involved with each from many directions – financing structural development, market appeal, marketing budgets, etc., etc., this section could approach the level of a long report in itself. Consequently the editor's pencil will be used in a substantial way to try to fit into the structure and concept of this particular report!

While the need for new and evolved versions of older systems are clearly needed to market effectively, what shape these will take is still a very open question as we enter 2009 and answers may well not become clear in many cases until two or three years have elapsed.

This being said, the following is a relatively brief look at marketing thoughts and concepts as they have evolved in 2008 and their relevance to 2009 and onwards. However to reiterate a previous comment, the old style 'silo' system of marketing and promotion as a distinct entity is being subsumed into a more holistic approach with a concept that crosses many boundaries, and while these concepts are open to discussion and opinion as to what these initiatives actually involve, as noted above they are a result of a more holistic approach that the internet has brought to the record business particularly as the various 'installed bases' and interests jockey for position in the new set ups. However, whatever the outcome of any individual initiative, the need for effective new revenue streams and sales/marketing opportunities is becoming an absolute imperative for Canadians if artists, creators and all of their diverse representatives will continue to be both viable and successful in the second decade of this century. The most likely outcome is probably that many different products, revenue streams etc. will become part of the overall package for artists and copyright owners in the future and monies will be generated in varying amounts from a variety of sources with results ranging from large cheques to a few dollars. However as noted earlier, in today's world it is very unclear which service or product will be a success and indeed they may very well vary from year to year as circumstances change and providers and products evolve. To give some examples of what might occur the following are some current examples followed by some comments on each regarding their future potential.

A very specific area is that of retail exclusives. These clearly only apply to major successful artists looking for a big and guaranteed pay day. The key U.S. releases so far have been The Eagles, AC/DC and Journey through Wal-Mart, Guns 'N' Roses through Best Buy and Christine Aguilera through Target. Sales have been mixed to say the least varying from a low of 140,000 to a high of 3,140,000. It would seem that while

these will continue in the future for specific artists, they will have to have high recognition going in and therefore will be limited in numbers to known names and given they are a product of an old style record business just may not have enough 'big names' in the future to use this approach, even though Bruce Springsteen will release a Greatest Hits through Wal-Mart in January 2009 prior to his appearance at the Super Bowl February 1st. Time will tell but it may well be a version of the Starbucks concept of cross merchandizing that has been discontinued, one assumes due to non-profitability.

DIY approaches to this way of marketing have included both Radiohead and Trent Reznor / Nine Inch Nails concepts and packages that have been extremely successful for both artists but again these are products of the old style 'hit making machine' that gave both a tremendous recognition factor in the market place and enabled them to do what they did. The same thinking would apply to this concept as to the Wal-Mart and Starbucks concepts. There are only a limited number of artists who exist with the recognition factor from old style marketing, and while obviously this might be done again by these artists and a few more could come out of contract, the future is not tremendous in this regard. The same might be said of the Live Nation concept of paying very large sums to major names such as Madonna, U2, Shakira, Jay-Z and Nickelback! However even more directly these options are just not available to the FACTOR funded artists and creators and they must look towards much simpler, cheaper and direct methods. They have to look elsewhere and to emulating some of the concepts that these major players have thought out and apply it to their business plans and aspirations.

A good approach could be for example, to emulate a DIY plan that can be of great help to new and emerging artists. First don't go it alone but look for partners. There are companies that specialize in selling directly to fans and can be of help, others allow clients either artists or companies to sell directly from their own web sites. The main strength of labels has always been marketing. Artists or small indies will need to work hard in this area establishing a good email database and a viral campaign to offer hardcore fans the chance to promote to others. This approach is offered by various companies. Another way maybe would be to promote through an iPhone app for example. The artist or label should also set prices but these can vary both in amount and style of payment depending on the market and also offer a variety of purchase options for fans to buy or subscribe to. Clearly this is the polar opposite of the Wal-Mart, Live Nation or even major label approach, but the joy of today's Internet world is that these options are available. Indeed it was predicted that this was the way things would be in the future.

While this is not often the case, according to a recent Wall Street Journal, this scenario has essentially played out with Wisconsin based artist Justin Vernon and his band Bon Iver. His starting point was posting songs he had recorded on his MySpace page. It proved so popular that he has sold about 87,000 copies of the album, is touring to good crowds and has even appeared on the David Letterman Show to discuss how he did it and play his music. As the WSJ article notes, clearly small unknown artists can gain fame via the Web without having the big budgets and backing of a major label and how bloggers, consumers and viral marketing can 'spread the word' through good music and a compelling story and though he didn't, musicians can use some of the companies mentioned earlier such as Tunecore, CD Baby and Sonic bids to connect with both consumers and industry. As the CEO of Sonicbids Panos Panay says, the Internet has been like the French Revolution for the music industry as the costs of distribution, production and getting connected have dropped and anyone with talent, a niche and devoted fans can make a living.

Of course the many, many new digital distribution system and ideas being launched (currently around 200 it is estimated) – only a few of which will probably ultimately be successful – but all will need product to sell. These new models, of which recent major examples are MySpace Music and San Disk, will have in the case of MySpace a variety of options to get paid from advertising to MP3 downloads through Amazon and ringtones through Jamster, publishing royalties for each interactive stream and MP3 download. Services such as Lala.com also provide service in this instance streaming to small and large alike, although it must be admitted that large is more likely to get attention first! However in between these extremes contained in this section, there are many other options to new and developing artists and their representatives from establishing a solid working relationship with a brand or a games manufacturer for example, though usually brands will usually look towards more established artists to partner with, but there are brands who are

looking for the gritty indie experience. Mountain Dew is one example. The same certainly cannot be said of games if the right connection for indies can be made and the same applies to TV placements and commercials, the opportunities are out there for both promotion and revenues and of course there are all of the accepted promo channels from YouTube, MySpace, Facebook, Bebo, Imeem and a 'blast from the past', a new version of MTV through MTV Music.com.

In this and other sections we have tried to highlight both ends of the spectrum and also tried to indicate, if only briefly, the opportunities that have become available across the spectrum, quite apart from the recognized marketing methods and plans regularly employed by key indie and major labels to get their artists' music to the consumer. All that can be said is that more, and more different opportunities are available and being utilized than ever before as technology continues to provide many opportunities. Ultimately, as always, only time will tell which will be the successful businesses and which will become a historical curiosity. The only thing that can be said with certainty is that new ideas come from within the music sector and some from third parties who wish to establish profit making businesses that are essentially based on music and the overall pace of innovation continues to grow and looks set to continue this growth in the foreseeable future.

DISTRIBUTION – CHANGES AND EVOLUTION

Distribution at retail and wholesale levels in the physical world or melded in the digital world continued to change, evolve and often surprise in 2008, a trend that is clearly set to continue in 2009. Regrettably it seemed that surprises were, more often than not, negative rather than positive. This was the case particularly in the physical realm but the uncertainty of many start ups, for a variety of reasons, was certainly not unknown in the digital milieu as well. The day to day reality was also impacted in the second half of the year by worldwide financial problems and this reality will clearly remain in 2009 and increase the difficulties as sales for all forms of music may well suffer declines. This phenomenon is already happening as year end sales figures become available. Christmas is the time for giving and the giving of music still generally includes a CD or two, rather than digital. However, even with a solid schedule of new releases for the last quarter of 2008, there has been no great optimism amongst music purveyors of all descriptions regarding great sales numbers. At the same time numbers were released showing that electronics sales were off by 20% in 2008 and with a majority of 2009 consumers planning to spend less on electronics, including of course such music related items as iPods and mobile phones. At the same time there are many changes continuing to occur both due to technology and now the economy as well in this important sector.

The problem of physical floor space continues to grow from different directions, first the re-vamping of chains such as HMV to include new products, combined with the de-emphasizing of music CDs, the downsizing of music sales space in the so-called 'big box' sellers Wal-Mart, Costco, Future Shop, etc. and the decline in numbers of independent stores plus the fact that they too are diversifying their product mix away from just recorded music. The days of powerful chains such as Sam The Record Man and A and B Sound and Music World are now completely history with the removal of the iconic Sam The Record Man sign on Yonge Street in Toronto plus the November 7th announcement of the bankruptcy of A and B Sound for the second time following the closure of their main store on Seymour Street in Vancouver in September. At its height, A and B was responsible for \$300 million of business annually, since its beginnings in 1959 with stores across Western Canada. With Virgin and Tower gone as well, the pressure on physical product continues to grow and clearly given the economy will be an issue in 2009 onwards as well. To slightly paraphrase English philosopher John Locke in his comment on an economic crisis in England in the 1690's, -'people don't want to borrow or buy, if their perception of what they see around them dictates this action – even if personally they have the money to do so.' Given reported year-end opinion polls, this would seem to characterize Canadians thinking for 2009 almost exactly. As noted elsewhere, time will tell if music is a 'recession proof' small luxury product or not, but early indications are very divided on this.

The Canadian wholesale situation is also under considerable pressure in many ways as well with two current examples of this being the recent Wal-Mart decision to cut back the amount of 'value oriented' music sold in its stores by eliminating an estimated 40% of titles, a decision that will radically affect Canadian

Budget distributor Madacy. Madacy states that it already has planned on changes and expansion into new areas such as licensing of its catalogues as well as making them available digitally to offset such situations as that of Wal-Mart. Also, late in the year came news of problems at key indie distributor Justin Time combined with layoffs and ongoing plans for reorganisation and restructuring.

It should be noted that this trend is not just a Canadian one but is occurring in the fields of retail and wholesale distribution in most major markets with examples such as the Hastings chain in the U.S. evolving from music into entertainment stores, while distributors in key markets such as the U.K., Germany and Australia have either ceased business or are going through major restructuring. This trend is not restricted to locally owned companies, but to the distribution arms of majors as well who are looking to rationalize their operations, and in several instances cooperate with each other to 'cross-promote' services and thus lower costs.

As usual U.S. figures are far more detailed and substantive than those in Canada, but while numbers – and surveys done – are far fewer there is little reason to suspect that trends are much different and the same would generally apply with some variations to most other major markets as well.

In a recent consumer survey in the U.S. by NPD Group, it was found that the top five music outlets in order were iTunes, Wal-Mart, Best Buy, Amazon and Target. In particular, it noted the growth of Amazon not just from launching its digital store, but also the fact that CD online sales were holding up better than bricks and mortar stores. Similar scenarios are playing out in other markets such as the U.K. where supermarket chain Tesco competes very heavily with more music based chains such as HMV and Zavvi.

Another U.K. retail trend that is certainly causing concern is the recent ultra discounting as Woolworths closes its doors after 99 years and Amazon enters the market. This is resulting in heavy 'loss-leading' on the premium in-demand album over the holidays – the new Take That album - selling at very discounted prices (for the U.K.) of \$11.00 Canadian at ASDA and Morrison's (supermarket chains) and the unprecedented \$6.00 Canadian per album at Amazon as part of their launch. The fear is that consumers in 2009 will not understand or ignore the principles of 'loss-leaders' or 'customer acquisition strategies' and expect these to become the norm in the U.K. for 2009. And in a final note in the 'old world' of distribution, BMG Music Services announced that at the end of 2008 it would stop accepting new members into the record club, thus marking the end of the once ubiquitous 12 free records for the price of one opening offer to new members that the club was known for.

At their height, BMG and their rival Columbia House contributed substantial revenues to the value chain, but in recent years have become close to irrelevant. Columbia House continues in a reduced, revised form but is only a shadow of its former self.

An example of the power of key retailers of music such as Wal-Mart can be seen as an all-star lineup of major artists played over three nights at the University of Arkansas arena for the benefit of who else but Wal-Mart executives, staff, their guests and selected members of the public.

While everyone is looking to maximize the lifespan of the CD while substantially increasing digital sales, a trend (albeit a small one) in the 'who would have thought it' category, is the return of vinyl – both the LP and the 45 rpm. This began with dance electronic singles but has now spread to other genres with majors such as EMI announcing a reissue program of major artists. The appeal is both 'retro' plus the fact that they sound 'warmer', especially on high end equipment, have the full graphics package and sell at premium prices in the \$25 - \$30 range. Sold mostly at indie stores EMI noted that sales in 2007 increased 80% with U.S. shipments up 37% to 1.3 million units. However on the other side of the coin, music DVD sales in the U.S. have dropped considerably from 8.55 million units to 6.97 million in the first six months of 2008 with a similar drop in the U.K. However, worldwide these drops seem to be less pronounced with 2007 sales of 110 million units.

Indeed as Terry McBride, CEO of Nettwerk remarked, "shelf space has shrunk so much over the past five years that for anyone to give you shelf space and exposure is a big deal."

As noted in the previous section of this report, Wal-Mart continues to exclusively market a few selected releases by major artists with heavy promotion, good prices and excellent sales, but it is essentially a 'major name' market. In the area of digital the focus in this report will be on the two key players in the field – Apple and Amazon with overview and comments on new delivery systems and their potential plus some of the problems.

While iTunes is far and away the biggest digital seller with 70% of world wide digital sales by 2012, if digital sales projections hold up, Apple is on track to get 25% of all sales worldwide by 2012 according to forecasts. However, some questions as to its validity as the best possible sales tool for all types and genres of music remain and whether it will substantially increase sales with its new policy of variable pricing plus removal of all DRM by April this year.

There are two schools of thought on this, both with strong proponents but if one stands back and looks, the evidence seems to be that in a particular circumstance either can work, but a third option that is available will probably be less successful. The two successful approaches are the old line rock artists of which the most recent examples are Kid Rock and AC/DC with their latest releases who insist that their albums be sold 'whole', something that iTunes refuses to do. As a result, both are not available on iTunes, but are two of the year's biggest album sellers. As Eric Garland of Big Champagne notes, Kid Rock may have left some transactions on the table, but in the end it is very hard to make the case that he left money on the table by his actions, a comment that also applies to Black Ice by AC/DC as the fourth best selling album of the year in the U.S. at 1.6 million.

The opposite approach is that of Leona Lewis with the best selling digital single of the year at 3.3 million tracks with 140,000 digital albums sold apart from about a million CD sales. Counting ten tracks as an album the total sales convert to around 1.5 million, very similar in numbers to Kid Rock and AC/DC.

However for emerging artists the results could easily be far less successful, as evidenced by the American Boy/Estelle single from the album Shine. The track was a top 10 iTunes download with the album at #38 on the chart when Atlantic removed the single from iTunes in a bid to force album sales. However album sales dropped rapidly and the label changed tactics pretty quickly and restored the single.

However it should not be expected that Apple will hold still to be attacked by Amazon and others and indeed they have several options – to beef up the 'Complete My Album' approach for single track buyers, start a music subscription service or an 'unlimited music' iPod just as examples, on top of their new pricing and DRM approach that has just been announced. Turning to Amazon, while it still trails far behind iTunes overall, its percentage of digital album sales to single sales is twice that of iTunes with labels hoping that it will expand the overall market as Amazon customers are mostly male with one third from 28 to 35 and one third 36 to 50, substantially older than iTunes. However for Canadians, it does not exist here and does not have any immediate plans to open. As noted earlier, it has just opened in the U.K., its first foreign market.

Overall, digital sales for the first nine months of 2008 continued to grow according to Nielsen Sound Scan numbers with U.S. digital track sales reaching 795.8 million in the first nine months of 2008, up 30% from a year earlier. Digital album sales grew 32% to 47.3 million or 16% of total album sales compared with 11% for 2007. Amongst digital albums the top seller was Coldplay's Viva La Vida at 548,000 and in the first nine months four albums passed 200,000 digital sales compared with two last year. Thirty four digital tracks reached the million or more sales mark during the first nine months and seven sold over 2 million compared with 2007 totals for nine months of 26 tracks selling more than a million and two more than 2 million. However while this is good news generally, the fact remains that combined sales continue to decline year over year.

As was noted in Section 3 – Technology, several new approaches were launched in 2008 and while several of these described there did pay substantial fees to be licensed – primarily by major labels – the reality so far is that their actual distribution revenue flows in whatever form they take are difficult to ascertain and while advance payments are welcome to companies' bottom lines there continue to be considerable problems with distribution revenues and issues for many indies and this subject needs considerably more light shed on the actual sales outcomes and much more information than currently seems to be available and should be considered as a work in progress for 2009.

INTELLECTUAL PROPERTY – COPYRIGHT ISSUES

Copyright and Intellectual Property Rights in general continue to be a vital part of the policy realities of a modern developed country in the 21st century and the need for efficient, effective and modern legislation that reflects the realities of today continues to be a necessity. The lack of it over a period of many years in Canada as delay was followed by delay on the part of successive governments is highly regrettable. No matter what one's views are about various issues in the copyright file, the need for an effective modern Copyright Act is surely incontestable in today's real world.

It is therefore pleasing to see the government's words on the subject contained in the recent Speech from the Throne that –

“Cultural creativity and innovation are vital not only to a lively Canadian cultural life, but also to Canada's economic future. Our government will proceed with legislation to modernize Canada's copyright laws and ensure stronger protection for intellectual property”.

The message seems to be clear that the government expects public and private industry to pull together and work to make Canada a leader in innovation.

However in the 'real world' there are many 'usage' problems not to mention ownership problems that need discussion and clarification legally. While there may well be disagreements about the best course of action to take, doing nothing is essentially counterproductive to effective commerce and good governance in this very important area in the 21st century.

While FACTOR is clearly not the body to discuss and address these complex and varied issues on behalf of its clients, equally clearly it has to be aware of the great number of real world situations that are occurring almost on a daily basis that could affect its decisions both in general and specific terms regarding appropriate, properly constructed and funded support programs.

CONCLUSION

As always it seems there are many, many issues for the Canadian indie sector to deal with effectively and each passing year seeming just adds to the list of music sector concerns, as technology continues to drive the bus and provide more problems than solutions. The pace of change continues to be inexorable and the need to respond and adapt always remains a big part of the puzzle. It will be no different in 2009 except that the world of the music business is becoming increasingly complex and involved both nationally and trans-nationally. However what is clearly true is that the consumer everywhere values music more highly than ever. While music is constantly evolving and changing, the growth in consumer appetite is probably an outgrowth of technology that encourages discovery and acquisition. Unfortunately for creators this is against a backdrop of big declines in CD sales and in paid content only partially compensated by digital sales.

As to digital delivery the reality whether it be Orchard, Pandora, Napster, Rhapsody or eMusic let alone major players in the sector such as iTunes, Sony Ericsson or My Space Music few are making much money as yet and many others are swimming in red numbers. All of this is of course a fact even before the

economic mayhem of late 2008. Where things are going in 2009 in the worldwide economy is anyone's guess but the financial prognoses are not generally good.

And yet the power of music, coupled with its Darwinian 'sexiness', maintains a constant interest for entrepreneurs in looking to harness and monetize the phenomenal desire consumers worldwide have for music.

In truth the simple desire of the entrepreneur is very much in sync – consciously or not - with the reality that music is one of civilization's key cultural artifacts that define a people and their human value with immense economic and cultural benefits if the works are commercially successful both to individuals, companies and nations, now and in the future. Examples of this are everywhere in music from the classical music of the eighteenth and nineteenth centuries to jazz and the peoples' songs have stood the test of time for decades. Movies are yet another example of this from classic movies to just plain popular fare. To give just two examples from the recent holiday season, are the movies 'A Christmas Carol' and 'The Wizard of Oz' which have, for different reasons, a timeless appeal every holiday season although both are more than 60 years old. Clearly art and cultural products of all descriptions add immeasurably to a country's worth to the human race and Canada is certainly playing its part in this regard by producing a continuing flow of excellent and popular works in many musical genres.

There is little disagreement these days that part of the prosperity and success of any country and its citizens will flow from its ideas and products, whether it be a hit song or a Blackberry. If all of the underlying royalty streams flow back to Canada, the economic benefits, no to mention the cultural ones can be immense. It is a concept that has to be grasped, understood and properly acted upon by governments sooner rather than later, as the country's underlying economic structure changes in the 21st century.

Indeed if one looks at a 2007 study by Kirk Hamilton, a World Bank environmental economist and lead author of the study 'Where is the Wealth of Nations', Hamilton posits that when measured properly 'natural capital' (land, oil, etc.) and 'produced capital' (factories, iPods, roads, etc.) are less substantial than 'intangible capital (education, the rule of law, ideas etc.) which accounts for the biggest share of a developed nation's wealth. In the United States, he suggests less than 20% exists in the form of material goods while in Switzerland (clocks, ski chalets, watches, timber, etc.) it also amounts to less than 20% of the wealth. To put it in the vernacular, the wealth of a country is 'between our ears' or to be slightly more elegant – what we know is more valuable than what we make.

It is suggested that this simple statement should be the basis for FACTOR policies and programs to endeavour to make the most effective use of the monies available from the different sources, so as to benefit both the music sector and Canada as a country.