



delivered to the Rockefeller Philanthropy Advisors who will distribute these funds to New York State not-for-profit corporations, to inure to the benefit of the residents of the State of New York by funding programs aimed at music education and appreciation.

II. Fees and Costs

Defendants will pay to the OAG the sum of \$750,000, to cover the fees and costs of this action, and of the OAG's investigation, by wire transfer to an account designated by the OAG or by certified check made payable to the New York State Department of Law and forwarded to the following address: New York State Department of Law, Division of Public Advocacy, 120 Broadway, 25<sup>th</sup> Floor, New York, N.Y., Attn: Terry Brown Clemons, Assistant Deputy Attorney General.

**DEFINITIONS**

III. Definitions

For purposes of this Judgment, the following terms shall have the meanings defined below:

- A. Entercom: Entercom means any employee, director, officer, principal, division, subsidiary, joint venture or representative of the Defendants to this action or any other person or entity whose acts, practices or policies with respect to Broadcast Stations are directed or controlled by Defendants.
- B. Broadcast Station: Broadcast Station means any entity that broadcasts music or develops music programming for broadcast over the air to consumers in the United States with the exception of television.
- C. Record Label: Record Label means any entity that manufactures or distributes audio recordings of music, and includes any artist that is under contract to a Record Label, and any of the Record Labels' or artists' representatives.
- D. Spin Detection: Spin Detection means the detection of a song by any Airplay

Monitoring Company for use in any report compiled by, or with data provided by, that Company.

- E. Airplay Monitoring Company: Airplay Monitoring Company means Nielsen Broadcast Data Systems, Mediabase 24/7 or any other nationally recognized company or entity that tracks or monitors Broadcast Station airplay in the United States for the purpose of charting or ranking music.

## CONDUCT

IV. Timing

Within 90 days of the entry of this Judgment, Entercom shall undertake (to the extent not already undertaken) the business reforms below.

V. Existing Policies

Entercom has in place certain practices and procedures concerning the conduct of its employees. Nothing in this Judgment shall be read to suggest that any of its terms are, or are not, addressed by such policies.

VI. Impermissible Activity

- A. Entercom shall not solicit, receive or accept anything of value from a Record Label or Record Label employee, including anything of value to be distributed to a Broadcast Station contest winner, except as set forth in § VII below.
- B. Entercom may engage in the activity set forth in § VII subject to the following restrictions:
1. Entercom shall not use any of the activity set forth in § VII in, or as part of, an explicit or implicit exchange, agreement or understanding to provide or increase airplay for any Record Label without sponsorship identification.
  2. Entercom shall not solicit, receive or accept any cash, gift cards, gift

certificates, or any monetary payment from any Record Label for any of its employees, or for payment to any contest winner.

3. Entercom shall not solicit, receive or accept cash, gift cards, gift certificates, or any monetary payment from any record label except in compensation for advertising and commercial transactions set forth in § VII.
4. Entercom shall not solicit, receive or accept payments from Record Labels for all or part of a song (such as a spin program) for the purpose of generating Spin Detections, except as set forth in § VIII.

VII. Permissible Activity

Entercom may engage in the following activity subject to the restrictions set forth in § VI and the mandatory disclosure and documentation requirements set forth in § VIII:

- A. Contests or Giveaways: Entercom may solicit and accept items of value to give away on the air or at a Broadcast Station event or to charity to persons or entities other than Broadcast Station employees or their relatives.
- B. Commercial Transactions: Entercom may enter into commercial transactions with Record Labels pursuant to which it may license, sell or otherwise agree to distribute Record Labels' songs or records.
- C. Advertising:
  1. Entercom may accept payments for advertising from Record Labels.
  2. Entercom may accept payments for the broadcast of music from Record Labels on syndicated radio programs.
- D. Artist Appearances and Performances: Entercom stations may arrange for artists to appear or perform at events it sponsors, including under circumstances where a Record Label has subsidized reasonable costs related to the appearance or performance.

E. Nominal Consideration:<sup>1</sup> Each Entercom station may receive, from Record Labels, promotional items that do not exceed \$25 in value. Examples of such items include: T-shirts, key chains, coffee mugs, baseball hats, posters, pens, bumper stickers, and plaques commemorating an artist achieving "gold record" level sales. Such items may be for Broadcast Station employees' personal use. In addition, Entercom may accept the following items of value from Record Labels:

1. CDs: Any Entercom station may accept electronic copies of songs, and up to 20 copies of the same CD, for the purpose of becoming familiar with recordings as relevant to the workings of the station. Entercom may also accept electronic copies of recordings for posting on Broadcast Station websites, submitted to Entercom for the purpose of familiarizing visitors to Broadcast Station websites with the artists' recordings.
2. Concert tickets: Each Entercom Broadcast Station may accept up to 20 tickets per concert and up to 20 tickets per industry event to be used by Broadcast Station employees for the purpose of familiarizing themselves with artists.
3. Modest personal gifts for life events and holidays: Employees of Entercom may accept reasonable gifts from Record Labels commemorating life events and holidays. A "reasonable" gift is one whose value the employee should have reason to believe is \$150 or less.
4. Meals and entertainment: Entercom may accept payment for meals and entertainment for its employees in an amount not to exceed \$150 per person, per event, provided that the event is attended by an Entercom

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<sup>1</sup>Dollar amounts in this section may be adjusted for inflation based on the Consumer Price Index.

employee and has a legitimate business purpose, and the payment is consistent with the value of the meals or entertainment. Entercom may accept payment for meals and entertainment from Record Labels in an amount that exceeds \$150 per person provided that the event is attended by an Entercom employee, has a legitimate business purpose and is approved in writing by the Compliance Officer, as that term is defined in § XI.

5. Travel and lodging expenses: Entercom may accept from Record Labels reasonable travel and lodging expenses for its employees to attend live performances or appearances by artists for the purpose of familiarizing Broadcast Station employees with live performances or appearances by the Record Labels' artists as relevant to the workings of the Broadcast Station. Each Broadcast Station shall be limited to 20 such trips annually, to be allocated among the Broadcast Station's employees at Entercom's discretion. For purposes of this provision, reasonable travel expenses means commercial airfare (coach class), train or car service within 24 hours after the conclusion of the live performance, event or appearance. All travel and lodging expenditures must be approved in advance and in writing by the relevant General Manager.

VIII. Mandatory Disclosure and Documentation

- A. Entercom shall disclose and document all activity set forth in § VII as follows:
  1. Contests or Giveaways: In each instance where Entercom accepts an item from a Record Label to give away on the air as set forth in § VII.A, Entercom shall:
    - a. Make an on-air announcement at the time of any programming concerning the contest that the item is being either (as appropriate)

- sponsored or paid for by the Record Label; and
- b. Verify in writing to the Record Label that: (1) the item of value will be given away to people other than the employees of the Broadcast Station or Broadcast Station program, or their relatives; and (2) Entercom has not provided or increased airplay in connection with the Record Label's provision of the item.
  - c. For items that exceed the monetary reporting threshold established by the Internal Revenue Service, Entercom shall maintain a record verifying that a contest winner has been selected, including the full name, address and social security number of the recipient(s) of the prize.
2. Sales of Advertising: Entercom shall not offer or sell advertising time to a Record Label on an Entercom broadcast, when the advertisement contains at least 60 seconds of music of an artist, unless before the advertisement is broadcast, Entercom notifies the Airplay Monitoring Companies in writing of:
- a. the general time frame and date(s) of the broadcast of the advertisement;
  - b. the length of the broadcast of the advertisement;
  - c. the station(s) on which the advertisement is to be broadcast; and
  - d. the fact that the broadcast is an advertisement and is not intended for detection by the Airplay Monitoring Companies.
3. Artist Appearances and Performances: Before confirming an appearance or performance by an artist at an event sponsored by Entercom, Entercom shall provide a letter to the artist's Record Label, signed by the sponsoring station's general manager, licensee, owner or other authorized senior

executive other than a member of the programming personnel of the station verifying that the artist's appearance or performance at the event is not being provided in an explicit or implicit exchange, agreement or understanding to grant or increase airplay of the recordings of the artist or its Record Label.

B. Databases: Within 240 days of the entry of this Judgment, Entercom shall establish and maintain a database or databases of all items of value received by Entercom from Record Labels. Entercom shall maintain all documentation of expenditures required by this Judgment in the database(s) or in hard copy for a period of not less than 5 years. The database or databases shall:

1. track and generate reports by Record Label and Broadcast Station; and
2. be readily searchable by the categories of expense set forth in § VII.

IX. Independent Promoters

Entercom shall not accept any funds from independent promoters.

X. Standards of Conduct and Training

Within 30 days of entry of this Judgment, Entercom shall adopt Standards of Conduct consistent with this agreement, subject to the approval of the Attorney General ("Entercom Standards of Conduct"). Entercom shall not amend its standards in any way that is contrary to, or inconsistent with, this Judgment.

**MONITORING COMPLIANCE AND REPORTING**

XI. Compliance Officer: Within 30 days of entry of this Judgment, Entercom shall appoint a Compliance Officer, subject to the approval of the Attorney General. The duties of the Compliance Officer shall include responsibility for the following:

- A. Implementing and supervising the training program as set forth in the Entercom Standards of Conduct for all Entercom programming personnel and all employees with supervisory authority over programming personnel.
  - B. Maintaining a hotline for employees to call the Compliance Officer to obtain advice on compliance with the Entercom Standards of Conduct, and report violations of the Standards of Conduct.
  - C. Implementing procedures designed to ensure Entercom's compliance with the Standards of Conduct.
  - D. Monitoring, on an ongoing basis, Entercom's compliance with the Entercom Standards of Conduct and all procedures and systems designed to ensure Entercom's compliance with this Judgment.
  - E. Reporting, on a quarterly basis, to the General Counsel of Entercom regarding the status of Entercom's compliance with the Standards of Conduct.
- XII. Annual Reports to the Board of Directors and the Attorney General: The Compliance Officer shall submit annual reports to the Board of Directors of Entercom Communications Corporation and the Attorney General concerning Entercom's compliance with this Judgment and with the Standards of Conduct for a period of 5 years from the entry of this Judgment.
- XIII. Implementation Report: Entercom shall provide a written report, within 120 days of the entry of this Judgment, to the Attorney General that details Entercom's implementation of the terms of this Judgment.

#### TERM

- XIV. The term of this Judgment shall be 5 years, except as to any prohibition on the undisclosed exchange of airplay for consideration, as to which the Judgment shall not terminate, unless there is a material change in state or federal law relating to such conduct

after 5 years from the entry of this Judgment.

### COOPERATION WITH THE ATTORNEY GENERAL

XV. Entercom shall fully and promptly cooperate with the OAG with regard to the investigation, and related proceedings and actions, of any person, corporation or entity, including but not limited to Entercom's current and former employees, concerning the music and broadcasting industries. Entercom shall use its best efforts to ensure that all of its officers, directors, employees, and agents also fully and promptly cooperate with the OAG in its investigation and related proceedings and actions. Cooperation shall include without limitation: (1) production voluntarily and without service of subpoena of any information and all documents or other tangible evidence reasonably requested by the OAG, and any compilations or summaries of information or data that the OAG reasonably requests be prepared; (2) without the necessity of a subpoena, having Entercom's officers, directors, employees and agents attend any proceedings ("proceedings" include but are not limited to any meeting, interview, deposition, hearing, grand jury hearing, trial or other proceedings); (3) fully, fairly and truthfully disclosing all information and producing all records and other evidence in its possession relevant to all inquiries reasonably made by the OAG concerning any fraudulent or criminal conduct whatsoever about which it has any knowledge or information; and (4) in the event any document is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by Entercom indicating: (a) the type of document; (b) the date of the document; (c) the author and recipient of the document; (d) the general subject matter of the document; (e) the reason for withholding the document; and (f) the Bates number or range of the withheld document. The OAG may challenge such claim in any forum of its choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which has been described by

Entercom, its officers, directors, employees, or agents. Nothing herein shall prevent Entercom from providing such evidence to other regulators, or as otherwise required by law.

## RETENTION OF JURISDICTION

XVI. This Court shall retain jurisdiction over this action and the parties for the purpose of enabling any party to apply to this Court for such further orders and directions as may be necessary or appropriate to carry out or construe this Judgment, to modify or terminate any of the provisions of this Judgment for good cause shown, and to enforce compliance with and to punish any violations of this Judgment.

## DISCOVERY MATERIALS

XVII. Within 30 days of entry of this Judgment, Entercom shall destroy all discovery materials it has received from the OAG that were produced to the OAG by non-parties, including, but not limited to Warner Music Group Corp., UMG Recording, Inc., and SONY BMG Music Entertainment. Such material shall include all electronic information and all transcripts of witnesses not employed by Entercom. At that time, Entercom shall provide the OAG with a certification setting forth the steps it has taken to locate and destroy these materials. The letter agreement between the OAG and Entercom dated June 14, 2006, and appended as Exhibit A, shall remain in effect.

## OTHER MATTERS

- XVIII. Nothing in this Judgment is intended: (a) to confer upon any person not a party to this action any rights or remedies whatsoever; or (b) to release, waive, or otherwise prejudice any claim by any person not a party to this action.
- XIX. The Defendants were properly served with a copy of the summons and verified complaint in this action within the State of New York, and consent to the jurisdiction of this Court, and waive any jurisdictional impediment.
- XX. This Judgment shall be binding upon and extend to Entercom, its employees, directors, officers, principals, divisions, subsidiaries, successors, joint ventures or representatives,

or any other person or entity whose acts, practices or policies with respect to radio are directed or controlled by Entercom.

XXI. Unless otherwise provided, all notices as required by this Judgment shall be provided as follows:

Terryl Brown Clemons, Assistant Deputy Attorney General  
New York State Attorney General's Office  
Division of Public Advocacy  
120 Broadway - 25<sup>th</sup> Floor  
New York, New York 10271  
tel. (212) 416-6155  
fax. (212) 416-8068

In any application or in any such action, facsimile transmission of a copy of any papers to current counsel for Entercom shall be good and sufficient service on Entercom unless Entercom designates, in a writing to the NYAG, another person to receive service by facsimile transmission.

XXII. This Judgment shall be governed by the laws of the State of New York without regard to conflict of laws principles.

XXIII. Nothing contained in this Judgment shall be construed to alter or enhance any existing legal rights of any consumer or to deprive any person or entity of any existing private right under the law. Nothing in this Judgment shall in any way affect, restrict, or otherwise govern any rights of recourse Entercom may have or seek to assert against any third party.

**FILED**

DEC 21 2006

COUNTY CLERK'S OFFICE  
NEW YORK

Judgment entered this 21<sup>st</sup>  
day of December, 2006

  
Hon. Ira Gammerman JH

12/19/06

**IRA GAMMERMANN**

13

  
CLERK

**CONSENT**

All parties to this action, as undersigned, hereby consent to the making and entry, without further notice, of the foregoing Judgment.

**PLAINTIFFS**

PEOPLE OF THE STATE OF NEW YORK  
By ELIOT SPITZER, Attorney General  
of the State of New York

**DEFENDANTS**

ENTERCOM COMMUNICATIONS  
CORP., ENTERCOM RADIO, LLC,  
ENTERCOM NEW YORK, INC.,  
ENTERCOM BUFFALO, LLC,  
ENTERCOM BUFFALO LICENSE,  
LLC, ENTERCOM ROCHESTER,  
LLC, and ENTERCOM ROCHESTER  
LICENSE, LLC

By: Terryl Brown Clemons  
TERRYL BROWN CLEMONS  
Assistant Deputy Attorney General  
Public Advocacy Division  
120 Broadway  
New York, New York 10271  
(212) 416-6155  
COUNSEL FOR PLAINTIFFS

By: David Brodsky  
DAVID BRODSKY, ESQ.  
LATHAM & WATKINS, LLP  
885 Third Avenue, Suite 1000  
New York, NY 10022  
(212) 906-1200  
COUNSEL FOR DEFENDANTS



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL  
AGENCY BUILDING 2  
NINTH FLOOR  
ALBANY, NEW YORK 12223  
(518) 486-9730

DIVISION OF  
PUBLIC ADVOCACY

ELIOT SPITZER  
ATTORNEY GENERAL

June 14, 2006

**BY FAX**

Jeff Hammel, Esq.  
Latham & Watkins, LLP  
885 Third Avenue, Suite 1000  
New York, NY 10022-4834

Re: *People of the State of New York v. Entercom Comm Corp., et al.*

Dear Jeff:

This letter sets forth our understandings concerning the confidential treatment of documents to be produced by the Attorney General in the above-captioned litigation.

While this letter agreement remains in force:

- 1) Entercom will restrict the distribution of any documents (or information contained therein) created or produced by third parties, or which contain information provided by third parties or their employees, solely to Entercom's counsel (including any experts or consultants retained to assist counsel in this litigation), to be used only for the purpose of representing Entercom in this litigation.
- 2) The New York Attorney General and Entercom shall enter into negotiations directed at promptly and in good faith agreeing upon a protective order governing the treatment of any confidential documents or information produced in this litigation. The NYAG shall commence production of documents produced to it by third parties notwithstanding the absence of such an order.
- 3) If negotiations do not lead to an agreed-upon protective order to be submitted to the court, either or both parties may seek the court's assistance in resolving the confidentiality issues.

FROM LATHAM & WATKINS LLP (2:2) 751-4864 (TEU) 6.15.06 8:51 ST. 8:50 NO. 4861942055 P 2

Jeff Hammel, Esq.

-2-

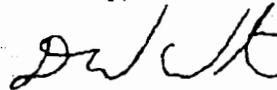
June 14, 2006

Nothing in this letter shall bind any party to take any position in regard to the terms of such an order.

4) Nothing in this letter shall impede Entercom's counsel's ability to provide information about Entercom to its client, solely as necessary for rendering legal advice.

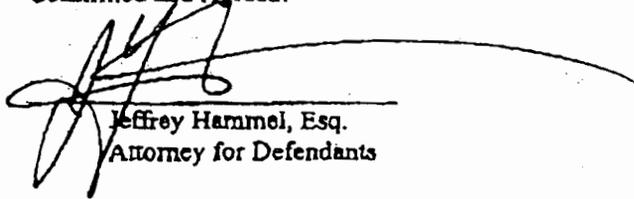
This agreement shall terminate upon any of the following. 1) the consent of both parties; 2) the entry of a protective order in this litigation; or 3) order of the Court.

Sincerely,



David Weinstein

Confirmed and Agreed:



Jeffrey Hammel, Esq.  
Attorney for Defendants

**FILED**

DEC 21 2006

AT 2:35 P.M.  
N.Y., CO. CLK'S OFFICE

FILE NO. 2010002206

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK  
BY ELIOT SPITZER, Attorney General of  
the State of New York,

Plaintiffs,

—against—

ENTERCOM COMMUNICATIONS CORP.,  
ENTERCOM RADIO, LLC, ENTERCOM NEW YORK,  
INC., ENTERCOM BUFFALO, LLC, ENTERCOM  
BUFFALO LICENSE, LLC, ENTERCOM ROCHESTER  
LLC, AND ENTERCOM ROCHESTER LICENSE, LLC

Defendants

**CONSENT JUDGMENT**

ELIOT SPITZER,  
Attorney General  
PUBLIC ADVOCACY  
Office and P. O. Address:  
120 Broadway, New York, NY 10271  
Tel. (212) 416-6155