UNITED STATES OF AMERICA

FEDERAL TRADE COMMISSION

WASHINGTON. D.C. 20580

Bureau of Competition
Mark D. Whitener
Deputy Director

Peter Jones, President
BMG Distribution
1540 Broadway
New York, NY 10036-4098

Re: Prerecorded Music Distributing Industry
FTC File No, 931-0100

Dear Mr. Jones:

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The Commission has conducted an investigation involving BMG Distribution to
determine whether members of the pre-recorded music distributing industry may be engaging or may have engaged in any unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U,S,C, § 45, as amended, and the Robinson-Patman Act, 15 U,S.C. § 13, as amended, by flxing prices or by limiting, engaging in concerted activities to limit, or engaging in conduct to facilitate concerted activities to limit the availability of cooperative advertising or promotional funds, allowances, services, or facilities to retailers who distribute used compact discs or advertise prices of compact discs below specified levels.

Upon further review of this matter, it now appears that no further action is warranted
by the Commission at this time. Accordingly, the investigation has been closed, This action is not to be construed as a determination that a violation may not just as the
pendency of an investigation should not be construed as a determination that a violation has The Commi as the public interest
may require.

cc: Robert E, Bloch, Esq,
Mayer, Brown & Platt
2000 Pennsylvania