June 23,2010

75201-6911

Re: Wal-Mart Stores, Inc., FTC File No. 092-3003

Dear Mr. Royall:

As you know, the staff of the Federal Trade Commission has conducted an investigation into whether Wal-Mart Stores, Inc. ("Walmart") violated Section 5 of the Federal Trade 64 Tc 43.64 434.2307 U.S.C. § 45. The investigation concerned Walmart's announcement in September 2008 that it would discontinue digital rights management ("DRM") support for downloadable digital copies of musical sound recordings ("Music Files") sold via its online Walmart.com Digital Music Service (the "Service").

From approximately March 2004 through February 2008, Walmart represented to prospective customers that they could use the Service to "buy" or "purchase" Music Files. Consumers can use the Music Files on Windows-based computers running the Service's "download manager" program and compatible music player programs, but only in ways permitted by the Service's DRM system. The Music Files can be copied to and used on only those computers that have been authorized via the Service's DRM license servers. If copied from authorized computers, the Music Files can be played on an unlimited number of compatible portable devices and "burned" a limited number of times to compact discs ("CDs") formatted for audio playback in an unprotected, uncompressed format. Among other things, the DRM system limits to three at one time the total number of computers consumers can use to play a Music File, bum audio CDs, or copy it to portable devices.

On September 26,2008, Walmart announced that, effective October 9,2008, it would terminate DRM license support for the Music Files. An email to Music File purchasers bearing the subject line "Important Information About Your Walmart.com Digital Music Purchases," stated, *inter alia:* "As the final stage of our transition to a full DRM-free MP3 download store, Walmart will be shutting down our digital rights management system that supports protected songs and albums purchased from our site." It added: "If you do not back up your files [by burning them to recordable audio CDs] before [October 9,2008], you will no