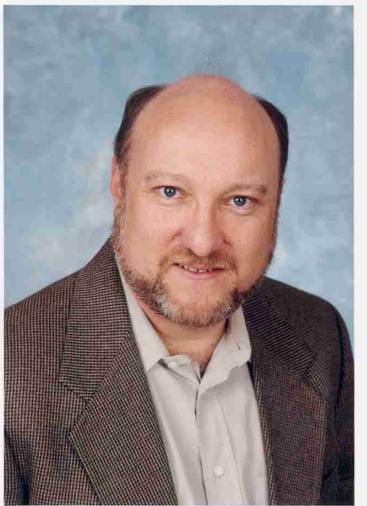


**The Largest Independent Provider of Production Music in the U.S. and with a Reputation for Quality and Reliability, Megatrax Production Music Provides Clients Hassle-Free Licensing of Exclusive, Quality Music**

**Technology  
Production Music**

**Megatrax Production Music, Inc.**  
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**Ron Mendelsohn**  
CEO

**BIO:**

Ron Mendelsohn is co-founder and CEO of Megatrax, a leading independent production music library and custom music house based in Los Angeles. Established in 1990, Megatrax has earned a reputation worldwide for high quality music coupled with unparalleled service and innovation. In addition to managing business operations at Megatrax, Ron is also an accomplished pianist and composer who has composed hundreds of cues for the Megatrax library and scored numerous film/TV projects ranging from promos to feature films. Ron is a founding member of the Pro-

duction Music Association and has served on the PMA board since its inception. Ron is also a member of numerous other professional organizations including the Society of Composers and Lyricists, Vistage and ASCAP.

**About**

**Megatrax Production Music, Inc.**

Megatrax is the leading independent production music source. We were founded by composers and are still run by composers. Our music has been featured in thousands of feature films, trailers, television shows, commercials, promos, multimedia, and new media productions... everything from The Office, to True Blood and CSI: Miami, from Alice in Wonderland and Inception, to Toy Story 3D and The Girl With The Dragon Tattoo. Despite big credits, we stand out from the corporate "big guys" by being independent. This independence allows us to be flexible and creative enough to deliver fresh, highest quality music and unparalleled personalized customer service. With twelve exclusive premium catalogs and counting, Megatrax has the perfect track for your every music need...or we'll create it for you with our Aircast Custom Music division. For over twenty years Megatrax has been the top choice of major broadcast networks and Hollywood studios ...Megatrax truly is "The Sound Of Entertainment®!"

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Mendelsohn, would you tell us about Megatrax Production Music?

**Mr. Mendelsohn:** Megatrax is the largest independent provider of production music in the United States. We provide music for our clients in media such as film, television, post-production and Internet.

**CEOCFO:** Would you tell us about the market in general and the competitive landscape?

**Mr. Mendelsohn:** This is a market has been evolving quite a bit. The production music industry dates back to the middle of the 20<sup>th</sup> century when music was available on vinyl LPs. Clients used to license it by dropping a needle onto the LP and from that comes the term "needle drop," which is still a term that is used today to mean licensing of one track of music. We started the company in the early 90s when CDs were the new big thing. Now we are in the digital age and we no longer press CDs; all of our music is available digitally and online. Due to the digitization of the entire industry and the Internet, it has opened up the business to many competitors of every size and shape offering all kinds of music and business models.

**CEOCFO:** Does everyone know about Megatrax Production Music and why are they choosing you as opposed to other sources?

**Mr. Mendelsohn:** Everyone does know about us, certainly in the U.S. because we have been around for 22 years including many parts of the world, such as Europe, Australia and Japan where we have also been distributed for over 20 years. As for why they would choose us, that is a question we often ask our clientele because we want to know the answer to that as well when there are so many

choices out there in the marketplace. The answer that usually comes back is that we have great quality music, we are a reputable company and we have great people and great service. Although that may sound somewhat trite, this is the answer that comes back and we believe we provide a high level of service. This is a company that is still run by the initial founding composer so we certainly still care about the music and the quality of the music.

**CEOCFO:** Will you go through some of the scenarios of how Megatrax Production Music works with customers?

**Mr. Mendelsohn:** There are two basic types of customers. First are the needle drop customers who are just licensing one track at a time for a specific project, such as a film or a TV show. We also work with broadcasters and we offer annual subscriptions. They would pay us a fee and can use as much music as they want for their productions. In order to find music, once our clients register with us they will go to our website. We have a full, proprietary music search and delivery system. They can easily cull through all the tracks and download them from our website. We also make the libraries available on our hard drive systems.

**CEOCFO:** What is new in the industry?

**Mr. Mendelsohn:** That is a good question. What is new in the industry is more in terms of the kinds of business models that are out there these days. One of the things that we found springing up is something called aggregators. Aggregators have sprung up since the dawn of the Internet in every industry, from travel, airlines, hotels to insurance where clients can go to one website, choose from a multitude of different companies and compare prices and features. That has also sprung up to some extent in our industry. There have been dozens of aggregators who have tried to come on the scene and leverage our content and the content of our competitors to create one aggregated site.

They have their challenges as well. Since all of our search methodologies are proprietary, there is no standard system for searching for music. There is no standard for music search between all of these various companies in the marketplace. The aggregators have had their challenges but they are still in the market and are still trying to aggregate everyone's content onto one centralized site.

**CEOCFO:** How does Megatrax Production Music know what music or technological trends to focus on when there are constant changes in scenario?

**Mr. Mendelsohn:** We have stayed in close contact with our clients; we try to understand their workflow and ways to speed up the music search and delivery process in any way possible.

**“We have done well and the reason for that is because we have a reputation for quality and reliability. Clients want hassle free licensing of quality music and that is the reputation we have in the market... It is important for clients to know where their music is coming from and that their music is properly cleared to avoid any kind of hassles and legal liabilities down the road. That is something we offer; all of our music is 100% exclusive to us.”**

**- Ron Mendelsohn**

Many of our ideas and improvements come from our clients, such as ways we can improve our website and search system. We are always on the lookout for new technologies and vendors that can help us get the right track to the client as quickly as possible. Our ultimate mission is saving them time and hassle in searching in every way that we can. In terms of the music style, that is relatively simple. To anyone working in the music industry it is obvious what the current trends are and production music tends to closely follow the trends on the top charts and pop culture. In that area, we are more focused on trying to reduce our turnaround time and when a new style hits the market, to try and turn that around quickly and get it in the hands of our clients.

**CEOCFO:** Does Megatrax Production Music do much custom work?

**Mr. Mendelsohn:** We have a custom scoring division, which is branded as Aircast. We consider that to be a differentiator for us since many of our competitors do not have a custom division. We also maintain full recording studios on our premises, which is also a rarity these days. It makes us more of a one stop shop; clients can turn to us for licensing production music and they know we can also handle any custom scoring that they need, whether a theme, IB, logo, news package, promo or trailer. We can handle the full gamut of custom scoring.

**CEOCFO:** How is business these days?

**Mr. Mendelsohn:** We are doing well. It is such a fast changing and evolving industry these days with so many

new players coming up on the Internet and so many people peddling music. We have done well and the reason for that is because we have a reputation for quality and reliability. Clients want hassle free licensing of quality music and that is the reputation we have in the market. Many of the new players popping up on the Internet are an unknown—who knows where the music comes from, who knows if

they have done their due diligence in properly clearing the content and making sure the music is not going to infringe on any existing copyrights. That is why we have done well and will continue to do well; we have a reputation for quality and reliability.

**CEOCFO:** What has surprised you most as Megatrax Production Music has grown and developed over the years?

**Mr. Mendelsohn:** On a broad perspective, what surprised me was how much more important technology becomes in this industry every year. When we started out it was all about gathering great musicians together and producing great music on a CD and giving it to clients. These days, that is not nearly enough. It is all about the technology and our search and delivery systems. In many ways, we have become totally reliant upon

technology and making sure we always maintain the edge in technology. Taking this very broad 20 to 25 year view, that is what surprised me the most.

**CEO CFO:** What makes Megatrax Production Music an exceptional company to investors and people in the business community?

**Mr. Mendelsohn:** People and investors should pay attention to what is happening in the production music space in general since there are increasing licensing opportunities in music with all the multiplicity of media and different platforms. Years ago, music licensing was limited to TV, radio, film and corporate video and that was the end of it. There are so many opportunities out there now for music licensing—smart phone and web-based productions, podcasts and all the new platforms that are evolving right now. It is important to pay attention to this sector because there are so many great new opportunities com-

ing on to the scene. Within that sector, people should pay attention to us because we are one of the outstanding, independent companies in the states. Most of our competitors have been acquired by major publishers or other corporate entities and have been absorbed into much larger corporate structures. They are not in the market any more, at least not as a small business. We still are. We have grown over the last 20 years through all these changes in the marketplace and technology and are still independent and growing. That we are one of the remaining independent players and also the largest independent player in the U.S. makes us attractive. The fact that we have a worldwide reputation for quality music and service and the fact that we have our own proprietary search system, which we have built and developed, are also important assets for us. We also have a very strong foothold in Latin America—we are the number one production music provider there

and it is a fast growing area for us along with a number important differentiator.

**CEO CFO:** Final thoughts?

**Mr. Mendelsohn:** There are many competitors on the scene now with many different business models but not all companies are alike. Many companies are offering music on a non-exclusive basis. There are also many companies that are simply brokering preexisting content and serving as a middleman. It is important for clients to know where their music is coming from and that their music is properly cleared to avoid any kind of hassles and legal liabilities down the road. That is something we offer; all of our music is 100% exclusive to us. It is not available anywhere else. It is all new, original, commissioned music. We are not a broker and we are not simply peddling preexisting or non-exclusive content. That is an important differentiation.

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