

July 1, 2009

Dear Participating Musician/Beneficiary,

This past year has been an amazing year for the Fund. Despite the nation's deepening economic crisis, the continued flattening or decline of motion picture home video sales, and the on-going effects of motion picture piracy, **the Fund ended its fiscal year with a record high of nearly \$87 million in contributions.**

As previously reported by the Fund, this is the result of several factors, including the increasing number of pictures scored under the AFM Motion Picture agreement, which is especially significant in the area of low budget and independent films, as well as the fact that the Fund's staff has been especially diligent in ensuring the full compliance under the Motion Picture and Television agreement(s), while continuing to refine our internal operations to achieve greater efficiency and service to Participants. For more information, see the FMSMF White Paper available online at:

<http://www.fmsmf.org/WhitePaperGB2252009.pdf>

**Online Access:**

The website at [www.fmsmf.org](http://www.fmsmf.org) continues to provide additional benefits. Information such as paid films, obligated films, Fund financials and other materials is available to both Participants and the Industry. If you haven't signed up, please visit the site and register for "Private Area" access. Participants who have signed up for "Private Area Access" can use the online service to view and print their annual statements and make changes to their personal account information. Those U.S. Participants with Private Area access also may sign up for Direct Deposit which is a secure and efficient way to ensure your funds get to you. Participants with both Private Area access and Direct Deposit may choose our "Go Paperless," option which will enable you to get **all** of your annual information (except W-2 Forms) **electronically**. It's faster and more secure, with a cost savings to the Fund and the Participants. For more information, please visit the website or call the Participant Services Hotline at (888)-443-6763 for assistance.

Thank you for your continued input as it helps the staff know what activities to pursue on your behalf.

Please take a look at the Financial Summary on page 2 for an overview of the Fund's performance.

## Un-Audited Summary of Financial Activities

		<b>Fiscal Year Ended</b>	<b>Fiscal Year Ended</b>
		<b>3/31/2009</b>	<b>3/31/2008</b>
Collected Contributions		\$86,521,371	\$82,252,159
Internal Processing Adjustments		<u>(708,637)</u>	<u>(1,369,244)</u>
Contribution available for distribution		\$85,812,734	\$80,882,915
Interest earned		2,153,468	3,234,066
Prior year's unclaimed distributions		<u>1,502,897</u>	<u>1,685,299</u>
Subtotal		\$89,469,099	\$85,802,280
Cash expenditures	*	<u>(\$5,489,722)</u>	<u>(\$6,739,203)</u>
Estimated Employer's share of payroll taxes		<u>(6,200,000)</u>	<u>(6,000,000)</u>
Reserve for omissions	**	<u>(800,000)</u>	<u>(244,550)</u>
		<u>(12,489,722)</u>	<u>(12,983,753)</u>
Distribution amount		\$76,979,377	\$72,818,527

Note:\* Included here is the total of \$939,306 payment of prior years' unclaimed distribution. \*\* New beginning balance of \$800,000 set for omissions this year-Sept. 2009.

### **Enclosed in this mailing you will find:**

- A check (or Direct Deposit voucher) for your portion of the annual disbursement.
- Your individual Participant's Statement.
- The "Motion Picture Master List" to cross-check your statement against all motion pictures paying into the Fund during this fiscal year period (April 1, 2008–March 31, 2009).
- An "Inquiry Form" and a Postage-Paid return envelope to report any new or previously unreported film related inquiries or other changes you would like the Fund to be aware of.
- **Again this year, we are also enclosing a "Direct Deposit Enrollment Form."**
- A W4 Tax form which you may use to update your tax profile / filing status.

Please note that the enclosed check is valid for a period of **90 days** from the date of issue and cannot be cashed beyond that time.

The Fund is here to serve you. Please feel free to contact us directly at (818) 755-7777, and ask for the Participant Services Department. You may also access the Fund's Web site at [www.fmsmf.org](http://www.fmsmf.org), which we encourage you to explore and utilize. We welcome your suggestions.

Wishing you continued success.

Sincerely,

*Dennis Dreith*

Fund Administrator