

Royalty Audit and Compliance Programs Prevent Substantial Losses

Did You Know?

In our survey of 500 Companies, XYZ found that:

- 50% of CEOs said their property had been pirated.
- 15% conduct yearly royalty audits.
- 71% never conduct royalty audits.

Among those that conduct regular royalty audits, 25% find major discrepancies—large enough to make litigation worthwhile.

Typical Royalty Problems Impact Your Bottom Line

If you own a product or an idea, granting use by a licensing or royalty agreement often brings with it a strong risk of underpayment or lack of contract compliance, which directly impacts your bottom line.

Royalty theft takes a variety of forms. You may face out-and-out fraudulent withholding of royalties, either by a “back and forth” manipulation of the numbers, or a bold-

faced misstatement of sales or use. More frequently though, you’ll find honest errors and misinterpretations. A clerk makes a data entry or addition mistake.

Junior representatives, who’ve never even read your contract, may be responsible for complex reporting.

Or, perhaps your foreign partners simply interpret the agreement’s terms

and conditions differently.

XYZ’s royalty audit and compliance programs are uniquely and specifically designed so you can be confident that you’re receiving the compensation you rightfully deserve.

Not only will we help you recover past losses, we’ll develop a sound compliance program to prevent future errors or fraud.

Sound Protection for Individuals and Companies

Royalty agreements are fraught with potential hazards for individuals and companies alike.

For Individuals

Without a clear understanding of royalty issues and laws, creative souls, their families, and future generations may lose substantial sums over the life of a contract due to the complexity of issues at hand.

From payment frequency and accounting methods, to arcane language and specialty clauses, you or

your loved ones may unknowingly sign away your right to present and future compensation.

For Companies

Companies, especially large organizations, often face the task of tracking and reviewing anywhere from one to hundreds of individual licensing agreements.

Do you know which agreements are producing, and which are not? Are you being underpaid? Are foreign earnings being reported

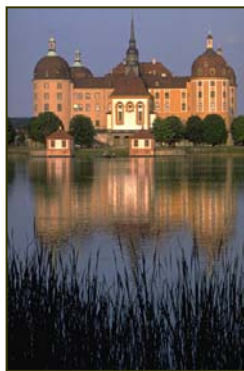
from all countries, and at proper rates? Are sub-licensing agreements involved, which add fuel to the royalty fire?

Get Sound Protection

Leverage XYZ’s more than three decades of Forensic Accounting and Royalty Compliance experience to stop royalty losses today, and to prevent additional losses tomorrow.



“To be fruitful in invention, it is indispensable to have a habit of observation and reflection.”
 Abraham Lincoln



Royalty Issues in an Electronic World

Protecting your intellectual property in today’s electronic world makes already complex royalty issues more difficult than ever before.

If you’re a creative individual, you may find your work online—either stolen, with another’s name attached, or without compensation.

Perhaps you sold particular offline rights that

did not include the Internet, but the purchaser expanded their use and posted your creative materials online.

As a company CEO or other top-level official, you may find that your goods or services are being sold in numerous online venues—none of which were part of your original licensing agreements.

Your affiliates may

introduce sub-affiliates, who in turn introduce fourth parties—all of whom generate revenues that are rightfully yours.

XYZ recommends that you consult with an intellectual property specialist and update past royalty agreements to account for additional sales and use venues online.

Pre- or Post-Agreement, XYZ Makes Royalties Right

Whether you’re in negotiations and preparing to forge ahead with a new licensing or royalty agreement, or if you’d like a review past contracts, count on XYZ to make sure your compensation is truthful and fair.

From consultation during negotiations and establishing compliance-promoting programs, to

identifying and documenting royalty underpayments, XYZ is the name you can trust.

Our Royalty Compliance Auditors are known throughout the industry for their high recovery success rate. And, with offices and affiliates around the globe we’re poised to help you monitor against future royalty losses, and to recover

past income, anywhere in the world.

Lawyers spot ambiguities and legal wording gaffes, but their hands are tied when it comes to the fair reporting of your royalty and licensing income.

The Next Step

Call XYZ today. Our team of Royalty Compliance experts, with experience across a wide variety of industries, will put its forensic accounting, legal and real world royalty experience to work for you. We’ll tailor your plan

by choosing the appropriate elements from our proven Royalty Compliance program, which includes the following elements:

1. A detailed assessment of active agreements, including contract

wording, to ensure that you’re getting what’s due.

2. Proactively create a compliance system to monitor future income.
3. Help you quantify and begin the process of recovering lost revenues.