

COLUMBIA BROADCASTING SYSTEM, INC.

485 Madison Avenue, New York 22, New York - MA 22 2345

June 14, 1955

The American Tobacco Company
c/o Mr. Herminio Travassos
Batten, Barton, Durstine & Osborn, Inc.
383 Madison Avenue
New York, New York

Re: JACK BENNY

Gentlemen:

We refer to the agreement dated June 30, 1954 between Columbia Broadcasting System, Inc. and The American Tobacco Company, covering the furnishing of the JACK BENNY radio series during the season of 1954-55, and more particularly to subparagraph (c) of paragraph 14 of that agreement.

This is to report that the average cost per broadcast was \$14,277.97. Since the "Split Figure" is \$14,219.00, there is no amount payable by us to you under subparagraph (c) of paragraph 14.

This conclusion is based upon the following figures:

(1) The "Split Figure" was computed as follows:

(i) The number of new programs broadcast (23)
was multiplied by

(A) \$7,004.38 (23 x \$7,004.38 = \$161,100.74) .. \$161,100.74

(B) \$4,913.00 (13 x \$4,913.00 = \$112,999.00) .. 112,999.00

(C) \$6,000.00 (23 x \$6,000.00 = \$138,000.00) .. 138,000.00

(ii) The number of Replays broadcast (12) was
multiplied by the total of

(A) \$217.44 (12 x \$217.44 = \$2,609.28) 2,609.28

(B) \$4,913.00 (12 x \$4,913.00 = \$58,956.00) ... 58,956.00

(C) \$2,000.00 (12 x \$2,000.00 = \$24,000.00) ... 24,000.00

TOTAL \$97,665.02

One thirty-fourth of \$97,665.02 (the "Split Figure") .. \$ 14,219.00

June 14, 1955

- (2) The costs of the JACK BENNY radio shows were as follows:

Weekly program costs (see schedule attached).....	\$329,284.04
Taping and editing charges (recorded separately since January 1, 1955).....	3,488.15
Sound effect charges (recorded separately since January 1, 1955).....	2,212.50
Office expenses.....	<u>2,744.50</u>
TOTAL.....	<u>\$337,729.19</u>

- (3) The average cost per broadcast was computed as follows:

(i) Aggregate cost to CBS for supplying the new programs and Replays.....	\$337,729.19
(ii) \$6,000.00 x 23, the number of new programs.....	138,000.00
(iii) \$2,000.00 x 12, the number of Replays.....	<u>24,000.00</u>
TOTAL.....	<u>\$499,729.19</u>

Average cost per show
(one thirty-fifth of \$499,729.19)..... \$ 14,277.97

Yours very truly,

COLUMBIA BROADCASTING SYSTEM, INC.

By _____

JACK HENRY RADIO SHOW

Weekly Program Costs
1954-55 Season

September 26, 1954	\$ 12,737.44
October 3, 1954	11,858.21
October 10, 1954	5,930.42
October 17, 1954	5,148.04
October 24, 1954	12,091.44
October 31, 1954	11,700.17
November 7, 1954	5,433.74
November 14, 1954	13,397.92
November 21, 1954	12,116.77
November 28, 1954	11,732.06
December 5, 1954	11,033.90
December 12, 1954	4,944.11
December 19, 1954	4,586.61
December 26, 1954	11,286.62
January 2, 1955	11,337.22
January 9, 1955	11,280.43
January 16, 1955	11,051.32
January 23, 1955	4,957.48
January 30, 1955	10,397.85
February 6, 1955	5,050.36
February 13, 1955	12,139.84
February 20, 1955	5,646.91
February 27, 1955	12,032.82
March 6, 1955	13,002.57
March 13, 1955	5,017.86
March 20, 1955	10,527.27
March 27, 1955	4,717.86
April 3, 1955	11,212.82
April 10, 1955	5,341.86
April 17, 1955	10,217.27
April 24, 1955	10,912.82
May 1, 1955	11,452.21
May 8, 1955	5,057.86
May 15, 1955	11,900.72
May 22, 1955	11,990.44

TOTAL.....\$ 329,264.04

HARLAN DUNNING FROM HICKEY MARKS 12/14

JACK BENNY HAS GIVEN HIS APPROVAL REGARDING THE 1955 RED CROSS PROGRAM.
I HAVE CONTACTED LOU GRAFF, THE RED CROSS REPRESENTATIVE. HE HAS
SEVERAL PROGRAMS TO CHOOSE FROM AND I WILL LET YOU KNOW EXACTLY WHAT
SHOWS HE HAS TAKEN TO USE. THIS WAS NOT DECIDED ON UNTIL THIS MORNING.
THAT IS THE REASON FOR THE DELAY. REGARDS.



CABLE ADDRESS:
TOWERSATAN

The American Tobacco Company
INCORPORATED
111 Fifth Avenue
New York 3, N.Y.

December 14, 1954

Memorandum to

Mr. Harlan J. Dunning
B.B.D.O.

SUBJECT: American National Red Cross Drive

As you know we are awaiting the clearance in writing from Jack Benny covering his authorization to permit the American National Red Cross to use a 15-minute record of excerpts from various Jack Benny radio programs. Heretofore this authorization has usually been provided by Hilliard Marks. You were to query Hickey on this and I would like to know the current status.

To complete your files I am returning three copies of a letter from CBS countersigned by Mr. Stevens indicating that we granted permission to the Red Cross.

Attachment

F. X. Towers
Advertising Department

cc: Miss M. V. Timlen ✓

CBS RADIO

A Division of Columbia Broadcasting System, Inc.

485 MADISON AVENUE, NEW YORK 22, NEW YORK • PLAZA 1-2345

December 3, 1954

The American Tobacco Company
111 Fifth Avenue
New York, New York

Gentlemen:

We have received a request from The American National Red Cross for permission to dub excerpts from off-the-air recordings of the Jack Benny radio program and to edit these dubbings into a fifteen-minute transcribed program for local station placement by Red Cross chapters during their 1955 campaign this coming March.

The letter from the Red Cross indicated that you approved this proposal in a reply, dated October 28, 1954, signed by Mr. A. R. Stevens.

It will be appreciated if you will confirm the fact that you consent to this use by signing and returning the original of this letter.

Very truly yours,

CBS RADIO, a Division of
Columbia Broadcasting System, Inc.

By *Henry Howard*

Consented to:

THE AMERICAN TOBACCO COMPANY

By *A. R. Stevens*



CABLE ADDRESS
POWHATTAN

The American Tobacco Company
INCORPORATED
111 Fifth Avenue
New York 3, N.Y.

October 28, 1954

Mr. Edwin H. Powers, Director
Office of Public Information
The American National Red Cross
National Headquarters
Washington 13, D.C.

Dear Mr. Powers:

In answer to your letter of October 25, 1954, we are happy to grant our permission for the dubbing of excerpts from off-the-air recordings of THE JACK BENNY PROGRAM into a 15-minute transcribed program subject to the following conditions:

1. That the program shall be used only by The American National Red Cross and only during its campaign in 1955;
2. That it shall be broadcast only on local stations and not more than once in any area;
3. That said transcribed program shall not be broadcast at a time which would conflict with the broadcast of any program sponsored by us or our subsidiaries or affiliates;
4. That you shall secure any necessary consents from Producer, Jack Benny and unions having jurisdiction over persons and material used on the show, also clearances from the owners of copyrights on any music included in the show; and
5. That you shall secure the consent of Columbia Broadcasting System, Inc., which consent is required by a contract between that company and ourselves.

Mr. Edwin H. Powers, Director

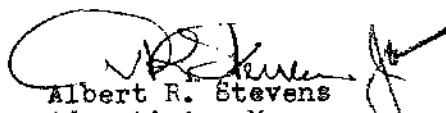
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October 28, 1954

With best wishes for the success of your campaign.

Sincerely,

THE AMERICAN TOBACCO COMPANY


Albert R. Stevens
Advertising Manager



THE AMERICAN NATIONAL RED CROSS

NATIONAL HEADQUARTERS
WASHINGTON 13, D. C.

October 25, 1954

Mr. A. R. Stevens
Advertising Manager
The American Tobacco Company
111 5th Avenue
New York 3, New York

Dear Mr. Stevens:

I am sure you will recall that last year the American Tobacco Company very generously favored us with permission to produce a special 11:30 platter of the JACK BENNY SHOW in behalf of our annual campaign. May we have your accord for a similar platter for the 1955 American Red Cross Campaign for Members and Funds?

The transcription would be produced by our Hollywood Red Cross representative, Mr. Louis Graf, by dubbing excerpts from off-the-air recordings of the JACK BENNY program, with an insert of the Red Cross message especially recorded by Mr. Benny. Pressings would be made available to our chapters for broadcast by radio stations on local public service time during the month of March, with the following stipulations:

1. That the program shall be used only by the American National Red Cross and only during its campaign in 1955;
2. That it shall be broadcast only on local stations and not more than once in any area;
3. That said transcribed program shall not be broadcast at a time which would conflict with the broadcast of any program sponsored by the American Tobacco Company or its subsidiaries or affiliates;
4. That the American National Red Cross shall secure any necessary consents from the producer, Jack Benny and unions having jurisdiction over persons and material used on the show, also clearances from owners of copyrights on any music included in the show; and

5. That the American National Red Cross shall secure the consent of the Columbia Broadcasting System, Inc., which consent is required by a contract between that company and the American Tobacco Company.

We earnestly hope that you will once again grant our request.

Sincerely,



Edwin H. Powers
Director
Office of Public Information

THIS AGREEMENT, made and entered into at New York, New York, this 30th day of June, 1954, by and between COLUMBIA BROADCASTING SYSTEM, INC., a New York corporation having its principal place of business at 485 Madison Avenue, New York 22, New York (hereinafter called "CBS"), and THE AMERICAN TOBACCO COMPANY, a New Jersey corporation having a place of business at 111 Fifth Avenue, New York, New York (hereinafter called "Sponsor"),

W I T N E S S E T H:

1. Sponsor is desirous of having CBS furnish (a) a package radio program (hereinafter called the "program") of a format and quality comparable to the format and quality of the programs heretofore presented by the Sponsor entitled THE JACK BENNY PROGRAM and composed of the elements hereinafter set forth, and (b) tape recordings (hereinafter called "Replays") of certain of THE JACK BENNY PROGRAMS heretofore broadcast on behalf of Sponsor, all as hereinafter set forth.
2. (a) CBS agrees to furnish and Sponsor agrees to accept a complete entertainment package for the entertainment portion of twenty-three (23) programs of a weekly radio program to be sponsored by Sponsor (which entertainment package is hereinafter sometimes referred to as "entertainment package") which CBS agrees shall, subject to and in accordance with the provisions of this Agreement, consist of the following:

(1) the services of a cast which shall include Eddie Anderson, Dennis Day, Mel Blanc, and Arthur Auerbach; provided, however, that, if CBS is prevented from furnishing the services of Dennis Day for any program because of conflicting prior commitments of Dennis Day, the same shall not be or be deemed to be a breach hereof;

- (ii) from time to time for not less than five (5) programs,
the services of Mary Livingstone;
- (iii) from time to time for not less than five (5) programs,
the services of Bob Crosby;
- (iv) an orchestra consisting of at least twelve (12) musicians,
plus the conductor;
- (v) the scripts, musical arrangements and sound effects;
- (vi) one comedy commercial announcement to be integrated into
each program in the middle thereof;
- (vii) the services of Don Wilson as announcer;
- (viii) from time to time for from one (1) to five (5) programs,
such guest artist as CBS may elect, each of which guest artists
shall, as between CBS and Sponsor, be subject to the prior approval
of the Sponsor, which shall not be unreasonably withheld;
- (ix) any other items and personnel required for the production
of the entertainment portions of the program.

CBS agrees that it will furnish the services of the Sportsmen Quartet as and when such services are required by the scripts for the programs; provided that CBS shall not be obligated to furnish the services of the Sportsmen Quartet for more than twenty (20) programs during the term of this Agreement. Mary Livingstone, Bob Crosby, Dennis Day, Eddie Anderson, Mel Blanc, and Arthur Auerbach (and any other Artist while substituting for any of the foregoing Artists) are sometimes herein called collectively "permanent actors."

(b) CBS agrees to furnish and Sponsor agrees to accept as originally broadcast Replays of twelve (12) JACK BENNY PROGRAMS broadcast on behalf of Sponsor during the 1952-1953 and 1953-1954 seasons, such Replays to be selected as provided in Exhibit A, attached hereto and made a part hereof. It is understood, however, that CBS will at its own expense substitute comedy commercials as provided in Exhibit A.

3. (a) Sponsor shall supply, or cause to be supplied, at its own expense for each program the following:

(i) the services of Jack Benny or a substitute as the star of the programs;

(ii) a program director, who shall at all times be a person satisfactory to CBS and who shall at the request of CBS be replaced by Sponsor from time to time and shall always be, with respect to the performance of his duties, under the direction of CBS (CBS has approved Hilliard Marks as such director);

(iii) two (2) commercial announcements, one to be made before the beginning and the other to be made after the end of the entertainment portion of the programs, it being understood that, except for the integrated commercial hereinabove mentioned, the advertising continuity broadcast in connection with the programs shall be broadcast only before the beginning of, and after the end of, the entertainment portion of the programs;

(iv) all material, sound effects, performers and actors used in connection with the commercial announcements, except the comedy commercial.

(b) Subject to the provisions of subdivision (iii) of subparagraph (a) of this Paragraph 3, Sponsor shall supply, or cause to be supplied, for each Replay, such new commercial announcements as Sponsor may require; it being understood that Sponsor shall have the right to furnish for any Replay any commercial announcement theretofore furnished for the programs. All such commercial announcements for the Replays shall be furnished at the expense of Sponsor except that CBS shall pay the cost of editing recordings thereof into the Replays. Sponsor shall also procure from Jack Benny at its own expense the right to broadcast the Replays as hereinafter contemplated.

4. The programs and the Replays shall advertise any one or more of the tobacco products of the Sponsor which shall be acceptable to CBS.

5. The term of this Agreement is for a period of thirty-five (35) consecutive weeks commencing with the broadcast of September 26, 1954. One of the programs hereunder or one of the Replays hereunder shall be broadcast, subject to and in accordance with the provisions hereof and of Exhibit A, each Sunday during the term hereof, and each program and each Replay shall be approximately one-half (1/2) hour in duration inclusive of said commercial announcements.

If Sponsor's contract with the star of the programs terminates prior to the expiration of the term of this Agreement, because of any one of the following reasons, namely, (1) the exercise by Sponsor of a right of termination (of the contract or Program Period, as defined therein) which may be specifically provided for in said contract with such star relating to the star's incapacity or inability to perform, (2) the death of such star, or (3) if Sponsor's contract with such star is terminated by Sponsor for a material breach thereof, then Sponsor shall have the right to terminate this Agreement, and the facilities agreement with CBS covering the broadcasting of the programs, as of the effective date of the termination of such agreement with such star for the programs hereunder, provided that any programs which shall have been recorded prior to the occurrence of such contingency and any Replays which shall not have been furnished prior to the occurrence of such contingency shall, at Sponsor's election, either be furnished and paid for hereunder in accordance with the terms hereof, in which event the effective date of such termination of this Agreement shall be postponed until the completion of the broadcast of the last such recorded program and Replay, including all delayed and repeat broadcasts thereof, or not furnished, but nevertheless paid for hereunder in accordance with the terms hereof

as if they had been so furnished, in which event such termination of this Agreement shall not be so postponed. In the event of any such termination of the facilities agreement by Sponsor, it is agreed that Sponsor shall not be penalized on any facilities discounts which it would have earned if there had been no such termination.

6. Except as hereinafter provided, the programs shall be broadcast on the same basis as in the past, namely, (i) on a live, or if Jack Benny shall so elect, on a recorded basis, with or without an audience at CBS' election, over the nationwide network of the Columbia Broadcasting System from 7:00 PM to 7:30 PM, then current New York time, on Sundays of each of twenty-three (23) weeks of the term hereof, and (ii) on a recorded basis over the Pacific Coast network from 12:30 AM to 1:00 AM, then current New York time, on Mondays of each of twenty-three (23) weeks of the term hereof. In the event that Jack Benny shall require that any of the programs be recorded, it is agreed that, anything herein contained to the contrary notwithstanding, any such program shall be performed in, and the recording shall be made in, Los Angeles, California, and CBS shall bear the costs of making such recording. If any such recording is made elsewhere, as between CBS and Sponsor, Sponsor shall bear the costs of making such recording.

The Replays shall be furnished for broadcast and rebroadcast on Sunday of each of twelve (12) other weeks of the term hereof, over the same facilities and at the same current New York times on the date of broadcast as the programs.

The dates on which the programs and the Replays are to be so furnished are set forth in Exhibit A.

The phrase "Pacific Coast network" appearing herein shall be deemed to refer

to such of the stations of the Columbia Broadcasting System in the following cities as may be available to Sponsor, and Sponsor hereby agrees to order, and to maintain during the term hereof a firm order for, all of the following stations:

Bakersfield
Chico
Eugene
Fresno
Los Angeles
Portland, Oregon
Redding, California
Reno
Sacramento
San Diego
San Francisco
Monterey
Seattle
Spokane
Stockton
Yakima
Palm Springs
Eureka
Kennewick, Washington
Klamath Falls, Oregon
Medford, Oregon
North Bend, Oregon
Roseburg, Oregon

"Columbia Broadcasting System" as used in this paragraph 6 shall be deemed to mean the present Columbia Broadcasting System or any system resulting from merger, consolidation or reorganization that maintains the same number of major outlets as presently maintained by the Columbia Broadcasting System.

"Pacific Coast network" shall be deemed to mean the stations of the Columbia Broadcasting System hereinbefore in this paragraph 6 set forth.

Whether the programs shall originally be broadcast on a live basis or on a recorded basis, it is agreed that recordings of the programs and the Replays may be used for such delayed broadcasts in Alaska and Hawaii as may be provided for in the facilities agreement between CBS and Sponsor covering the broadcasting

of the programs subject, of course, to payment by Sponsor of any additional costs in connection with such delayed broadcasts caused by any applicable union requirements or regulations and any applicable provisions of music performing or recording rights licenses.

The programs hereunder are to be originally broadcast by amplitude modulation broadcasting or such other radio method then current.

7. CBS' obligation to furnish the entertainment package and the Replays under this Agreement is subject to the existence of a facilities agreement between CBS and Sponsor for the furnishing of CBS network radio broadcasting facilities for the broadcasting thereof, and this Agreement does not constitute any agreement on CBS' part to furnish such facilities for the broadcasting thereof, nor any commitment on CBS' part that the same will be broadcast in any particular time period during the term hereof, provided that, if CBS shall terminate the facilities agreement for any reason, Sponsor shall have the right to terminate this Agreement effective on the effective date of the termination of the facilities agreement by giving CBS notice to that effect.

8. It is understood and agreed that the entertainment package and the Replays to be furnished by CBS are of a special, unique, unusual, extraordinary and intellectual character, which gives them a peculiar value, the loss of which cannot reasonably or adequately be compensated for in damages in an action at law, and that a breach by CBS of the provisions of this Agreement will cause Sponsor irreparable injury. CBS hereby agrees that Sponsor shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement by CBS.

9. Except as may be otherwise authorized by Sponsor, CBS agrees to provide

in its respective agreements with all permanent actors appearing on the programs hereunder that during the period of their respective engagements upon the programs hereunder, they will not participate in any radio or television broadcasts (other than the radio broadcasts which are the subject of this Agreement and other radio broadcasts and television telecasts sponsored by Sponsor), which advertise any other tobacco or tobacco products, and that they will not authorize the use of their names and/or likenesses in connection with advertising of or giving publicity to any other tobacco or tobacco products. CBS agrees that it will, at its expense, take all reasonable steps to enforce performance of such agreements. CBS shall take reasonable precautions to guard against the employment of any person as a principal actor or as a guest star who has authorized the use of his name or likeness in connection with the advertising of or giving publicity to any other tobacco or tobacco product.

10. Subject to the terms and conditions of this Agreement, as between CBS and Sponsor, CBS shall have the sole, exclusive and complete direction and control over the programs and the Replays hereunder, including but not limited to, design, preparation, production, presentation of the programs and the Replays and/or all material therefor. CBS shall not be required to provide the services of any specified actor or other personnel, except as herein specifically provided. CBS agrees to accept the sole responsibility for the necessary planning, rehearsals, production and supervision of the entertainment package and the Replays agreed to be furnished by CBS hereunder, including the employment at CBS' expense of all the necessary actors and personnel agreed to be furnished by CBS, as well as the sole responsibility for the observance of all laws relating to said entertainment package and the Replays at no additional cost to Sponsor, except as otherwise provided in this Agreement.

CBS agrees that the entertainment packages will not include any material which CBS has reasonable grounds to believe shall be detrimental to Sponsor's products or offensive to Sponsor or to any race, creed or national origin and that the said material used by CBS will be in accord with CBS' policies and standards with respect to good taste. If Sponsor deems any material included in any script for any of the programs in violation of CBS' agreement set forth in the preceding sentence and Sponsor notifies CBS in writing of its objections, CBS agrees to rectify the matter complained of by Sponsor in all future programs.

11. It is agreed that CBS' status hereunder is that of an independent contractor and that, except as herein otherwise provided, CBS shall have complete control over the means, method, details, working conditions, tools, place of work, hiring, firing, substitution and compensation of persons performing or to perform or otherwise to participate in the entertainment package. CBS covenants and agrees, with relation to persons employed by CBS in connection with the said programs, to do or cause to be done all acts or things required of it as an employer under any statute, ruling, regulation or order relating to workmen's compensation, unemployment compensation insurance or old age benefits, or under any other applicable statute, ruling, regulation or order, including the filing of such returns and reports and payment of such taxes or contributions with relation to any of said persons as may be required of employers. The sole right of Sponsor with regard to the entertainment package and the Replays is to have them furnished by CBS as provided herein. CBS agrees, at all times when requested by Sponsor, to confer with Sponsor with reference to the entertainment package and the Replays and will at all times consider the suggestions of Sponsor in relation thereto, but CBS' determination with respect to such matters shall be final and conclusive.

12. CBS represents that it will be authorized to grant and does hereby grant to Sponsor, the right to use, and to license others to use, in a dignified manner,

during their respective engagements upon the programs hereunder, the name and likeness of all permanent actors appearing upon and as part of the said entertainment package, in connection with advertising and giving publicity to the Sponsor and the product advertised on the broadcast of the programs and the Replays hereunder, and in advertising or publicizing the broadcasting of the programs and the Replays hereunder, but the Sponsor shall not use, or license others to use, the name or likeness of any such performer in connection with any endorsement of any kind.

Unless it shall be prevented from doing so by any collective bargaining agreement and subject to the payment by Sponsor of any additional amounts which may be required to be paid to the writers pursuant to any applicable collective bargaining agreement, CBS will, at the request of Sponsor, (i) grant to Sponsor the right to use, and to license others to use, during the existence of this Agreement, any quotation from CBS' scripts hereunder, for the publicizing and advertising of tobacco products referred to in paragraph 4 hereof, and (ii) grant to Sponsor the right to use, and to license others to use, during and after the existence of this Agreement, such phrases from said scripts as may be peculiarly and particularly adapted or attached to tobacco products referred to in paragraph 4 hereof. With respect to the comedy commercial, CBS agrees that, insofar as it shall acquire any rights in any original materials contained in such comedy commercial, such rights shall vest in Sponsor and CBS further agrees that, except in the case of union agreements, CBS will not, without the consent of Sponsor, enter into any agreements which limit CBS' rights to such materials.

The rights granted in this paragraph 12 to use the names and likenesses of the permanent actors shall extend for a period of not more than ninety (90) days after the termination of this Agreement, with respect to such advertising and publicity authorized to be released by the Sponsor prior to the termination of this Agreement.

13. Except for material in the public domain, all material of any kind whatever broadcast or used in any way in connection with the entertainment portion of the programs and the Replays hereunder, and furnished by CBS, shall, as between CBS and Sponsor, be and remain the sole and exclusive property of CBS, including, but not limited to, the scripts, format, formula, structure and nature of the entertainment portion of the programs hereunder, and also any literary, dramatic, musical material, dialogue characterizations, characters and phrases used in any way in connection with the entertainment portion of the programs hereunder, except that the rights in the comedy commercial, insofar as they may be acquired by CBS, shall vest in Sponsor as provided in paragraph 12.

14. In consideration of CBS' agreements herein contained, Sponsor hereby agrees to pay CBS at New York, New York, the sum of Four Thousand Six Hundred Seventy-Seven Dollars and Forty-Three Cents (\$4,677.43) net (not subject to the deduction of any discounts or agency commission) each and every week during the term hereof, which weekly payment shall be made within seven (7) days after the date scheduled for each broadcast of each program and each Replay hereunder, it being understood that said sum of Four Thousand Six Hundred Seventy-Seven Dollars and Forty-Three Cents (\$4,677.43) has been computed on the basis of twenty-three (23) programs at Seven Thousand Four Dollars and Thirty-Eight Cents (\$7,004.38) per program and twelve (12) Replays at Two Hundred Seventeen Dollars and Forty-Four Cents (\$217.44) per Replay and that, if any program or Replay is prevented or omitted, said sum of Four Thousand Six Hundred Seventy-Seven Dollars and Forty-Three Cents (\$4,677.43) shall be recomputed so as to eliminate from the weighted average represented thereby any such program or Replay so prevented or omitted.

(a) With respect to transcribed rebroadcasts hereunder, Sponsor will pay CBS for the making of the transcriptions.

(b) Should the minimum wage scales established by the American Federation of Musicians, American Federation of Television and Radio Artists, and any other Union or Unions having jurisdiction, be increased beyond the scale in existence as of the date of this Agreement first hereinabove mentioned at any time or from time to time, and should CBS by reason thereof be required to pay any of the personnel engaged by CBS in connection with the programs or the Replays hereunder, additional compensation to meet the requirements thereof, Sponsor will pay CBS, in addition to the weekly payment, an amount equal to the total of such additional sums, whether such increase is due to increases in existing wage scales, or other union charges, or due to any new charges of any union having jurisdiction, including those with respect to frequency modulation broadcasting.

(c) During the term hereof CBS will keep records of its costs per broadcast for supplying the entertainment package and the Replays hereunder and, upon the expiration or termination of this Agreement as provided herein, shall compute (as hereinafter provided) the average cost per broadcast for the entertainment package and the Replays hereunder.

If said average cost per broadcast shall be less than the "Split Figure" (as herein defined), CBS shall pay to Sponsor, within sixty (60) days after the termination or expiration of this Agreement as provided herein, an amount equal to one-half the difference between the "Split Figure" and said average cost per broadcast, multiplied by the total of the number of broadcasts of the programs and the Replays made prior to such expiration or termination. If said average cost per broadcast equals or exceeds the "Split Figure," no amounts shall be due or payable by CBS to Sponsor hereunder.

The "Split Figure" shall be computed as follows:

- (i) The number of programs broadcast shall be multiplied by the
total of

(A) Seven Thousand Four Dollars and Thirty-Eight
Cents (\$7,004.38);

(B) Four Thousand Nine Hundred and Thirteen Dollars
(\$4,913);

(C) Six Thousand Dollars (\$6,000);

(ii) The number of Replays broadcast shall be multiplied by
the total of

(A) Two Hundred Seventeen Dollars and Forty-Four
Cents (\$217.44);

(B) Four Thousand Nine Hundred and Thirteen Dollars
(\$4,913);

(C) Two Thousand Dollars (\$2,000);

(iii) The dollar amounts so computed shall be added to each other
and then divided by the total number of programs and Replays broadcast,
the resulting figure being the "Split Figure."

Said average cost per broadcast shall be computed by dividing by the total
number of broadcasts of the programs and the Replays the total of

(1) the aggregate cost to CBS for supplying the programs and
the Replays for such total number of broadcasts;

(2) Six Thousand Dollars (\$6,000) multiplied by the number
of programs broadcast;

(3) Two Thousand Dollars (\$2,000) multiplied by the number
of Replays broadcast.

15. CBS agrees that it will not engage any person on the programs whom CBS has
reasonable grounds to believe shall be detrimental to any of Sponsor's products
or be offensive to Sponsor or to any race, creed or national origin.

CBS covenants and agrees that it will include a provision in all contracts entered

into with artists for their performance upon the said entertainment package, by which each of said artists will covenant and agree that he will not knowingly or wilfully act or conduct himself in such a manner that the reasonable and possible consequence thereof will expose the Producer or Sponsor to contempt, ridicule or obloquy, and thereby cause either to suffer substantial injury and damage, and that any violation of said provision shall give the contracting party the right to terminate its aforesaid contract with said artists.

Upon written request from Sponsor, CBS shall exercise its said right to terminate.

16. CBS shall not be liable or responsible in any way whatsoever for failing to furnish the entertainment package or the Replays hereunder, or any part thereof, because of epidemic, act of God or public enemy, fire, accident, casualty, riot, war, lock-out, strike, labor conditions, or any other calamitous event, the issuance of any executive or judicial order or the enactment, direction, or act of any legally constituted authority, or because of any other cause similar or dissimilar, beyond CBS' control, including, but not limited to, the failure or refusal of any of the personnel engaged by CBS for said entertainment package or Replays to perform their services in connection therewith; and in any such event, neither Sponsor nor CBS shall have the right to terminate this agreement by reason thereof, or be relieved of their obligations hereunder.

In the event that Eddie Anderson, Mary Livingstone, Dennis Day, Don Wilson, or Bob Crosby shall refuse to perform their services hereunder in connection with said entertainment package or shall, on account of illness, incapacity, or any other cause mentioned in the preceding sentence, fail to perform their services hereunder in connection with said entertainment package, CBS shall, at its own expense, furnish a substitute or substitutes for any such artist or artists, provided that

(a) any such substitute shall be subject to the prior approval of Sponsor, which shall not be unreasonably withheld, and

(b) CBS shall not be required to pay such substitute a fee in excess of the fee which would have been payable to such artist in the event such artist had performed on the program.

In the event that CBS cannot furnish such substitute or substitutes as CBS shall deem necessary for the rendition of the program, or if any of the other events mentioned in this paragraph 16 occur, and as a result thereof the furnishing of said entertainment package or the Replays by CBS shall be omitted or prevented, then CBS shall not be entitled to any payment from Sponsor with respect to any such omitted or prevented program or Replay, and, unless the furnishing of said entertainment package or Replay by CBS shall be omitted or prevented due to lock-out, strike, or labor conditions, Sponsor shall not be obligated to make any payment for the facilities for such omitted or prevented program or Replay. Except as hereinafter provided, if the furnishing of said entertainment package and Replays by CBS shall be omitted or prevented due to any event mentioned in this paragraph 16, CBS shall reimburse Sponsor for any amount which Sponsor is obligated by contract to pay to Jack Benny with respect to such omitted program or Replay, except that CBS shall not be obligated to make any such reimbursement if such event shall be a lock-out, strike or labor condition and Jack Benny shall be unwilling to work on account of such event.

In the event that CBS is completely prevented from furnishing the facilities for the broadcasting of any program or Replay hereunder due to any of the events mentioned in this paragraph 16, Sponsor shall not be obligated to make any payment hereunder with respect to such omitted program or Replay and CBS shall reimburse Sponsor for any amount which Sponsor is obligated by contract to pay to Jack Benny

with respect to such omitted program or Replay.

17. CBS agrees that, during the term of this Agreement, the originally conceived portion of the entertainment package shall not, and the Replays shall not, with CBS' consent, be reproduced in whole or in part for broadcasting or telecasting by CBS or by any artists appearing on the programs, or by any other artist in the employ or under the control of CBS without the prior written consent of Sponsor.

18. CBS agrees to conduct such rehearsals as may, in its judgment, be required to produce in a competent and pleasing manner the entertainment package provided to be furnished hereunder.

19. It is agreed that if CBS, pursuant to any right so to do provided for in the contract between Sponsor and CBS for the broadcasting facilities for the programs and the Replays, eliminates the broadcast of any scheduled programs or Replays to which this contract relates in order to broadcast special public events of importance, CBS may substitute for such scheduled performance another hour and date acceptable both to CBS and Sponsor. In the event that no such hour and date are mutually agreeable to CBS and Sponsor, then and in that event

(a) such omitted broadcast shall be deemed cancelled, and

(b) Sponsor shall not be required to make any payment to CBS

with respect to such omitted broadcast, and

(c) CBS shall reimburse Sponsor for any amounts which Sponsor is required by contract to pay Jack Benny with respect to such omitted broadcast.

20. CBS warrants that it has the right and power to enter into and perform this Agreement. Sponsor shall have the right to assign this Agreement to any of its subsidiaries or affiliates by giving CBS notice of such assignment and

furnishing CBS with an acceptance of such assignment by such subsidiary or affiliate at least sixty (60) days prior to the date on which such assignment is to be effective, whereupon such subsidiary or affiliate shall be substituted as "Sponsor" for all purposes of this Agreement after the effective date of such assignment.

21. Batten, Barton, Durstine & Osborn is hereby designated as Sponsor's agency in connection with the program and Replays provided for hereunder. It is understood that Sponsor shall have the right at any time to change its agency.

22. CBS agrees to indemnify and hold Sponsor and its advertising agency, if any, harmless from and against any and all claims, damages, liabilities, costs and expenses, including counsel fees arising from the broadcasting of the portion of the programs and the Replays for which CBS is responsible; provided, however, that at CBS' option, CBS may assume the defense of any claim or litigation to which the indemnity set forth in this paragraph applies, and, if CBS does so assume the defense of any such claim or litigation to which the indemnity set forth in this paragraph applies, CBS' obligations with respect to such claim or litigation shall be limited to holding Sponsor and its advertising agency, if any, harmless against any loss or damage or costs caused by or arising out of any judgment or any settlement approved by CBS of any such claim or litigation. Notwithstanding CBS' election to assume the defense of any such claim or litigation, Sponsor and its advertising agency, if any, shall have the right in such instances, at its own expense, without being required to do so, to engage independent counsel to participate in the defense of their interests regarding any claim or litigation as to which they are indemnified under this paragraph 22. Sponsor agrees similarly to indemnify and hold CBS harmless with respect to commercial or advertising matter or other material heretofore or hereafter furnished by Sponsor which is broadcast

in connection with or as part of the programs and the Replays. Any agreements of indemnity given by Sponsor or its advertising agency, if any, to CBS under the Facilities Agreement shall not be applicable to the programs and the Replays to be supplied by CBS under this Agreement.

23. (a) The broadcasts of the programs and the Replays shall originate in Hollywood, California, or such other point or points of origination as may be designated by CBS from time to time and approved by Sponsor. If Sponsor shall approve any other such origination point, it is agreed that Sponsor shall pay any and all wire and pick-up charges necessitated and/or incurred by reason of such origination and CBS shall bear any other costs and expenses in connection therewith.

(b) If Jack Benny shall require the point of origination of any program to be changed in connection with his making of motion pictures or stage or other professional appearances, Sponsor shall have the right to designate the point of origination upon at least one week's prior notice to CBS. In such event, Sponsor shall pay any and all wire and pick-up charges necessitated and/or incurred by reason of such origination and CBS shall bear any other costs and expenses in connection therewith.

24. The title of the programs shall be subject to Jack Benny's approval. Jack Benny will be the sole star of the programs and the Replays and he shall receive sole star billing upon the programs and the Replays and in any and all advertising and publicity released, or authorized to be released, in any way pertaining to the programs and the Replays. No one else shall receive billing on the programs or the Replays, or in any of said advertising and publicity, either equal or superior to Jack Benny, nor shall any other performer's name be mentioned on the programs or the Replays or in any of the aforesaid advertising and publicity without Jack Benny's prior written consent.

25. Neither CBS nor Sponsor nor any other person whatsoever shall have any right to interfere in any way whatsoever with the performances of Jack Benny upon the programs and it is agreed that Jack Benny shall have sole, exclusive and complete control over the manner, means and details of his performances upon the programs.

26. The broadcasting studio or theatre from which the programs originate shall be subject to Jack Benny's approval at all times.

27. As and when requested by Jack Benny, an announcement shall be made on the programs with respect to the title of any motion picture in which Jack Benny is then appearing or is scheduled to appear, together with the name of the motion picture studio where such motion picture was or is then being made. However, no more than five (5) such announcements may be made with respect to each of said motion pictures.

28. CBS agrees that all performers and musicians furnished as part of the package will, during their respective engagements upon the programs, be members in good standing of, or authorized to appear by, any labor union with which CBS may have an agreement legally requiring such membership or authorization and which shall have jurisdiction over such performers and musicians.

29. All notices to be given hereunder to Sponsor shall be in writing and delivered or mailed by registered mail addressed to Sponsor at its address given on the first page hereof and a copy to the New York office of the Agency of the Sponsor.

All notices to be given to CBS shall be in writing and delivered or mailed by registered mail addressed to CBS, Attention of James M. Seward, Administrative Vice President, CBS Radio, at its address given on the first page hereof.

30. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and which together shall constitute but one agreement.

31. This Agreement constitutes the entire agreement between the parties hereto and neither this Agreement or any of its terms or conditions shall be changed, modified or discharged except in writing signed by both parties hereto.

32. No waiver by either party hereto of any breach of any agreement to be performed by the other party hereunder shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other agreement.

33. This Agreement shall be interpreted and construed according to the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto, the day and year first hereinabove mentioned.

COLUMBIA BROADCASTING SYSTEM, INC.

By James M. Seward

THE AMERICAN TOBACCO COMPANY

By U. J. Boon

EXHIBIT A Attached to and Forming Part of the Agreement
Made the 30th Day of June, 1954 by and between COLUMBIA
BROADCASTING SYSTEM, INC. (Hereinafter Called "CBS") and
THE AMERICAN TOBACCO COMPANY (Hereinafter Called "Sponsor")

Pursuant to the foregoing provisions of this Agreement, it is agreed that the Replays hereunder shall consist of the twelve (12) JACK BENNY PROGRAMS which were broadcast by CBS on behalf of Sponsor on the following dates:

November	9, 1952
November	16, 1952
January	25, 1953
February	22, 1953
May	24, 1953
September	27, 1953
October	11, 1953
December	6, 1953
December	20, 1953
January	24, 1954
April	18, 1954
May	9, 1954

It is likewise further agreed, subject to and in accordance with the provisions of this Agreement and to the provisions of paragraphs 13 and 14 of the Agreement between Jack Benny and Sponsor as amended covering Jack Benny's services on the program, that one of the programs shall be broadcast on each Sunday during the term hereof except those Sundays on which is broadcast a Replay and that Replays shall be broadcast on such of said Sundays as CBS may from time to time, after consultation with Jack Benny, determine in the exercise of its sound discretion; it being understood that CBS shall exercise such discretion so as to achieve in its reasonable opinion a schedule for programs and Replays from which both parties hereto will obtain optimum entertainment value.

It is understood and agreed that CBS shall at its own cost and expense integrate into the following Replays the comedy commercials from the programs indicated.

All other Replays shall include the comedy commercials included in the original broadcast, unless otherwise mutually agreed to ^{between} be CBS and Sponsor.

6/11/53
done

Replay

Program from which
comedy commercial will
be taken

May 24, 1953

November 15, 1953

November 16, 1952

May 6, 1951

December 6, 1953

"It's Toasted" commercial
from new program.

8
23
54

Columbia Broadcasting System should refuse to contract with Sponsor for the aforesaid 7:00 to 7:30 PM broadcasting time facilities on Sundays over its nation-wide network, although Sponsor has used its best efforts to secure such contract, and should Sponsor and Benny be unable to agree as to the substitute broadcasting facilities for this Program within ten (10) days after notice that the then used facilities and/or time are to be unavailable, then the selection of substitute time and/or facilities for the broadcasting of said Program shall be submitted to arbitration pursuant to Paragraph 26 of said agreement. The arbitrators shall determine which of the available time and/or facilities desired by you and those desired by us shall be substituted for the time and facilities specified in said agreement. The foregoing procedure shall be applicable from time to time during the term of said agreement if the then used time and/or facilities become unavailable."

3. Clause 6 of the contract is hereby modified by the addition thereto of the following provisions:

"Benny and Sponsor agree to the use, on and after January 2, 1949, of the facilities of Columbia Broadcasting System and the transfer thereto from National Broadcasting Company."

4. With respect to programs broadcast on and after January 2, 1949:

A. The provisions of Clause 15, Subdivision (b) of the contract shall be deemed to read and provide as follows:

"(b) Each transcription may be broadcast only over stations which form part of the broadcast network of the Columbia Broadcasting System over which the Program was broadcast at the time such transcription was made; except because of unusual circumstances in which event the Sponsor shall first obtain Benny's consent."

B. The provisions of Clause 15, Subdivision (d) of the contract shall be deemed to read and provide as follows:

"(d) Said transcriptions may also be used for the purpose of a rebroadcast by radio broadcasting at a time not earlier than 7:30 PM nor later than 10:00 PM, then current Pacific Time on the same Sunday as the original broadcast on such of the following stations of the Columbia Broadcasting System as may be available to Sponsor, and Sponsor hereby agrees, if possible, to secure all of the following stations:

KNX	Los Angeles, California
KARM	Fresno, California
KROY	Sacramento, California
KSDJ	San Diego, California
KQW	San Francisco, California
KOIN	Portland, Oregon
KIRO	Seattle, Washington
KXLY	Spokane, Washington

Jim

"The programs may be rebroadcast hereunder on a live basis only with Benny's prior written approval. However, it is agreed that during such period as Daylight Saving Time shall be in operation in New York, Sponsor shall have the privilege of ~~requesting~~ ^{requiring} Benny to do a live rebroadcast from 11:30 to 12:00 Midnight then current New York time on the same Sunday as the original broadcast over the said Pacific Coast stations of the Columbia Broadcasting System without any additional compensation to Benny hereunder.

"If Benny does a live rebroadcast as aforesaid, the transcription thereof may not be used pursuant to Subdivision (d) of this Paragraph.

"It is agreed that if the Columbia Broadcasting System, pursuant to any right so to do provided for in the contract between Sponsor and Columbia Broadcasting System for the broadcast facilities of this program, eliminates the broadcast of any scheduled program to which this contract relates in order to broadcast any special public events or news reports of transcendent importance, Columbia Broadcasting System may substitute for such scheduled performance another hour and date acceptable both to Benny and Sponsor. In the event that no such hour and date are mutually agreeable to Benny and Sponsor then in that event such omitted broadcast shall be deemed cancelled but Sponsor shall not be released from any obligation to pay Benny for such omitted broadcast or broadcasts by reason thereof."

5. Except as herein provided the contract remains in full force and effect and is not otherwise changed.

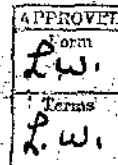
Very truly yours,

Jack Benny
Jack Benny

Accepted and agreed to:

THE AMERICAN TOBACCO COMPANY.

By *[Signature]*
Pres.



WESTERN
UNION

INCOMING

TELEGRAM

TO BE GIVEN IMMEDIATE ATTENTION

2880

WESTERN
UNION

WU 037 PD

SX LOSANGELES CALIF NOV 26 111P

VINCENT RIGGIO

WESTERN
UNION

THE SECOND WORD IN FIFTH LINE OF THE FIRST FILL PARAGRAPH
FOLLOWING THE LIST OF RADIO STATIONS ON PAGE THREE OF OUR
PROPOSED LETTER AGREEMENT OF NOVEMBER 24, 1948, SHOULD BE
"REQUIRING". YOU ARE AUTHORIZED TO MAKE THIS CHANGE IN THE
LETTER AGREEMENT SIGNED BY ME. KIND REGARDS

JACK BENNY

702A NOV 27

24 1948.

WESTERN
UNION