

*Exhibit "B"*

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**DECCA RECORDS, INC.**

—with—

**E. F. STEVENS, JR.**

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Agreement  
dated January 5, 1943.

Designation  
dated January 5, 1943.

Letter relating to Director's fees  
dated January 5, 1943.

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AGREEMENT, made this 5th day of January, 1943, by and between DECCA RECORDS, INC., a New York corporation with principal place of business at 50 West 57th Street, New York, N. Y. (hereinafter referred to as "Decca") and E. F. STEVENS, JR., residing at 15 Woods Lane, Scarsdale, New York (hereinafter referred to as "Stevens").

WITNESSETH:

In consideration of the premises and of the covenants, promises and conditions herein contained, it is hereby agreed as follows:

1. All agreements heretofore entered into between the parties covering the employment of Stevens by Decca shall be terminated and cancelled as of December 31, 1942.

2. Decca hereby agrees to employ Stevens for a period of seven (7) years from January 1, 1943, and Stevens agrees to enter into, work for and continue in the service of Decca for the said term.

3. Stevens shall act as General Manager of Decca and its subsidiaries, shall take full and complete charge of its and their sales, and generally shall perform such duties and shall undertake such activities as may devolve upon him in the capacity of Executive Vice-President.

4. Stevens agrees to devote the whole of his business time, attention, skill and energy to the business of Decca, directed from its general offices, and shall not, directly or indirectly, alone or in partnership, be connected with or concerned or interested in any other business or employment or pursuit whatsoever during the term of his employment (other than the management of his private investments), and shall serve Decca diligently and according to his best abilities in all respects and use his utmost endeavors to promote Decca's interests. Except to the extent as may be necessary for the management of his private investments,

Stevens shall not serve as a director or officer of any company not affiliated with Decca without the prior approval of the Board of Directors of Decca.

5. Decca agrees to take all appropriate action pursuant to its charter and by-laws to cause Stevens to be continued as its Executive Vice-President.

6. It is agreed that the compensation payable by Decca to Stevens during the term hereof shall be as follows:

(a) A salary at the rate of Thirty-nine Thousand (\$39,000) Dollars per year, payable in weekly installments of Seven Hundred Fifty (\$750) Dollars on Friday of each week.

(b) Additional compensation based upon the consolidated net profits for each calendar year, before all Federal and State taxes based on income, of Decca and its wholly-owned subsidiaries as follows:

Two (2%) percent of such net profits as shall not be in excess of \$2,500,000;

Three (3%) percent of such net profits which may be in excess of \$2,500,000 and shall not exceed \$3,500,000;

Four (4%) percent of such net profits as may be in excess of \$3,500,000.

In the event that any additional compensation shall be payable for a portion of any calendar year, the foregoing percentages shall be applied to such amounts of net profits for said portion of the calendar year as shall bear the same ratio to the amounts stipulated in the above schedule as such portion of a calendar year shall bear to an entire calendar year.

The foregoing percentages of additional compensation are agreed upon in consideration of the ratio of Federal taxes on income of Decca and its subsidiaries to Decca's consolidated net income before such taxes, as may be determined for the year 1943. It is agreed that the said percentages shall be reduced in any subsequent year in which such ratio may be

greater. The foregoing percentages of additional compensation shall be reduced by the same percentage as the increase in the percentage of Federal taxes on income of Decca and its subsidiaries to Decca's consolidated net income before such taxes. The application of the foregoing may be illustrated by the following example: If for the year 1943 Decca's consolidated net income before Federal taxes thereon shall be \$1,600,000 and Federal taxes based on income shall amount to \$800,000 then the percentage of Federal taxes on income of Decca and its subsidiaries to Decca's consolidated net income before such taxes shall be determined as 50%. If for the year 1944 such percentage should be 60% then the percentage for 1944 has increased 10% over the 1943 percentage. Therefore, for the year 1944 the percentages of additional compensation stipulated herein shall be reduced by 10%, so that such additional compensation for 1944 shall be: 1.8% of consolidated net profits, before all Federal and State taxes based on income, as shall not be in excess of \$2,500,000; 2.7% of such net profits as shall be in excess of \$2,500,000 and shall not exceed \$3,500,000; and 3.6% of such net profits as may be in excess of \$3,500,000. For any subsequent year in which Federal taxes based on income for Decca and its subsidiaries shall exceed 50% of consolidated net income before such taxes, the percentages of additional compensation to be paid to Stevens shall be similarly reduced.

All additional compensation required to be paid to Stevens or his designee or estate pursuant to the provisions of this agreement shall be paid within seventy-five (75) days after the termination of each period for which such additional compensation shall be payable. Each remittance of such additional compensation shall be accompanied by a statement setting forth in detail the method of computing the amount thereof.

7. It is agreed that Stevens shall be entitled to a vacation of thirty-one (31) days in each calendar year, and to the extent that such permitted vacation or any portion thereof is not taken in one calendar year, it may be accumulated for the next succeeding calendar year, but no further.

8. In the event of Stevens's illness not exceeding six (6) months in any calendar year which shall incapacitate Stevens from the performance of his duties, he shall nevertheless be entitled to receive salary and additional compensation during the period of such illness in accordance with the provisions of paragraph "6" hereof. In the event of any such sickness exceeding six months in any calendar year and so long thereafter for a further period not in excess of one year as such sickness may continue, then in addition to the salary and additional compensation for the period of six months provided for by this paragraph, Stevens shall be paid salary and additional compensation at one-half the rate stipulated in paragraph "6" hereof. Thereafter Decca shall be under no liability to pay any salary or additional compensation to Stevens during such incapacitating sickness, but upon Stevens's resumption of his duties, salary and additional compensation shall again be payable to him from the date of such resumption. It is agreed that if this contract shall expire pursuant to the provisions of paragraph "2" hereof, previous to the expiration of the six-month period or additional one-year period referred to herein, payment of salary and additional compensation shall terminate at such expiration date.

It is agreed that the right of Stevens to resume his duties upon the expiration of the continuous periods of incapacitating illness aggregating one and one-half years during which he shall have been paid salary and additional compensation at full rates and at half rates as in this paragraph provided, shall be within the absolute discretion of the Board of Directors of Decca, subject, however, to the following provisions of this paragraph. At any time after the expiration of any such continuous incapacitating illness aggregating one and one-half years and prior to Stevens's actual resumption of his duties with the previous approval of Decca's Board of Directors, said Board may give notice to Stevens that this contract is terminated, and the date of the receipt of such notice by Stevens shall be deemed the expiration date of this contract as fully and completely as if said date was herein specifically set forth as the expiration date of this contract,

provided, however, that after the giving of said notice, Decca shall nevertheless pay to Stevens, or to his designee, if one shall have been previously named, or if no such designee shall have been named, then to Stevens's estate, the full amount of weekly salary and additional compensation provided for by paragraph "6" hereof, for a period of one year following the date of the receipt of such notice by Stevens or until the date of the termination of this contract pursuant to paragraph "2" hereof, whichever period shall sooner expire.

9. In the event of Stevens's death during the term of this contract, salary and additional compensation in accordance with the provisions of paragraphs "6" and "8" hereof shall be payable to the date of death. In addition, Stevens's designee, if one shall have been previously named, or if no such designee shall have been named, then Stevens's estate, shall be entitled to receive the full amount of weekly salary and additional compensation provided for by paragraph "6" hereof for a period of one year following Stevens's death or until the termination of the term of this contract pursuant to paragraph "2" hereof, whichever period shall sooner expire.

10. In fixing the compensation provided for herein, Decca has been guided by and has sought to reflect the proven abilities of Stevens, his outstanding contributions to the founding of Decca, and his unceasing efforts which have resulted in elevating Decca to the position of prominence it now occupies in the industry.

However, in view of Wage Stabilization Law, Act of October 2, 1942, Public Law No. 729, 77th Congress, 2d Session; Wage Stabilization Order, Executive Order No. 9250, issued by the President, October 3, 1942, and regulations thereunder issued by the Economic Stabilization Director and the Commissioner of Internal Revenue, the parties, notwithstanding any other provision hereof, agree as follows:

So long as such legislation, Executive Order and regulations shall remain in full force and effect and shall be

applicable to the employment provided for hereunder, the compensation set forth herein shall be reduced and abated to the extent required by such legislation, Executive Order and regulations as the same may be in effect from time to time. During such time Decca shall not pay and Stevens shall not demand payment of any sums in excess of the amounts permitted thereby.

11. Any notice required pursuant to the provisions of this contract shall be sent by registered mail by Decca to Stevens at his then residence address, and by Stevens to Decca at #50 West 57th Street, New York City, or its then principal place of business.

IN WITNESS WHEREOF, DECCA RECORDS, INC. has caused this agreement to be executed by its duly authorized officer and its corporate seal to be hereunto affixed, and E. F. Stevens, Jr. has hereunto affixed his hand and seal as of the day and year first above written.

DECCA RECORDS, INC.

By *Joe Korb*

Pres.

*E. F. Stevens*

(L. S.)

In Presence of:

*Herman Hart*  
*H. J. Gholz*  
*S. H. Kussance*  
*M. R. Rakemil*  
*M. J. Lloyd*

January 5, 1943.

Decca Records, Inc.  
50 West 57th Street  
New York City

Gentlemen:

Pursuant to employment agreement between us dated this day, certain sums are payable in the event of my death during the term of the said agreement, to my designee, or if no designee has been named to my estate.

I hereby designate my wife, Susan Fossum Stevens, as the person to whom all such sums shall be paid after my death. In the event that the said Susan Fossum Stevens shall predecease me, or having survived me shall die before payment in full shall have been made to her of the sums to be paid after my death, then I designate my estate for the purpose of receiving the said payments or such portion thereof as shall remain unpaid upon the death of Susan Fossum Stevens.

I hereby reserve the right to revoke the above designation and to make a new designation or designations in place thereof and from time to time to revoke designations and to make new designations in my discretion.

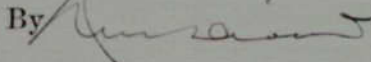
Please acknowledge receipt of these instructions upon the copy of this letter submitted for that purpose.

Very truly yours,

~~Decca Records~~  
E. F. Stevens

Received the original of the  
foregoing this 5th day of  
January, 1943.

DECCA RECORDS, INC.,

By 

Associate Chairman of the  
Board of Directors.



January 5, 1943.

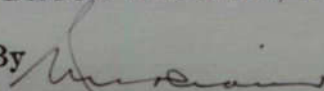
Mr. E. F. Stevens, Jr.  
Decca Records, Inc.  
50 West 57th Street  
New York City

Dear Mr. Stevens:

Recognizing that you are required to devote special time and effort in preparation for and attendance at Board meetings, we beg to advise you that, in addition to any compensation which you may be entitled to receive pursuant to your contract with this company entered into this day and in pursuance of a practice heretofore established, you shall be entitled to receive, as extra compensation, an amount equal to the fee paid to other members of the Board of Directors for attendance at meetings thereof.

Very truly yours,

DECCA RECORDS, INC.,

By 

Associate Chairman of the Board of Directors.