

## Appendix A

(Letterhead of the AGO)

### **FTC Settlement Statement**

Dear Member:

As you may know, the Federal Trade Commission (FTC) has conducted an investigation concerning certain provisions in the American Guild of Organists (AGO) Code of Ethics and other documents. The investigation focused on:

- A Code of Ethics provision that prohibits members from applying for a position held by someone else unless there has been a public announcement of a vacancy for that position;
- A Code of Ethics provision that requires a member engaged for a wedding, funeral, or other service to (1) obtain the approval of the incumbent musician before accepting, and (2) tell the party requesting the service to pay the incumbent his/her customary fee; and
- The AGO's publication of (1) lists and schedules of compensation and fees for its members to use, (2) standard methods and formulas for Chapters to provide to members for calculating compensation and fees, and (3) other model contract provisions.

The FTC has alleged that these practices violate the Federal Trade Commission Act because they unnecessarily restrict members of the AGO from competing with one another, restrict price competition, and deprive consumers of the benefit of competition.

To end the investigation expeditiously and to avoid disruption to its core functions, the AGO has voluntarily agreed to a Consent Agreement and entry of a final Decision and Order by the FTC. In doing so, however, the AGO has not admitted any law violation.

In general, the FTC's Order prohibits the AGO from:

- maintaining bylaws, a code of ethics, operational policies, or membership requirements that restrict its members from competing with one another for positions or for engagements for weddings, funerals, or other services, or competing in any other way, including on price;
- interfering with members' efforts to provide services and to compete on price;

- publishing documents such as fee schedules and model contracts for members to use when determining or securing compensation for their services.

The Order also requires the AGO to establish an antitrust compliance program.

The AGO is in the process of revising its Code of Ethics and other documents and publications to comply fully with these requirements and is implementing a robust antitrust compliance program to ensure its leaders, members and Chapters do so as well.

In addition, some of the AGO Chapters currently have operational documents that contain provisions similar to those prohibited by the FTC's Order. The Order requires that the AGO may not accept or maintain a relationship with a Chapter that does not abide by the Order's provisions. Each Chapter will therefore need to review its code of ethics, operational policies and procedures, membership requirements, and documents relating to fees, compensation, or model contracts, and remove all prohibited provisions. Each Chapter will need to certify to the AGO that it has done so before a deadline set in the Order or the AGO will remove it as a Chapter.

When the FTC Order has been finalized, it will be distributed to Chapters and will be available on the AGO website. Click [here](#) to see a copy of the FTC's Order. It is also available on the Federal Trade Commission website at [www.FTC.gov](http://www.FTC.gov).

Sincerely yours,

James E. Thomashower  
Executive Director

Michael Bedford  
President