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Michael Quatro, Chairman/CEO
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 This is a quarterly newsletter to keep
 our stockholders and affiliates
 informed of new developments.

QUATROPHONIC WORLD NEWS

Volume 2, Issue 2

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QMC - MID-STATES CAPITAL SIGN DEAL

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After months of searching, QMC has an investment bank capable of placing our entire \$5,000,000 capital raise!

Mid States Capital Corp. of Grosse Pointe is one of Michigan's largest private placement investment banks specializing in placements under \$10,000,000.

Mid States works for their clients to locate suitable investors, by introducing them to equity providers, both institutional and non-institutional. They do this using their personal contacts and their extensive database of funding sources.

Currently, they have sent an introductory letter to the first group of investors and a meeting to review "angel" investor lists will have been held by the time this newsletter hits the mails.

Both Joe and John agree that QMC is well positioned in today's climate. The New York catastrophe has had a profound effect on the economy and the capital markets. However, certain types of entertainment companies have shown a remarkable resilience in tough economic times — and the record industry is one of those.

Mid States usually either takes a seat on the Board of Directors or acts as an advisor to the Board. In their advisory role, they add value by applying their considerable experience, skills and resources on behalf of their clients. They seek an ongoing relationship with their clients in order to support the continued success of the business. John Wilson will serve on our Advisory Board of Consulting Experts (see page 2).

Also, we should be in full corporate swing around the second or third quarter of next year — just when the economy is projected to rebound.

We now anticipate this raise will entail a maximum of 1,750,000 million preferred shares offered to accredited investors at \$3.00 per share. STAY TUNED!!



Michael between John Wilson, Ph.D., and Joe Alam of Mid States Capital at the signing of the QMC-Mid-States deal. Here they are looking over the new business plan drafted by Ron Sandler, COO.

QMC JOINS FORCES WITH UJAMAA RECORDS AND DIAMOND RING RECORDS!

QMC and Sekou Ujamaa have formed Ujamaa Records, LLC to find, develop and promote Detroit's urban (rap, hip-hop, R & B) sound. Sekou Ujamaa, a songwriter and platinum record awardee has a decades long history of developing new artists. Sekou brings a unique African-American flavor to QMC as well as a sophisticated set of ears.

Diamond Ring (DRR) is located in QMC's headquarters building and is built around a full featured recording studio.

Ed Harrison and Tu-Tite Productions have a long history with QMC and now with DRR. With QMC onboard for exclusive national distribution, DRR is free to find, record and develop Detroit's urban best. Best of Luck ED!

New Faces ...

Mickey Quatro



The hardest part of writing about Mickey is what he does here—because he does a little of everything. Principally employed in A and R, Mickey is another set of sophisticated ears, listening to groups at clubs and reviewing CD submissions. BUT, like everyone else around here, you'll catch him answering phones or making coffee if that's what we need.

Some of his earliest memories are of stars such as Alice Cooper and Ted Nugent visiting the house (Ted used to juggle fruit in

the living room!). Mickey has been around music his entire life.

With his father's genes, music talent was a given. Percussion caught his interest and by the early 80's he was making noise all across the Detroit area. Mickey played with several local bands, the most noted of which was THE THIRD ESTATE.

Not only did Mickey open for U2 and Violent Femmes when they toured Detroit, he played on Michael's **Vision** album. Currently Mickey is playing with Maneesh whenever he plays Detroit.

From the Executive Offices:

CEO:

COO:

Talent, Talent and More Talent that's what makes up our new Quatrophonic Advisory Board of Consulting Experts.

Created at the suggestion of Joe Alum of Mid States, the Advisory Board was put together in a very short period of hard work. This Board will meet periodically to advise us about issues confronting the Company. Among the 8 current members are:

Ron Alexenberg: Former President of Epic Records (Div. of Sony Music) now Professor, New York University.

Brent Gordon: Currently head of Gordon Partners, Inc. Brent will become VP of National Sales in the near future. Formerly VP of Warner Elektra Atlantic, he headed the Western Sales region. Sales were over \$300 million when he retired from Warner.

Roger Winkelman: Former Assistant VP at both Comerica and First of America Banks and Treasurer of the Michigan Democratic Party, he adds considerable experience to our team.

Last Newsletter I wrote we were closing in on a major mezzanine player. As luck would have it, this group backed a local Detroit area airline that had their planes seized by the FAA just 2 weeks after our meeting! The market was volatile at this time and this group simply became skittish to invest in anything but real estate.

Soon afterward, Michael and I met Joe and John of Mid States and the rest is history. With John's help the business plan was revised and updated with additional financial tables, our projections were made clearer, and our goals become much more explicit. I can tell you, we are all excited by the Mid States — QMC relationship!

Michael's work in forming the Advisory Board was extremely rewarding. We are already reaping the benefits of this group of experts.

Maneesh's album "Glass Morning" has been pressed and we are about to begin promo shipping for design feedback. I'm sure we'll have GREAT NEWS to report next issue.

Fun Fact # 1-

Mickey's first real introduction to the music business was making costumes for his dad's stage show when Mickey was only 5 years old!

Fun Fact # 2 -

Ron was named team MVP in Edshockey.com's bronze medal effort at the Michigan Senior Olympics. With a 4-1 victory over the Michigan Mavericks Edshockey is primed for the National Games next January 4 — 7 in Lake Placid, New York.



Featured Artists: Maneesh Sharma and Hope Star

OTHERWISE KNOWN AS “WINTER”, Maneesh has been part of the Quatrophonic family for about 2 years. Going by the names “Winter” or “Winter Leoncour” the group has made an impression in the local Detroit area.

Recently, Michael played keyboards and son Mickey drummed for Winter at the Berkley front. In attendance, besides an appreciative was the entire Board of Directors of Quatrophonic Music Corporation, accompanied by wives, of course.

Winter’s heavy sound has been tempered with sound melodies that have significantly enhanced the group’s reception. They plan to concentrate their show appearances in the Detroit and Chicago areas. Maneesh calls Chicago home.

The Blue Glass Morning Album Cover as currently designed:



According to Maneesh “rock and roll is about no rules and about providing something exciting for the masses.” Two music videos have been produced to accompany the debut of the CD whose official release title is still under discussion!

A recent review of the CD opined that the “mix of guitars and vocals creates a sound for everyone to enjoy.” This reviewer indicated also that the sound is somewhere between Time Clare and Neil Young!

In the best description we’ve heard Maneesh was described as having “a smooth voice that blends in perfectly with the mellow music . . . that makes listeners take a deep breath and relax.”

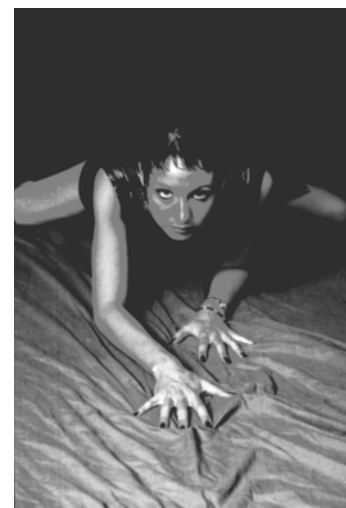
HOPE STAR

Hope is a top prospect at QMC and will be featured in a future newsletter. With a voice destined for great things we are excited!



Maneesh Sharma

Hope Star (below)



OUR ARTISTS ON THE WEB

Be sure to check out our artist websites. Soon each one will have their very own web presence:

Laura Pursell: www.laurapursell.com

Pamela West: www.pamelawest.com

Pazaz: <http://www.quatrophonic.com/pazaz.htm>

Maneesh Sharma: www.winterleoncour.com,

QMC Artist Link Page: <http://www.quatrophonic.com/artists.htm>

And coming soon, **Urban Gypsies:** www.quatrophonic.com/urbangypsies.htm

What's New and Different?

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We make products that become immortal

Pam West: .Still in New York and with potentially big news a brewin'! Artists playing the Big Apple may have an musicians hostel complete with rehearsal room and maybe even a recording studio thanks to Pammie. We'll keep you informed.

StarHawk Productions, LLC was formed this summer to develop a new concert venue in Western Michigan. Originally intended as a joint venture with Gary Jackson and Bleu Moon Productions, StarHawk is currently wholly owned by Quatro Records, Ltd. We still hope to take on Bleu Moon as a partner for a concert season this summer. For now we are focusing on Detroit area events.

With \$700,000,000 of charitable money (in an declining economy) going to help New York, other charities are hurting. We will host a benefit for a Detroit area cancer charity early next year. This charity has major league hockey connections in the Detroit area. Featuring a nationally known headliner, a celebrity band and a QMC featured group, it should be quite the place to be. Be sure we'll keep you all informed and save tickets for you all to purchase!!

You!! Have we missed you lately? Did you notice a yellow sticker on the outside of the envelope? If you did, it means the address we have for you is WRONG and our next newsletter probably won't reach you. Please give us a call with your new address and current contact information. By the way, all the rest of you should give us a call so we can ensure your records are up to date.

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