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LIQUID AUDIO INC  
Form DFAN14A  
September 23, 2002

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the registrant [ ]

Filed by a party other than the registrant [X]

Check the appropriate box:

- [ ] Preliminary Proxy Statement.
- [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).
- [ ] Definitive Proxy Statement
- [ ] Definitive Additional Materials
- [X] Soliciting Material Under Rule 14a-12.

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LIQUID AUDIO, INC.  
(Name of Registrant as Specified in Its Charter)  
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MM COMPANIES, INC.,  
JEWELCOR MANAGEMENT, INC., BARINGTON COMPANIES EQUITY PARTNERS,  
L.P., RAMIUS SECURITIES, LLC, DOMROSE SONS PARTNERSHIP,  
JAMES A. MITAROTONDA and SEYMOUR HOLTZMAN  
(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)  
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Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
  
- (5) Total fee paid:
- [ ] Fee paid previously with preliminary materials.

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[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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On September 20, 2002, MM Companies, Inc. distributed the following materials to certain stockholders of Liquid Audio, Inc.:

MM COMPANIES, INC.  
C/O BARINGTON CAPITAL GROUP, L.P.  
888 SEVENTH AVENUE  
17TH FLOOR  
NEW YORK, NEW YORK 10019

TO: Liquid Audio, Inc. Stockholders

MM COMPANIES GROUP IS INVITING LIQUID AUDIO, INC. SHAREHOLDERS TO ATTEND AN INFORMAL MEETING PRIOR TO LIQUID'S ANNUAL MEETING ON SEPTEMBER 26, 2002

NEW YORK, NY - - September 23, 2002 - - Seymour Holtzman, Chairman of the Board, and James Mitarotonda, President and Chief Executive Officer, of MM Companies, Inc. (OTC Bulletin Board: MMCO) announced that their group is inviting Liquid Audio, Inc. (NASDAQ: LQID) stockholders to attend an informal meeting on Thursday, September 26, 2002 at 9:00 a.m. at Hotel Sofitel San Francisco Bay at Redwood Shores, 223 Twin Dolphin Drive, Redwood City, California. Liquid Audio, Inc. is holding their Annual Meeting of Stockholders at the same hotel at 10:00 a.m.

We invite the management of Liquid Audio to participate in our meeting, which will be an open forum allowing shareholders to freely express their views and ask any questions without any formal restrictions that Liquid Audio may require at the annual meeting. This will be an excellent opportunity to discuss the future of the company. We sincerely hope that Liquid Audio's management will attend our meeting.

All shareholders of Liquid Audio are invited to attend.

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PROXY SERVICES  
51 MERCEDES WAY  
EDGEWOOD, NY 11717

IMPORTANT

Dear Shareholder:

The Liquid Audio annual meeting is less than 1 week away. We have set up a procedure by which you can vote your shares by telephone at no cost to you. Instructions for voting your shares are provided below.

MM Companies reported today that Institutional Shareholders Services ("ISS"), the world's leading proxy voting advisory service, has recommended that its clients vote for - the two director nominee nominated by the MM Companies group - James Mitarotonda and Seymour Holtzman - at the upcoming annual meeting scheduled for September 26, 2002.

You are cordially invited to meet members of the MM Companies group - Seymour Holtzman and Jim Mitarotonda - at a continental breakfast reception at 9:00 a.m. at the Hotel Sofitel on the Mezzanine Level in Salon 2. We hope to personally meet with as many Liquid Audio shareholders to discuss our proxy campaign.

TOLL-FREE PROXYGRAM OPERATORS WHO ARE INDEPENDENT OF THE COMPANY ARE AVAILABLE TO ASSIST YOU NOW!!!

INSTRUCTIONS

1. Call Toll-Free 1-877-880-9547, anytime, day or night.
2. Tell the operator that you wish to send a collect ProxyGram to ID No. 5832, The MM Companies Group in Opposition to Liquid Audio, Inc.
3. State your name, address and telephone number.
4. State the bank or broker at which your shares are held and your control number as shown below:

Name: