

In re Ticketmaster Entertainment Shareholder Litigation

COURT: California Superior Court, Los Angeles County

CASE NUMBER: Lead Case No. BC 407677

Shareholder Rights Transactional Litigation filed on behalf of a class of persons and entities who purchased or acquired the securities of Ticketmaster Entertainment, Inc. ("Ticketmaster").

This Action was commenced shortly after the terms of the proposed stock-for-stock merger of Ticketmaster with Live Nation (the "Acquisition") were announced on February 9, 2009. In the following days, the firm filed an initial complaint on behalf of the Police and Fire Retirement System for the City of Detroit ("PFRS") on February 20, 2009, alleging breaches of the fiduciary duties of loyalty, good faith, due care and candor against the Ticketmaster and the Ticketmaster board of directors ("Defendants"). The complaint also raised the issue whether the promised \$40 million in synergies used to justify the Acquisition would materialize despite intense antitrust scrutiny and the regulatory review process.

On March 30, 2009, the Honorable Emilie H. Elias consolidated two related actions and appointed co-plaintiff PFRS's choice of BLB&G as Co-Lead Counsel for the Class.

On May 1, 2009 the Court held an initial Case Management Conference and on June 15, 2009, Ticketmaster and Live Nation filed the anticipated joint registration statement (the "Registration Statement"), with the SEC. Shortly thereafter, Plaintiffs filed the Consolidated Complaint for Breach of Fiduciary Duties ("Consolidated Complaint").

Beginning on July 28, 2009, and concluding on November 23, 2009, BLB&G received a rolling production of documents from Defendants. Shortly after the filing of the Consolidated Complaint, Live Nation filed an amended registration statement ("Amended Registration Statement"), which Ticketmaster and Live Nation filed on July 1, 2009. As a result, on September 10, 2009, Plaintiffs filed a First Amended Consolidated Shareholder Complaint For Breach Of Fiduciary Duties ("First Amended Complaint"). This complaint incorporated allegations concerning the supplemental disclosures Ticketmaster and Live Nation made to the Registration Statement on July 2, 2009.

On September 16, 2009, Defendants filed with the SEC a second amendment to the Registration Statement ("Second Amended Registration Statement"). In addition, Defendant Live Nation filed a demurrer to the First Amended Complaint on September 24, 2009.

Between October 22, 2009 and November 4, 2009, Live Nation and Ticketmaster filed three (3) more amendments to the Registration Statement. Each of these amendments included supplemental material information concerning the Acquisition, including, *inter alia*, disclosures concerning the surplus shares.

On November 6, 2009, Ticketmaster surprisingly filed its final and Definitive Proxy Statement ("Proxy"), despite the fact that the Acquisition still had not received antitrust approval from the United States Department of Justice. In the Proxy, Live Nation and Ticketmaster set shareholder vote dates for the Acquisition for January 8, 2010, without providing any guidance as to when the Acquisition would actually receive final regulatory approval. In light of the Defendants' unexpected decision to set an early shareholder vote date for January 8, 2010, Plaintiffs commenced

expedited proceedings, which included a December 22, 2009 hearing date for Plaintiffs' preliminary injunction and Ticketmaster's Demurrer.

On November 19, 2009, Plaintiffs filed their Third Amended Consolidated Complaint for Breach of Fiduciary Duties ("Third Amended Complaint"). Among other things, the Third Amended Complaint emphasized the same breaches of fiduciary duty that were highlighted in the previous complaints, and also added to Plaintiffs' allegations concerning Defendants' alleged self-dealing with the issuance of surplus shares and executive compensation. Also, the Third Amended Complaint addressed supplemental material disclosures Defendants made in Amendment Nos. 3, 4 and 5 of the Registration Statement, as well as the Proxy, and additional facts learned during discovery.

Following expedited discovery which include eight (8) fact and expert witness depositions, Plaintiffs filed their Preliminary Injunction brief on December 4, 2009, filed an opposition to Ticketmaster's Demurrer on December 10, 2009 and a reply in support of the Preliminary Injunction motion on December 17, 2009. On December 22, 2009, following oral argument, the Court denied Plaintiffs' Preliminary Injunction motion but simultaneously upheld Plaintiffs' Third Amended Complaint, denying Defendants' Demurrer in its entirety.

On January 8, 2010, the shareholders of both Ticketmaster and Live Nation approved the Acquisition at their respective annual meetings. On January 21, 2010, the Defendants answered the Third Amended Complaint. The Acquisition was consummated on January 25, 2010 following receipt of antitrust regulatory approval. Plaintiffs continue to move forward with discovery on their breach of duty of loyalty claim against Defendants for alleged improper self-dealing in approving and recommending the Acquisition to shareholders.

The parties reached a settlement, which the Court approved on November 30, 2010.

Case Documents

- September 10, 2009 - First Amended Complaint