

1 QUINN EMANUEL URQUHART & SULLIVAN, LLP

2 Frederick A. Lorig (Bar No. 057645)

3 fredlorig@quinnemanuel.com

4 Kevin Y. Teruya (Bar No. 235916)

5 kevinteruya@quinnemanuel.com

6 Adam B. Wolfson (Bar No. 262125)

7 adamwolfson@quinnemanuel.com

8 William R. Sears (Bar No. 330888)

9 willsears@quinnemanuel.com

10 865 South Figueroa Street, 10th Floor

11 Los Angeles, California 90017-2543

12 Telephone: (213) 443-3000

13 Facsimile: (213) 443-3100

14 KELLER LENKNER LLC

15 Warren Postman (Bar No. 33069)

16 wdp@kellerlenkner.com

17 Albert Pak (*pro hac vice* forthcoming)

18 albert.pak@kellerlenkner.com

19 1100 Vermont Avenue, N.W., 12th Floor

20 Washington, D.C. 20005

21 Telephone: (202) 918-1123

22 Attorneys for Plaintiffs Skot Heckman,
23 Luis Ponce, Jeanene Popp, and Jacob
24 Roberts, on behalf of themselves and all
25 those similarly situated

26 UNITED STATES DISTRICT COURT

27 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

28 Skot Heckman, Luis Ponce, Jeanene
Popp, and Jacob Roberts, on behalf of
themselves and all those similarly
situated,

Plaintiffs,

v.

Live Nation Entertainment, Inc., and
Ticketmaster LLC,

Defendants.

CASE NO.

COMPLAINT

Jury Trial Demanded

TABLE OF CONTENTS

		<u>Page</u>
1		
2		
3	PRELIMINARY STATEMENT	1
4	PARTIES	11
5	A. Defendants.....	11
6	B. Plaintiffs	14
7	JURISDICTION AND VENUE.....	14
8	ADDITIONAL FACTS	15
9	General Background on the Live Music Industry	15
10	Defendants Have Dominance in Multiple Relevant Services Markets.....	20
11	C. Primary and Secondary Ticketing Services	20
12	D. Concert Promotion Services.....	32
13	E. Relevant Geographic Market	35
14	Defendants’ Anticompetitive Practices Harm Competition in the	
15	Market for Primary Ticketing Services for Major Concert	
	Venues.....	37
16	Defendants Are Now Attempting to Monopolize (and Succeeding in	
17	Monopolizing) Secondary Ticketing Services for Major Concert	
	Venues.....	45
18	Defendants’ Acts Have Had Far-Reaching Anticompetitive Effects	
19	That Damaged Plaintiffs in Direct and Quantifiable Ways	52
20	ACCRUAL OF CLAIM, CONTINUING VIOLATION, EQUITABLE	
	TOLLING, AND FRAUDULENT CONCEALMENT	58
21	CLASS ACTION ALLEGATIONS.....	62
22	INTERSTATE TRADE AND COMMERCE	64
23	CLAIMS FOR RELIEF	65
24	PRAYER FOR RELIEF	73
25	DEMAND FOR JURY TRIAL	73
26		
27		
28		

PRELIMINARY STATEMENT

1
2 1. This is an unusual case. For years, Defendants Ticketmaster LLC
3 (“Ticketmaster”) and Live Nation Entertainment, Inc. (“Live Nation Entertainment”)
4 have compelled consumer claims against them to arbitration, including in a case
5 brought by the undersigned attorneys in 2020, *Oberstein v. Live Nation*, 20-cv-03888
6 (C.D. Cal.) (Wu, J.) (“*Oberstein*”). Suddenly, on July 2, 2021—while the Court in
7 *Oberstein* was preparing its order on Defendants’ Motion to Compel Arbitration—
8 Defendants drastically altered the arbitration agreement on which they had moved to
9 compel arbitration.

10 2. Although the old arbitration agreement (“JAMS agreement”) selects
11 JAMS, an established arbitration forum, the new agreement (“New Era agreement”),
12 which is Section 17 of Defendants’ Terms of Use, designates New Era ADR as the
13 dispute resolution forum.¹ New Era ADR was launched in April 2021 with the mission
14 of “helping businesses settle legal disputes” by creating rules that “make[] sense for
15 businesses” and that also benefit “law firms, who are able to provide an improved client
16 experience” to businesses “and handle a higher volume of cases” that are filed by
17 consumers.² New Era ADR advertises having launched “with around 10 clients,” i.e.,
18 businesses, who have designated New Era ADR as the forum “in nearly 700 contracts,”
19 which New Era ADR expected “will provide a pipeline of potential clients,” i.e.,
20 additional businesses, “down the road.”³

21 3. Unlike traditional arbitral forums that, like courts, set filing fees for
22 both claimant-plaintiffs and respondent-defendants, New Era ADR offers businesses
23

24 ¹ See Ticketmaster, *Terms of Use* (last updated July 2, 2021),
25 https://help.ticketmaster.com/s/article/Terms-of-Use?language=en_US#section17.

26 ² Jim Dallke, *This startup is helping businesses settle legal disputes completely*
27 *online*, Chicago Inno (May 3, 2021),
[https://www.bizjournals.com/chicago/inno/stories/profiles/2021/05/03/online-](https://www.bizjournals.com/chicago/inno/stories/profiles/2021/05/03/online-arbitration-mediation-startup-new-era-adr.html)
[arbitration-mediation-startup-new-era-adr.html](https://www.bizjournals.com/chicago/inno/stories/profiles/2021/05/03/online-arbitration-mediation-startup-new-era-adr.html)

28 ³ *Id.*

1 a subscription model whereby the businesses keep New Era ADR on retainer.⁴ Each
2 year, Defendants pay New Era ADR a “subscription fee.” Defendants pay that
3 subscription fee whether there are 100,000 consumer filings or no consumer filings
4 against it. And once they pay the subscription fee, Defendants require each
5 consumer to pay the entirety of the additional, per-filing fee of \$300.

6 4. When one of many aggrieved consumers files a dispute against
7 Defendants with New Era ADR, the consumer has no choice but to submit to
8 batched arbitration proceedings. On the one hand, the New Era agreement requires
9 a consumer to bring claims “ONLY IN AN INDIVIDUAL CAPACITY” and bars
10 “ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.” On the
11 other hand, once multiple consumers file cases against Defendants, New Era ADR
12 will group their cases together for any reason it deems appropriate, including the
13 consumers’ counsel of choice. The batched cases will then be assigned to a single
14 decisionmaker, chosen under unfair procedures that abridge consumers’ rights to
15 select neutral decisionmakers and that later-filing consumers will not be able to
16 participate in at all. That decisionmaker will then preside over the selection and
17 litigation of a few bellwether cases, during which all other consumers will be forced
18 to wait with no progress on their cases, and after which the outcome of those
19 bellwether cases will be forced on all consumers. The New Era agreement thus
20 requires consumers to engage in a novel and one-sided process that is tailored to
21 disadvantage consumers.

22 5. Even if consumers prevail under the New Era agreement, and even if
23 the consumers have a statutory right to attorneys’ fees and costs, the New Era
24 agreement strips that right away, leaving it up to the unfairly chosen
25 decisionmaker’s discretion to award those fees and costs “as necessary.” The New
26 Era agreement skews the odds so egregiously in Defendants’ favor through its

27 ⁴ See New Era ADR, *Rules and Procedures* (last updated October 13, 2021),
28 <https://www.neweraadr.com/rules-and-procedures/>

1 defense-biased provisions, and is imposed in such a procedurally unfair manner, that
2 it is permeated with unconscionability to a far greater degree than the prior JAMS
3 agreement.

4 6. Setting aside the New Era agreement, the core of the dispute has not
5 changed since *Oberstein*. Plaintiffs bring this class action against Defendants under
6 Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, to recover the damages they
7 suffered from paying supracompetitive fees on primary and secondary ticket purchases
8 from Ticketmaster’s online platforms.

9 7. For decades, Ticketmaster and its predecessor, Ticketmaster
10 Entertainment, Inc., has dominated primary ticketing services for live music events at
11 major concert venues throughout the nation.⁵ Today, Ticketmaster has a market share
12 exceeding 70% of primary ticketing services for major concert venues, which has come
13 about in part by virtue of a web of long-term exclusive dealing agreements and various
14 anticompetitive acts detailed herein, and provided Ticketmaster with decades of market
15 dominance. By Defendants’ own count, Ticketmaster provides primary ticketing
16 services to over 12,000 venues, with more added every year. As the Department of
17 Justice’s Antitrust Division noted in 2010, and as public facts from subsequent
18 litigation have demonstrated, there are high barriers to entry in the market for primary
19 ticketing services for major concert venues, including, among other things, the long-
20 term exclusive dealing agreements mentioned above. These barriers and Defendants’
21 many anticompetitive acts have assured that Ticketmaster’s market power has long
22 been (and remains) impregnable. As a result, over 70% of tickets for major concert
23 venues in the U.S. are sold through Ticketmaster’s online platforms, despite that—as it
24 has done for years—Ticketmaster charges supracompetitive fees made possible by its
25 dominant market position.

26
27 ⁵ “Primary” ticketing refers to the initial distribution of tickets for a show. This is
28 as compared to “secondary” ticketing, which refers to the resale of previously-
purchased tickets, typically at a higher price.

1 8. But Ticketmaster is not just a standalone company; it merged with Live
2 Nation Entertainment in 2010 and today those entities jointly form the world's largest
3 and most powerful live music company. In the United States alone, Live Nation
4 Entertainment is by far the largest and most dominant concert promoter for major
5 concert venues, with a roster of clients that includes the vast majority of top touring
6 acts in the world. And Ticketmaster provides the vast majority of ticketing for those
7 top grossing tours, as the former Chief Economist of both the Federal Trade
8 Commission and the Antitrust Division summarized in a recently-concluded lawsuit:

Figure 10. Ticketmaster's US share of Pollstar top 2015 North American tours

PS tour rank	Tour	Share of events	Share of shows	Share of tickets sold	Share of total gross
1	TAYLOR SWIFT	77.8%	74.5%	84.9%	84.6%
2	KENNY CHESNEY	77.1%	74.1%	82.2%	82.0%
3	GARTH BROOKS	66.7%	72.0%	74.2%	71.7%
4	THE ROLLING STONES	85.7%	85.7%	85.3%	87.4%
5	KEVIN HART	87.2%	89.8%	88.9%	88.8%
6	U2	85.7%	92.9%	94.3%	94.9%
7	ONE DIRECTION	94.1%	94.1%	93.9%	95.3%
8	LUKE BRYAN	90.7%	88.3%	90.0%	88.1%
9	BILLY JOEL	61.1%	75.9%	72.0%	72.8%
10	SHANIA TWAIN	66.7%	66.7%	66.0%	67.8%
11	FLEETWOOD MAC	76.3%	76.9%	76.4%	76.2%
12	JUAN GABRIEL	82.8%	80.0%	80.2%	78.8%
13	AC/DC	75.0%	75.0%	73.0%	72.1%
14	GRATEFUL DEAD - "FARE THEE WELL"	100.0%	100.0%	100.0%	100.0%
15	TRANS-SIBERIAN ORCHESTRA	73.3%	73.0%	74.0%	73.4%
16	ZAC BROWN BAND	88.9%	86.0%	81.3%	76.7%
17	CIRQUE DU SOLEIL'S KURIOS	50.0%	49.5%	47.1%	48.9%
18	MAROON 5	84.6%	85.7%	86.7%	84.5%
19	MADONNA	84.6%	85.7%	88.1%	89.0%
20	ELTON JOHN	64.7%	22.4%	44.4%	35.6%
21	CHRIS BROWN	88.9%	88.9%	90.9%	87.8%
22	DAVE MATTHEWS BAND	91.7%	90.9%	91.7%	91.8%
23	DEF LEPPARD	82.7%	82.7%	85.2%	80.6%
24	FOO FIGHTERS	82.1%	78.1%	77.8%	76.7%
25	ED SHEERAN	71.9%	68.6%	70.7%	70.2%

Note: "Events" are defined as a single headlining act performing at a single venue over consecutive dates; an "event" can have multiple "shows," which are individual performances by that headlining act (i.e., Irish rock band U2 putting on a three-night run at the United Center in Chicago is an "event" consisting of three "shows").

9. Subsidized by the supracompetitive profits Ticketmaster's business generates from its domination of primary ticketing services for major concert venues, Live Nation Entertainment is able to keep a stranglehold on concert promotion services—losing tens of millions of dollars annually—by paying its clients exorbitant amounts. Using its promotion business as a loss leader in turn helps maintain Ticketmaster's dominance, because venue operators must take into account the very

1 real possibility that Live Nation Entertainment will not route tours through their venues
2 if they do not select Ticketmaster as their primary ticketing service provider. And, as
3 the U.S. Department of Justice’s Antitrust Division recently revealed in public filings,
4 this possibility was not just theoretical. Since shortly after Live Nation Entertainment
5 and Ticketmaster merged in 2010, Defendants regularly threatened venues with less (or
6 no) Live Nation Entertainment tours if they did not select Ticketmaster as their primary
7 ticketing service provider. The practice was apparently so pervasive and insidious that,
8 as the DOJ put it, “venues throughout the United States have come to expect that
9 refusing to contract with Ticketmaster will result in the venue receiving fewer Live
10 Nation concerts or none at all. Given the paramount importance of live event revenues
11 to a venue’s bottom line, this is a loss most venues can ill-afford to risk.” This
12 practice—which was, until recently, invisible to concert-going consumers, because
13 consumers had no reason to know how venues contract for primary ticketing services,
14 and because Defendants affirmatively concealed the behavior—went unchecked for so
15 long that Defendants recently became brazen in their conduct. Live Nation
16 Entertainment’s CEO and President, Michael Rapino, publicly admitted (on
17 information and belief, for the first time) in September 2019 that, if a venue wants to
18 use a ticketing service provider other than Ticketmaster, the venue “won’t be the best
19 economic place anymore because we don’t hold the revenue.” In other words, Mr.
20 Rapino indicated that, consistent with the DOJ’s recently-made-public factual findings,
21 Live Nation Entertainment would not route tours through that venue in the future
22 because Ticketmaster does not provide primary ticketing services there. This threat
23 was not lost on any serious industry participant.

24 10. The combined Live Nation/Ticketmaster behemoth has enormous, and
25 unique, market power in primary ticketing and concert promotion services, and has
26 shown it is unafraid to use that power. Furthermore, the public evidence indicates, ever
27 since the 2010 merger, Ticketmaster acted under Live Nation Entertainment’s direction
28 and control, including Mr. Rapino in particular, with respect to the anticompetitive acts

1 alleged herein. Live Nation Entertainment also provided substantial, independent
2 assistance to Ticketmaster's anticompetitive acts. As the DOJ recently put it,
3 Defendants' anticompetitive acts mean that, today, "many venues are effectively
4 required to contract with Ticketmaster to obtain Live Nation concerts on reasonable
5 terms, limiting the ability of Ticketmaster's competitors to compete in the primary
6 ticketing market and harming venues that would benefit from increased competition."

7 11. But the anticompetitive harm and costs from Defendants' acts are not
8 shouldered by concert venues; consumers have that unenviable privilege, simply
9 because they want to see their favorite artists perform live. Fans nationwide have long
10 decried the extraordinarily high fees Ticketmaster imposes on the tickets it sells, a
11 practice consumers cannot avoid because of Ticketmaster's ubiquity and impregnable
12 market power. As publicly-available evidence, including a recent report from the
13 United States Government Accountability Office ("GAO"), shows, markets that are not
14 encumbered by Ticketmaster's monopoly over ticketing services demonstrate much
15 lower prices for consumers. The GAO noted, for example, that while service fees for
16 U.S. venues the GAO analyzed averaged 22% and could go as high as 38%, "[i]n the
17 United Kingdom, where the venue and promoter typically contract with multiple ticket
18 sellers, ticket fees are lower than in the United States—around 10 percent to 15 percent
19 of the ticket's face value, according to a recent study." Similarly, according to a report
20 from the New York Attorney General, at least as many as 65% of major concert venue
21 seats are now sold by Ticketmaster (and all with service fees far beyond what would be
22 paid in a competitive market).

23 12. Despite the consumer harms they cause, Defendants have continued to
24 flourish by engaging in anticompetitive exclusive dealing with major concert venue
25 operators (which are bolstered by Ticketmaster's relationship with Live Nation
26 Entertainment), as well as numerous other unfair and anticompetitive acts discussed
27 herein that are aimed at eliminating and/or minimizing all competition, both in primary
28 ticketing services and, more recently, secondary ticketing services.

1 13. Among those other predatory acts that collectively form its scheme,
2 Defendants have improperly wielded the conditional copyright license Ticketmaster
3 employs to grant access to its online platform as an anticompetitive weapon against all
4 users on the site. According to the license's terms, Ticketmaster website users cannot
5 engage in a long list of practices aimed at purchasing a large number of primary tickets
6 at once, including through the use of, *inter alia*, multiple user accounts and "bots." If
7 they do, then Ticketmaster states it may revoke the license to use its website and ban
8 users, or put them toward the back of the line in terms of ticket purchasing priority (*i.e.*,
9 electronically slow down their ability to purchase primary tickets). Defendants claim
10 this is a pro-consumer conditional license but, the truth is it shows the lengths to which
11 Defendants will go to stifle competition.

12 14. In reality, Ticketmaster's conditional license is a tool to maintain its
13 monopoly power in primary ticketing services for major concert services, as well as
14 extend and leverage Ticketmaster's monopoly power into secondary ticketing services
15 for major concert venues, which it is attempting to monopolize just as it has already
16 monopolized primary ticketing services for major concert venues. Defendants were
17 recently caught red-handed telling consumers they are fighting ticket brokers (via the
18 conditional license and other means) when they were actually using the license as a
19 bludgeon to force secondary ticket brokers into agreeing to exclusively use
20 Ticketmaster's secondary ticketing platform, rather than other competing secondary
21 ticket platforms, for their resales.

22 15. In addition to using the conditional license as an anticompetitive bludgeon,
23 Defendants have also begun using their dominance over primary ticketing services to
24 limit primary purchasers' ability to transfer tickets, unless those purchasers resell their
25 tickets through Ticketmaster's secondary ticketing platform. Defendants do so through
26 mobile ticket technology, which delivers a ticket to a purchaser's smartphone.
27 Historically, primary ticket purchasers have been able to transfer their tickets to
28 whomever they want. They could resell their tickets on a competing secondary

1 ticketing platform and then transfer their tickets to the secondary purchaser free of
2 charge. Now, however, Defendants have implemented technology that prevents such
3 transfers, but still permits primary purchasers to resell their ticket on Ticketmaster's
4 platform. Primary purchasers are unaware of these restrictions when purchasing their
5 tickets, and then have no choice in which platform to use if they wish to resell their
6 ticket.

7 16. Competing secondary ticketing service providers offer lower fees to
8 secondary ticket purchasers than Defendants offer, which should create higher demand
9 for secondary tickets sold on those other platforms (thus benefiting the ticket resellers).
10 However, those secondary ticket competitors simply cannot compete with Defendants'
11 unique combination of concert promotion and ticketing services (and Defendants'
12 collective dominance). Thus, competing secondary ticketing service providers are at a
13 distinct disadvantage in trying to simply compete on the merits.

14 17. Given these problems, Defendants' use of the conditional license as an
15 anticompetitive weapon, as well as their limitations on primary ticket transferability,
16 have had anticompetitive effects for both primary and secondary ticketing services.
17 Among other effects, one effect is to grow Ticketmaster's secondary ticketing service
18 business at the expense of its rivals (which provide the competing secondary ticket
19 platforms on which brokers can opt to sell their purchased tickets), but not because
20 Ticketmaster offers a better or cheaper service. Another effect is to dramatically
21 increase Ticketmaster's revenues by allowing it to levy fees on the second (and third,
22 etc.) sale of the same ticket(s) it sold in the primary sale. Ticketmaster has leveraged
23 these effects into massive growth for its secondary ticketing service business, which has
24 come at the expense of consumers because it has led to ever more supracompetitive
25 ticketing fees for both primary and secondary ticketing services at major concert
26 venues. That is a third effect of Defendants' conduct. On information and belief,
27 Defendants' misuse of the conditional license alone has, like the recently-revealed
28 information from the DOJ's investigation, continued for years and had substantial

1 negative effects on competition in the markets for primary and secondary ticketing
2 services, which has led to higher prices for both secondary *and* primary ticket
3 purchasers on Ticketmaster’s platform. When combined with the remainder of their
4 bad acts, the harm is even more substantial for all types of ticket purchases.

5 18. Defendants’ anticompetitive scheme has been wildly successful and today
6 threatens to put nearly all ticketing services for major concert venues (primary and
7 secondary) in the United States under Ticketmaster’s monopolistic thumb.
8 Ticketmaster’s dominance in primary ticketing services remains unchecked, and that
9 dominance becomes ever more impregnable with each passing year due to Defendants’
10 exclusive dealing, tying, and other anticompetitive conduct. Similarly, fed by the
11 anticompetitive acts described herein, Ticketmaster’s secondary ticketing volume has
12 seen remarkable, double-digit year over year growth for multiple years now,
13 threatening to soon make Ticketmaster the largest secondary ticketing platform in the
14 nation. This is despite that Ticketmaster has clearly engaged in blatant, anti-consumer
15 behavior for years. In addition to its behind-the-scenes efforts to feed ticket brokers
16 huge amounts of supply if they sold on Ticketmaster’s secondary platform, the DOJ
17 recently needed to move to extend the consent decree it originally crafted to permit the
18 Live Nation Entertainment-Ticketmaster merger, because Defendants—as has only
19 recently become public to ticket-buying consumers—shamelessly violated its terms for
20 years. The FTC also intervened in recent years to prevent Ticketmaster from moving
21 concert ticket buyers from its primary to secondary platform (*i.e.*, by implying tickets
22 offered at much higher prices than their face value were primary, as opposed to
23 secondary, ticket sales).

24 19. Defendants’ predatory acts have increased and today threaten the entirety
25 of competition within the primary and secondary ticketing services markets. Michael
26 Rapino, Live Nation Entertainment’s CEO and President, has admitted that artists today
27 make 95% of their income from live music events and that Live Nation is now the
28 “largest single financier” of artists worldwide (more than record companies). Armed as

1 he is with this power over artists' careers, and fueled by Ticketmaster's outsized profits,
2 Mr. Rapino has used this position to intimidate the live music industry into using
3 Ticketmaster for primary ticketing services and, more and more, secondary ticketing
4 services. He and the Live Nation monster he has helped create over the past decade-
5 plus must be stopped.

6 20. This Complaint details Defendants' violations of the U.S. antitrust laws.
7 Defendants are dominant in three relevant markets – (1) primary ticketing services for
8 major concert venues (¶¶ 52-65, 70-72), (2) secondary ticketing services for major
9 concert venues (¶¶ 66-72), and (3) concert promotion for major concert venues (¶¶ 73-
10 79). Defendants have engaged in predatory and exclusionary conduct (1) to
11 monopolize the primary ticketing services market (¶¶ 86-96) and (2) to extend their
12 dominance into the secondary ticketing services market (¶¶ 97-113). Defendants'
13 anticompetitive conduct has lessened, if not eliminated, competition and harmed
14 consumers, including both the Primary and the Secondary Ticketing Services Consumer
15 Classes (¶¶ 114-123). This lawsuit aims to put an end to Defendants' misconduct.

16 **PARTIES**

17 **A. Defendants**

18 21. Defendant Live Nation Entertainment, Inc. (formerly known as Live
19 Nation, Inc.) is a Delaware corporation with its principal place of business at 9348
20 Civic Center Drive, Beverly Hills, California 90210. Live Nation is the largest live
21 entertainment company in the world, connecting over half a billion fans across all of its
22 platforms in 29 countries. Live Nation states on its website that it “annually issues over
23 500 million tickets, promotes more than 35,000 events, partners with over 1,000
24 sponsors and manages the careers of 500+ artists.” Live Nation's 2019 revenues were
25 approximately \$11.5 billion, but approximately 50% of its adjusted operating income is
26
27
28

1 attributable to its Ticketing division (*i.e.*, Ticketmaster), even though Ticketmaster
2 represented only 13.4% of Live Nation's revenues.⁶

3 22. Defendant Ticketmaster LLC is a wholly-owned subsidiary of Live Nation
4 Entertainment, Inc. Ticketmaster is a limited liability company organized and existing
5 under the laws of Virginia with its principal place of business at 7060 Hollywood
6 Boulevard, Hollywood, California, 90028. Ticketmaster LLC is the successor in
7 interest to Ticketmaster Entertainment, Inc., a Delaware corporation, and is the largest
8 ticketing company in the United States, with 2019 revenues of approximately \$1.54
9 billion. As discussed herein, Ticketmaster's business includes two main arms: its
10 legacy primary ticketing services business and a newer, but increasingly-dominant,
11 secondary ticketing service business. On information and belief, Ticketmaster's share
12 of secondary ticketing services for major concert venues in the U.S. already exceeds
13 60%. Ticketmaster also has several additional divisions that provide ancillary services
14 to these ticketing businesses. In performing the anticompetitive acts herein alleged,
15 Ticketmaster acted under the direction and control of, and in coordination with,
16 Defendant Live Nation Entertainment, and its senior-most executives.

17 23. Live Nation Entertainment and Ticketmaster merged in an all-stock
18 transaction in 2010. Since then, the resulting conglomerate reorganized into the
19 following three segments:

20 (a) In the Concerts segment, Live Nation Entertainment acts as a
21 promoter. It and AEG Live are the only promoters that can operate on a United States
22 national and global scale; the remainder of its competitors are purely local in nature.
23 Live Nation Entertainment often serves as the exclusive promoter for artists on national
24 tours, and uses cross-collateralization across concerts and its deep pockets, including
25 operating profits from its Ticketmaster and sponsorship divisions, to routinely offer
26

27 ⁶ Live Nation's 2020 and 2021 revenues were different in part due to COVID-
28 19, but the basic point remains the same: historically, an enormous portion of Live
Nation's revenues have been attributed to its Ticketing division.

1 artists higher guaranteed compensation than its only other national competitor, a
2 company called AEG Live.⁷ Live Nation Entertainment has over 60% of the concert
3 promotion services market. Revenue streams from this segment are numerous and
4 significant, but margins are below cost or very thin. (Adjusted operating margins for
5 2019 were 2.6%.) Live Nation Entertainment's promoted artists obtain the vast
6 majority of the Concerts segment's revenue.

7 (b) By contrast, the Ticketing segment (*i.e.*, Ticketmaster) is highly
8 profitable with gross profit margins its own expert in a now-settled litigation stated
9 exceeded 80%. This division primarily consists of the legacy Ticketmaster business,
10 which focuses on primary ticket sales, as well as a newer business focusing on
11 secondary ticket sales (*i.e.*, ticket resales). Ticketmaster sells tickets to the public under
12 contract with the venues, and earns service and other ancillary fees on the sale of each
13 ticket. Ticketmaster also has a growing secondary ticketing marketplace, with over \$1
14 billion of gross transaction value in 2019 (more than 50% growth since 2013). This
15 high-margin secondary ticketing business has provided an additional income stream for
16 Ticketmaster on the same shows for which it sells primary tickets. This means
17 Ticketmaster can generate revenues two or more times on the exact same tickets.
18 Ticketmaster also maintains a database containing the contact information of over 130
19 million customers, a valuable resource that it has generally refused to provide to the
20 very artists who create the demand that drives ticket sales.

21 (c) The Sponsorship & Advertising segment leverages the 93 million or
22 so fans Live Nation Entertainment draws to its shows, the 130 million-plus names in
23 the Ticketmaster database, their stable of managed and promoted artists, and the venues
24 they control to sell targeted advertising to major companies. In 2019, this segment

25 _____
26 ⁷ The Anschutz Entertainment Group (AEG) is an American worldwide sporting
27 and music entertainment presenter and a subsidiary of The Anschutz Corporation.
28 AEG owns a variety of major concert venues throughout the U.S. that compete with
Live Nation- and third party-owned concert venues for major live music concerts. AEG
Live is AEG's promotion arm for live music concerts.

1 generated adjusted operating income of \$366 million on revenue of \$590 million—a
2 62% operating margin.

3 24. In 2019, the Ticketing and Sponsorship & Advertising segments
4 generated only 18.4% of Live Nation Entertainment's revenues, but over **100%** of its
5 adjusted operating income (reduced by its losses in Live Nation's concert promotion
6 business, and its general corporate costs).

7 **B. Plaintiffs**

8 25. Plaintiff Skot Heckman is a resident of San Bruno, California. He
9 purchased primary and secondary tickets and paid associated fees for primary and
10 secondary ticketing services for events at major concert venues from Defendants'
11 online platform within the class period, including after Defendants adopted the New
12 Era agreement.

13 26. Plaintiff Luis Ponce is a resident of Coral Springs, Florida. He purchased
14 primary tickets and paid associated fees for primary ticketing services for events at
15 major concert venues from Defendants' online platform within the class period,
16 including after Defendants adopted the New Era agreement.

17 27. Plaintiff Jeanene Popp is a resident of Clayton, Ohio. She purchased
18 primary tickets and paid associated fees for primary ticketing services for events at
19 major concert venues from Defendants' online platform within the class period,
20 including after Defendants adopted the New Era agreement.

21 28. Plaintiff Jacob Roberts is a resident of Fort Lauderdale, Florida. He
22 purchased primary tickets and paid associated fees for primary ticketing services for
23 events at major concert venues from Defendants' online platform within the class
24 period, including after Defendants adopted the New Era agreement.

25 **JURISDICTION AND VENUE**

26 29. This Court has subject matter jurisdiction over this action pursuant to 28
27 U.S.C. §§ 1331 and 1337 because Plaintiffs bring this action under Sections 4 and
28

1 Section 16 of the Clayton Act, 15 U.S.C. §§ 15 and 16, for violations of Sections 1 and
2 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2.

3 30. Venue is proper in this Court under 28 U.S.C. § 1391(b), because
4 Defendants sell tickets throughout the State of California, including in this judicial
5 district.

6 **ADDITIONAL FACTS**

7 **General Background on the Live Music Industry**

8 31. At a high level, the components of the live music entertainment industry
9 include the following:



13 32. Artists are the draw for a live music event and drive demand for the
14 services of every subsequent link and participant in the live music industry chain.

15 33. An artist manager serves as the “CEO” of an artist’s business activities,
16 advising in some or all phases of the artist’s professional life (tours, appearances,
17 recording deals, publicity, endorsements, etc.). Managers often are compensated based
18 on a share of all of the artist’s revenues or profit streams. Defendant Live Nation is
19 currently the largest manager of artists in the music industry.

20 34. The artist manager often hires booking agents to assist in arranging a
21 concert event or tour. The manager or booking agent contracts with promoters, such as
22 Live Nation Entertainment, to secure payment terms for artists as compensation for
23 their live performances. Agents are typically paid a portion of an artist’s receipts from
24 live performances.

25 35. The promoter is responsible for promoting the concert to the public, which
26 requires several different types of work. The promoter typically receives the proceeds
27 from gross ticket receipts for each concert it promotes and is responsible for paying the
28 artist, venue, and other expenses associated with the event. For example, the promoter

1 hires the artist for the performance (often guaranteeing more popular artists millions of
2 dollars for that performance or a national tour), generally contracts with the venue (or
3 uses its own venues), pays the concert venue operator a fixed fee (rental payment) to
4 host the concert at the venue, arranges for local production services, and advertises and
5 markets the concert. The promoter bears the downside risk of an event if tickets sell
6 poorly and reaps the upside benefit with the artists if tickets sell well. Put simply, the
7 more tickets a promoter is able to sell for a show, the more money the promoter (and
8 artist) should make.

9 36. Today, artists planning to conduct a tour at major concert venues often use
10 a single company to provide and/or coordinate promotions for the entire tour. SFX
11 Entertainment, Live Nation Entertainment's predecessor company, was the first to
12 achieve this feat at scale across the industry by acquiring multiple regional promoters
13 and integrating them into one national organization. The unique, nation-spanning
14 services such a company provided to artists led them to view SFX (and, now, Live
15 Nation Entertainment) as their promoter of choice for concert tours, large and small,
16 particularly at major concert venues. Although some artists still use multiple regional
17 concert promoters for a single national tour, the pre-SFX *status quo* has been reversed,
18 and this practice is now the exception, not the rule, for tours that include shows at
19 major concert venues. Defendant Live Nation Entertainment is the largest promoter in
20 the United States, promoting over 60% of the shows at major concert venues in the
21 nation.

22 37. Concert venue operators provide access to and maintain the facilities
23 where concerts are held and oversee the venue's associated services, such as
24 concessions, parking, and security. Along with a rental fee received from the promoter,
25 venues generally take a share of the proceeds from concessions, parking, and artist
26 merchandise sales. Concert venues that contract with Ticketmaster have also, in recent
27 years, begun to take a portion of the fees added to the face value of tickets for events at
28 the venue (discussed further below). Thus, similar to the promoter, the more tickets

1 sold (and the more patrons that attend the venue), the more money the concert venue
2 operator makes.

3 38. In terms of ticket sales, concert venue operators have two options: either
4 manage the sale of primary ticket inventory themselves or contract with a third party to
5 handle the sale process for them. Managing and selling concert venue tickets is
6 technologically and operationally complex, so most concert venue operators choose the
7 latter option and contract with primary ticketing service providers (generally
8 Ticketmaster for major concert venues) for comprehensive ticketing solutions. Of
9 particular note for this Complaint is that, on information and belief, Live Nation
10 Worldwide, along with other members of the Live Nation conglomerate, is the second-
11 largest concert venue operator/owner in the United States and exclusively utilizes
12 Ticketmaster for these services.⁸

13 39. Primary ticketing service providers contract with venues to manage and
14 sell primary ticket inventory for events at that venue. Primary ticketing service
15 providers create “back-end” inventory management systems and provide “front-end”
16 support, including customer service, shipping, and fulfillment services, as well as the
17 technology (and staff) to allow concert venue operators to sell tickets through their box
18 offices. The primary ticketing service providers provide primary ticketing services to
19 primary ticket purchasers and sellers by acting as a distributor agent (distributing
20 primary tickets from primary ticket sellers to primary ticket purchasers), and sell the
21 primary ticket inventory made available to them through means such as the Internet,
22 call centers, and retail outlets and/or help the venue sell tickets at its box office.

24 ⁸ Live Nation Worldwide, Inc. is a wholly-owned subsidiary of Live Nation
25 Entertainment. In addition to the venues it owns and/or operates, Live Nation
26 Worldwide also runs the website livenation.com. That website is separate and
27 distinct from Live Nation Entertainment’s website, livenationentertainment.com,
28 and has a different purpose. On livenation.com, Live Nation Worldwide sells
tickets to events at venues it owns or operates, as well as for shows promoted by
Live Nation Entertainment. The only legal entity name actually listed on
livenation.com, however, is Live Nation Worldwide, Inc.

1 40. Primary ticketing service providers generate profits by applying additional
2 charges to the price of tickets sold to primary purchasers. The overall price a consumer
3 pays on a primary ticket purchase therefore generally includes the “face value” of the
4 ticket (which is typically set by the artist and promoter),⁹ as well as a variety of fees on
5 top of/in addition to the face value of the ticket. As noted, these fees are generally
6 charged, received, and retained by the primary ticketing service provider, although they
7 may be split with other parties, including the concert venue operator. Typically
8 described as “convenience,” “processing,” “service,” “facility,” and/or “delivery” fees,
9 these fees can constitute a substantial portion of the overall cost of the ticket to the
10 consumer.

11 41. Substantially all of the nation’s major concert venues have entered into
12 long-term exclusive agreements with primary ticketing service providers—well over
13 70% with Ticketmaster, and growing each year—whereby the ticketing service
14 provider contracts for the exclusive rights to the majority of all ticket sales for all
15 events held at the venue. By Defendants’ own count, Ticketmaster provides primary
16 ticketing services to over 12,000 venues and has a renewal rate “exceeding 100%,”
17 because there is no effective competition to Ticketmaster when these long-term
18 exclusive dealing contracts expire.

19 42. According to Ticketmaster, its agreements with concert venues have terms
20 that may exceed ten or more years in length and are typically in the 5-7 year range. In
21 order to induce concert venue owners/managers to enter into such exclusive dealing
22 agreements, Ticketmaster offers up-front payments and other subsidies that can run into
23 the millions of dollars that are conditioned on such exclusivity. Those up-front
24

25
26 ⁹ In recent years, Ticketmaster has rolled out “dynamic pricing” services, which
27 helps artists and promoters dynamically adjust ticket face values based on market
28 demand for a particular show. Thus, consumers attending the same show with roughly
analogous seats may pay different face values for primary tickets based on when they
purchase the ticket.

1 payments act as a barrier to entry for smaller competitors and act as an additional
2 mechanism to maintain Ticketmaster's dominance.

3 43. Once there is a primary ticket sale, the primary ticket purchaser typically
4 may choose to resell their ticket. Historically, such "secondary" ticket sales (*i.e.*,
5 resales) were challenging because it was logistically difficult to find a purchaser.
6 Ticket holders wanting to sell their tickets were therefore typically relegated to either
7 asking around to see if anyone they knew (or friends of friends) might want to purchase
8 the ticket(s), selling to local ticket brokers or putting tickets on commission there, or
9 heading to the event the day or evening of and selling to a scalper, who would then try
10 to resell the ticket to passersby.

11 44. In recent years, however, a market for secondary ticketing service
12 providers also arose. Such service providers typically offer online platforms connecting
13 ticket resellers to ticket purchasers, and providing services to both by acting as a
14 distributor agent (distributing secondary tickets from the former to the latter). This
15 substantially reduces the logistical difficulties of reselling tickets. Today, selling a
16 ticket is often as easy as posting the ticket on a secondary ticketing platform and
17 waiting for a purchaser to locate and buy the ticket.

18 45. Like primary ticketing service providers, secondary ticketing service
19 providers do not set the price of the ticket; that decision is left up to the ticket seller.
20 Also like primary ticketing service providers, secondary ticketing service providers
21 generate revenues by levying fees on the sale transaction. However, unlike primary
22 ticketing service providers, secondary ticketing service providers typically charges fees
23 on both sides of the transactions, as opposed to just on the ticket purchaser. A ticket
24 seller therefore must pay a set fee (often a percentage of the "face value" they set for
25 the ticket sale), and the purchaser must also pay a set fee (often, also a percentage of the
26 sale price, as well as other assorted fees).

27 46. Due to the conduct alleged herein, Ticketmaster's branded platform, as
28 well as its TicketExchange, TicketsNow, TM+, and Verified Tickets secondary

1 platforms have, on information and belief, obtained a market share exceeding 60% of
2 secondary ticketing services for major concert venues and are now threatening to obtain
3 (or have obtained) monopoly power in secondary ticketing services for major concert
4 venues just as it currently has in primary ticketing services for major concert venues,
5 where it has a market share exceeding 70%.

6 **Defendants Have Dominance in Multiple Relevant Services Markets**

7 47. There are three relevant service markets applicable to this dispute. They
8 are: (1) primary ticketing services for major concert venues; (2) secondary ticketing
9 services for major concert venues; and (3) concert promotion services for major concert
10 venues. Defendants are dominant in all three markets.

11 **C. Primary and Secondary Ticketing Services**

12 **i. Major concert venues constitute a distinct segment for**
13 **ticketing services providers**

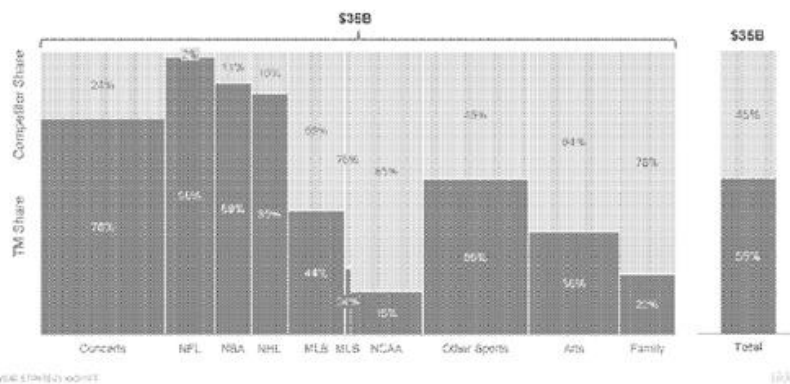
14 48. A major concert venue is a facility suitable for hosting events of the most
15 successful artists and the largest concert tours. Due to popular demand for events
16 featuring successful artists, major concert venues are likely to generate a larger volume
17 of commerce (*e.g.*, ticket sales, merchandise sales, concessions) than other venues.
18 Relative to other concert venues, major concert venues are also likely to have greater
19 seating capacity and to be located closer to major metropolitan areas. In terms of
20 events, major concert venues must be suitable for hosting live music concerts, but may
21 also be used for non-music performances (*e.g.*, sports) or for other events requiring
22 large seating capacity.

23 49. Ticketing service providers recognize that concerts require a specific type
24 of ticketing service, and that major concert venues in particular require even more
25 specialized ticketing services. Regarding the former point, Ticketmaster internally
26 categorizes concerts as a specific type of ticketing. For example, in a previous lawsuit,
27 Ticketmaster's Rule 30(b)(6) corporate representative testified that different types of
28 venues are treated separately within the organization, and that "concerts" were one such

category. Ticketmaster’s former CFO also testified that Ticketmaster breaks down tickets by category, one of which is “concerts.” Numerous Ticketmaster documents (made public in prior lawsuits) similarly note that concert ticketing is a category unto itself within Ticketmaster’s broader ticketing services business including but not limited to the following:

Figure 1. Ticketmaster 2015 market shares by vertical segment

**2015 NA PRIMARY MARKET SIZING
BY VERTICAL SEGMENT**



Source: Ticketmaster, “2015 NA Live Entertainment Market Sizing” (presentation, n.d.), 2 (TM00020328 at -332).

50. Within the concerts ticketing services category, major concert venues constitute a distinct segment. Major concert venues host the industry’s biggest acts. Shows for super star artists sell out in minutes, bombarded by thousands of fans and ticket brokers struggling to scoop up seats for top-tier performances. As the US Department of Justice discussed in its January 25, 2010 Competitive Impact Statement on the Ticketmaster-Live Nation Entertainment merger, “major concert venues require more sophisticated primary ticketing services than other venues.” The websites of ticketing service providers that service these venues need to be equipped to handle massive online traffic. Such “high-demand events” have much higher requirements than other types of events and have been likened to a “denial of service attack” by industry insiders, meaning they receive heavy online traffic.

51. Artists and their managers also recognize that major concert venues are a distinct category within the live music ticketing space. In previous litigation involving

1 Ticketmaster, one third-party deponent manager made clear that major concert venues
2 were distinct from minor venues, from an artist's perspective, and that ticketing for
3 such venues was largely centralized in one place (Ticketmaster; discussed further
4 below). This view is echoed by industry publications, such as Pollstar, that distinguish
5 "major" concert venues from other venues within single categories, and even give out
6 awards based on whether a venue is "major" or not (*e.g.*, "Best Major Outdoor Concert
7 Venue").

8 **ii. Ticketmaster has long dominated primary ticketing services**
9 **for major concert venues**

10 52. As previously noted, Ticketmaster has dominated primary ticketing for
11 decades, dominance that has increased over the past four years in part because of the
12 merger with Live Nation Entertainment. Other companies have sought to compete
13 against Ticketmaster for primary ticketing to concert venues over the years, but none
14 have been successful because Ticketmaster acquired them, drove them out of business,
15 or minimized their market share through a variety of tactics. Indeed, as the DOJ
16 recently noted in moving to modify the Live Nation Entertainment-Ticketmaster
17 consent decree, "Ticketmaster has been the largest primary ticketing service provider
18 for major concert venues in the United States for at least three decades." In 2017,
19 Ticketmaster's share of primary ticketing services in the United States exceeded 70%
20 among major concert venues and, as noted, its market power is growing as a result of
21 renewals and extensions of existing agreements. Furthermore, Ticketmaster sells the
22 vast bulk of tickets for major concerts in the U.S. on an annual basis, because, as
23 detailed herein, Live Nation Entertainment promotes the great majority of major
24 concert tours each year and routes those tours through major concert venues for which
25 Ticketmaster is the primary ticketing service provider.

26 53. High market shares are not the only indicators of Ticketmaster's market
27 power. Ticketmaster's revenues are much greater than those of the next several largest
28 primary ticketing service competitors combined, as are, on information and belief, its

1 gross profit margins. Moreover, although a small number of other primary ticketing
2 competitors attempt to compete against Ticketmaster for primary ticketing rights at
3 venues not controlled by Defendants, Defendants have admitted that Ticketmaster’s net
4 renewal rate with venues on an annual basis has been “**over** 100%.” In other words,
5 since it merged with Live Nation Entertainment, Ticketmaster has steadily increased its
6 market share and dominance.

7 54. Live Nation Entertainment has long been the world’s largest promoter of
8 live concerts, boasting that it is “the global leader in live.” Live Nation Entertainment’s
9 Concerts business segment principally involves the promotion of live music events at
10 concert venues throughout the world, although its largest footprint is in the United
11 States. Live Nation Worldwide, combined with other members of the Live Nation
12 conglomerate, is also the second-largest owner or manager of concert venues and owns,
13 leases, operates, has booking rights for, or has equity interests in over 200 live
14 entertainment venues of various sizes in the United States.

15 55. Before their merger, Live Nation Entertainment had been using
16 Ticketmaster as its primary ticketing service provider and was one of Ticketmaster’s
17 largest customers. In late 2006, Live Nation Entertainment (run then, as now, by Mr.
18 Rapino) concluded that it would be better served by entering the ticketing service
19 business itself. It believed that, as the nation’s foremost concert promoter, its
20 prominence would give it immediate access to the primary ticketing services market.

21 56. That is exactly what happened. Shortly after rolling out its primary
22 ticketing service strategy in 2008—which involved (a) licensing ticketing software
23 from CTS Eventim, the leading German primary ticketing service provider, for both
24 Live Nation and third party venues to use within the United States, and (b) engaging in
25 price competition with Ticketmaster on ticket service fees—Live Nation Entertainment
26 became the second-largest provider of primary ticketing services in the United States
27 almost overnight (by signing up both itself *and* the largest venue operator of the time,
28 SMG).

1 57. In order to protect and preserve its monopoly power in primary ticketing
2 services and to remove Live Nation Entertainment as a competitor, Ticketmaster
3 decided to merge with Live Nation Entertainment. The U.S. Department of Justice,
4 California, and sixteen other states disagreed that this was permissible and, in January
5 2010, sued to block the merger between Ticketmaster and Live Nation Entertainment.
6 The primary concern expressed in the complaint was that the merger would eliminate
7 competition and innovation in the market for primary ticketing services (defined in the
8 complaint as “primary ticketing services”), by eliminating Live Nation Entertainment
9 as a competitor of Ticketmaster. (Regulators did, however, also express concerns that
10 the merger would also provide Ticketmaster with dominance in the secondary ticketing
11 service provider market as well.) To reduce the government’s concerns, Defendants
12 entered into a consent judgment with numerous requirements, including several
13 behavioral remedies (*i.e.*, remedies meant to prevent certain anticompetitive behaviors).
14 One of those behavioral remedies was that the merged entity was prohibited from
15 conditioning or threatening to withhold artist tour stops (which Live Nation sets as an
16 artist’s concert promoter) based on whether a venue selects Ticketmaster as its primary
17 ticketing service provider. In other words, the merged companies could not punish or
18 threaten to punish venues with less concerts if the venue decided not to use
19 Ticketmaster as its ticketing service provider.

20 58. The consent decree, including its behavioral remedies, was set to expire
21 recently, but the DOJ moved to extend the consent decree by five-and-a-half years,
22 because Defendants engaged in multiple violations of the consent decree’s behavioral
23 remedies. Those acts are discussed in further detail below. As relevant here, the DOJ
24 noted its motion was necessary because Defendants’ acts had led to *further* domination
25 by Ticketmaster in primary ticketing services—and, therefore, consumer harm during
26 the class period.

27 59. Using a widely-recognized measure of market concentration called the
28 Herfindahl-Hirschman Index (“HHI”), the post-Live Nation Entertainment and

1 Ticketmaster merger HHI for primary ticketing services for major concert venues
2 increased by over 2,190 points, resulting in a post-merger HHI of over 6,900. The U.S.
3 Department of Justice considers any market with an HHI of more than 2,500 to be
4 highly concentrated. If Ticketmaster is successful in its quest to destroy competition in
5 the primary and secondary ticketing services markets, the HHI would rise even higher,
6 to nearly single-competitor—*i.e.*, pure monopoly—levels.

7 60. As discussed above, Ticketmaster is the largest primary ticketing services
8 provider in the nation. Ticketmaster has historically possessed multiple competitive
9 advantages. As a result, smaller primary ticketing service providers (of all types) have
10 been limited in their ability to compete.

11 61. The primary source of, and barrier surrounding, Ticketmaster's market
12 dominance is a nationwide web of long-term, exclusive dealing contracts with the vast
13 majority of major concert venues throughout the United States. General sales under
14 these contracts typically involve the sale of available tickets to the venue's shows,
15 excluding artist presale allocations. In exchange, Ticketmaster pays the venue a high
16 fixed fee (often including undisclosed rebates and other subsidies), which, depending
17 on the venue and the term of the contract, can be many millions of dollars. Given the
18 amounts at issue, this is a substantial barrier to entry and has allowed Ticketmaster to
19 steadily grow its venue contracts since its merger with Live Nation.

20 62. The long-term exclusive dealing contracts with venues also create market
21 power and barriers to entry because of their length and ubiquity. Ticketmaster's
22 exclusive dealing arrangements with venues have terms that may range to ten or more
23 years in length and presumably much longer for Live Nation-controlled venues.
24 According to published industry data, Ticketmaster controls the distribution for over
25 70% of major concert venues and works with over 12,000 venues total. Published
26 industry data also indicates that approximately 70% of all online concert ticket sales are
27 completed through ticketmaster.com or Ticketmaster-run websites.

28

1 63. Ticketmaster has also entered into long-term exclusive dealing
2 arrangements with concert promoters, which is another barrier to entry and source of
3 market power. Live Nation Entertainment, the largest of these promoters, utilizes its
4 subsidiary and agent, Ticketmaster, almost exclusively and actively seeks to dissuade
5 its artists from using any other presale ticketing platform.

6 64. In addition to Ticketmaster's exclusive contracts, new entry into the
7 provision and sale of primary ticketing services is costly and time-consuming, thus
8 constituting a substantial, additional barrier to entry. A ticketing service provider must
9 develop, maintain, and efficiently operate the required ticketing software and hardware
10 computer systems, and possess the ability to demonstrate the reliability of its computer
11 systems. Moreover, for primary ticketing service providers in the current marketplace,
12 the company must possess the ability to provide substantial up-front payments to
13 customers. Given these baseline requirements, no new entrant has developed or can
14 develop the combination of comparable business characteristics and abilities in order to
15 compete in primary ticketing services with the combination of Ticketmaster and Live
16 Nation Entertainment.

17 65. Ticketmaster's market power in primary ticketing services is evidenced by
18 the high and supracompetitive fees that it charges for such services, and the restricted
19 output those fees cause. Ticketmaster's fees can collectively increase the price of a
20 ticket to the consumer by 20-80% over the ticket's face value, which, in turn, generates
21 gross profits (after all rebates and other payments) to Ticketmaster of over 80%
22 according to Ticketmaster's own expert in an earlier case. There are no effective
23 constraints on Ticketmaster's ability to charge these supracompetitive fees because box
24 office sales for most concerts and other events are minimal and are continuing to
25 decrease. This is because (a) in certain cases, Ticketmaster dictates that box office
26 sales cannot begin until a specified time period following commencement of the online
27 general sale (*e.g.*, for Madison Square Garden, box office sales are prohibited until one
28 day after the general sale commences on ticketmaster.com), (b) consumers realize they

1 have a better chance of obtaining a better seat online, and (c) consumers continue to
2 increasingly prefer online purchases through mobile- or web-based applications. As
3 noted above, these factors also lead to restricted output in overall ticket sales, as is
4 demonstrated by the fact that 40-50% of tickets to concerts at Ticketmaster-contracted
5 venues go unsold every year.

6 **iii. Ticketmaster is attempting to extend, or has extended, its**
7 **monopoly power to secondary ticketing services for major**
8 **concert venues**

9 66. As discussed above, secondary ticketing services help facilitate the resale
10 of tickets, and they provide a distinct role in the live music industry. Similar to online
11 auction websites like eBay, a secondary ticketing service provider creates an online
12 platform that allows ticket holders to post their ticket(s) for sale. The ticket
13 holder/seller determines the sale price for the ticket. The secondary ticketing platform
14 then provides potential purchasers with search capabilities to locate tickets for events
15 they want to attend. If a purchaser decides they want to buy one or more tickets for sale
16 on the platform, they fill in their purchase information and the platform completes the
17 sale. Typically, the secondary ticketing service provider charges both the seller and
18 purchaser fees, usually based on the sale price of the ticket(s).

19 67. Within the live music industry, and among concertgoers nationwide, there
20 is broad recognition that primary and secondary ticketing services are distinct. Live
21 Nation Entertainment's CEO, Mr. Rapino, for example, has been repeatedly quoted
22 discussing the difference between the two types of service, including noting that
23 Ticketmaster has grown its secondary ticketing services substantially over the past
24 several years.¹⁰ Industry sources also regularly recognize the clear difference between
25 such services, and secondary ticketing service providers are listed and grouped as a

26 ¹⁰ This growth has occurred *in addition to*, rather than instead of, growth in primary
27 ticketing services, because Defendants' goal is to maximize revenue from primary
28 ticketing services and then grow revenue by *also* selling those same tickets via
Ticketmaster's secondary ticketing service platform.

1 distinct category of provider, although there is some overlap between the companies
2 that provide such services.

3 68. Several other factors also demonstrate the unique and separate nature of
4 secondary ticketing services (as opposed to primary ticketing services) for major
5 concert venues:

6 (a) *First*, customers for secondary ticketing services (*i.e.*, secondary
7 ticket sellers and purchasers) recognize the distinction between secondary ticketing
8 service providers and primary ticketing service providers. In fact, primary ticketing
9 service providers themselves (including Ticketmaster) all view secondary ticketing
10 services as separate and distinct from primary ticketing services. Defendants' own
11 public materials clearly make this distinction. For example, in Live Nation
12 Entertainment's 2020 SEC Form 10-K disclosure statement, Live Nation Entertainment
13 repeatedly distinguishes between "ticketing services" and "ticketing resale services,"
14 noting that the former is for venues and the latter for resellers, and that the services they
15 each provide are different. That same disclosure also distinguishes between "primary
16 ticketing companies" (also referred to as "primary ticketing service providers") and
17 "secondary ticketing companies." So, too, does the disclosure repeatedly distinguish
18 between primary ticket sales and the "secondary ticket sales market." Other public
19 analyses of the ticketing industry also regularly sort primary and secondary ticketing
20 service providers into different categories.

21 (b) *Second*, all entities involved in the live music industry (including
22 Defendants themselves) recognize that secondary ticketing services have unique
23 purposes from primary ticketing services: the latter are meant to facilitate and run the
24 original sale of tickets on a venue's behalf, and the former are meant to facilitate ticket
25 purchasers' resale of their ticket(s) at a later date.

26 (c) *Third*, the customers for secondary ticketing services for events at
27 major concert venues are distinct from the customers for primary ticketing services for
28 events at major concert venues. For primary ticketing services, major concert venue

1 operators are the ticket sellers who retain primary ticketing service providers to act as
2 their distributor agent and provide a number of back-end and front-end services to sell
3 tickets directly to fans wishing to attend an event. For secondary ticketing services, the
4 ticket sellers are purchasers who bought a ticket and now wish to resell that ticket. The
5 ticket buyers who utilize the two types of ticketing services are also distinct, in that the
6 secondary ticket buyers are purchasers who were unable to obtain the ticket they
7 wanted from the primary ticketing service provider, and therefore needed to look for
8 resale options instead.

9 (d) *Fourth*, there are distinct pricing models between the two ticketing
10 service markets. Primary ticketing service providers generate profits by levying fees on
11 top of a ticket's face value. That face value is not established by the venue operator
12 (*i.e.*, the ticket provider), but rather by the artist and their promoter. The venue operator
13 does not pay primary ticketing services fees—primary ticket purchasers do—and, due
14 to recent changes in Ticketmaster's business model, now often shares in a portion of the
15 levied fees, including by helping set the fee levels. Secondary ticketing service
16 providers also generate profits by levying fees on secondary ticket sales, but that is
17 where the similarity ends. Unlike in the primary market, secondary ticket prices are set
18 on a ticket-by-ticket basis by the ticket seller (as opposed to by the artist and the artist's
19 promoter). Moreover, unlike in the primary market, a secondary ticketing service
20 provider typically charges the *ticket seller* a fee, often a percentage of the sale price of
21 the ticket. However, secondary ticketing service providers *also* charge the purchaser
22 one or more fees on the sale, thus obtaining profits from both sides of the transaction.

23 (e) *Fifth*, demand for secondary ticketing services is not sensitive to
24 changes in prices for primary ticketing services, because such changes do not cause
25 secondary purchasers to choose a different set of services. It is irrelevant to secondary
26 ticket sellers and purchasers whether the prices primary purchasers pay for a venue's
27 primary ticketing service provider (*i.e.*, the fees those primary ticket purchasers pay on
28 top of a ticket's face value) change in any real way. What matters for the secondary

1 market customers is that they have a service available to post and potentially find (and
2 purchase) a resale ticket.

3 (f) *Sixth*, there are specialized vendors that are largely distinct between
4 the primary and secondary ticketing service markets, and the platforms they provide are
5 substantially different, depending on the ticketing service involved. For primary
6 ticketing service providers, the platform is venue-specific, and the services provided are
7 aimed at facilitating a sale of primary tickets—which often includes the high-volume
8 rush once tickets go on sale—as well as providing on-the-ground ticketing services at
9 the actual event (*e.g.*, employees scanning tickets at the door). For secondary ticketing
10 service providers, the vendor must instead provide a platform with very different
11 services and functionality. A secondary platform focuses more on connecting sellers
12 and purchasers, and also providing the necessary capabilities to complete their ticket
13 transaction. The secondary ticketing service provider takes a fee for its platform, but is
14 not the one actually conducting and setting forth the terms of the sale.

15 69. In the secondary ticketing services for major concert venues market, which
16 is a distinct market for the same reason that primary ticketing services for major concert
17 venues is a distinct market (*see supra* pages 27-29), Ticketmaster has a very small
18 number of substantial competitors. On information and belief, along with
19 Ticketmaster, those few secondary ticketing service providers control the vast bulk of
20 the secondary ticketing services for major concert venues market, such that eliminating
21 them via the acts described herein would give Ticketmaster well over 70-80% of the
22 market.

23 **iv. Ticketmaster uniquely has substantial and increasingly**
24 **dominant market share in both the primary and secondary**
25 **ticketing services for major concert venues markets**

26 70. As noted above, Ticketmaster provides both primary and secondary
27 ticketing services for major concert venues. Ticketmaster is unique, however, in that it
28 is the only ticketing services provider in the nation to have substantial share of both

1 markets. Most of Ticketmaster's ticketing service competitors for major concert venues
2 operate in one or the other market, and only a very small handful operate in both. For
3 the latter group, however, the few competitors in that category focus primarily on one
4 of the two relevant markets and have only a small presence in the other.

5 71. Based on public information, Ticketmaster currently controls over 70% of
6 the primary ticketing services for major concert venues market, and, on information and
7 belief, over 60% of the secondary ticketing services for major concert venues market.
8 No other companies even remotely approach Ticketmaster's share of either market, and
9 the elimination of either would lead to Ticketmaster controlling nearly the entire
10 respective market.

11 72. As the above indicates, Ticketmaster's unique dominance in both
12 categories of ticketing services has broad implications in the live music industry. If one
13 were to assume, for example, that primary and secondary ticketing services for major
14 concert venues were simply part of a single ticketing services market, Ticketmaster
15 would *still* have monopoly power. The GAO recently noted that the primary ticketing
16 services market in the United States is larger than the secondary ticketing services
17 market. On information and belief, Ticketmaster's dominance in primary ticketing
18 services and its ever-growing share of secondary ticketing services therefore means that
19 it would still have well over 60% of a hypothetical combined ticketing service market
20 for major concert venues. Furthermore, as Ticketmaster's pricing practices and
21 admitted growth strategies in both types of ticketing services shows (*i.e.*, it attempts to
22 maximize revenues in both types of services and does not view one type of service as
23 cannibalizing the other), it has monopoly power even if one assumes a combined
24 services market. In that alternative view of the market, its actions alleged herein are
25 thus an example of anticompetitively obtaining and maintaining monopoly power, as
26 well as attempting monopolization, in a single market rather than two separate markets.
27 No matter how one views the markets, Defendants' conduct is inherently problematic
28 for competition.

1 **D. Concert Promotion Services**

2 **i. Live Nation Entertainment is the unquestioned leader in**
3 **concert promotion services for major concert venues**

4 73. On information and belief, Live Nation Entertainment controls at least
5 60% of concert promotion services for major concert venues. AEG Live is Live Nation
6 Entertainment's closest competitor, with roughly 20% of the market. Live Nation
7 Entertainment, however, promotes the vast majority of the top grossing touring acts in
8 the world (who tour almost exclusively at major concert venues), and it is the only
9 promoter, national or regional, that has a direct corporate relationship with the nation's
10 most dominant concert venue and artist presale ticketing service provider, Ticketmaster.

11 74. As discussed above, Live Nation Entertainment is the largest concert
12 promoter in the nation and the world. Live Nation Entertainment has distinct
13 competitive advantages as compared to AEG Live, the second largest concert promoter
14 for major concert venues. Neither AEG Live nor any likely entrant to the concert
15 promotion services market possesses the combination of attributes to prevent Live
16 Nation Entertainment's selective exercise of market power over artists and major
17 concert venues by the merged firm. New entry into the provision and sale of concert
18 promotion services at the scale of Live Nation Entertainment is costly and time-
19 consuming. Promoters for major concert venues must have the ability to provide
20 substantial up-front payments to artists, and artists seeking to conduct a concert tour,
21 particularly a national tour in the United States that includes major concert venues,
22 require employees with the expertise, contacts, and business acumen to organize and
23 promote such a tour (and with particularized knowledge of how to promote at such
24 venues). Furthermore, given that a United States concert tour of major concert venues
25 is specifically tied to the venues and regions in which it is conducted, and requires
26 specialized knowledge and skills regarding those venues and regions (among other
27 related factors), artists require that concert promotion services be provided in the
28 United States by service personnel located in and throughout the United States. It

1 would take a prospective new entrant a substantial investment of money and over
2 multiple years to develop the combination of comparable characteristics necessary to
3 compete with the merged firm in concert promotion services and, even then, there is no
4 assurance that it could in any way reduce Live Nation Entertainment's market power.

5 75. For nearly two decades, Live Nation Entertainment has dominated concert
6 promotion services overall. It has maintained its dominance by virtue of its size and
7 scope, and anticompetitive and unfair business tactics, including acquisitions of
8 competing promoters, and incurring losses via significant overpayment to artists from
9 tour revenues with the aim of reducing rival promoters' access to clients.

10 76. Additional entry barriers to Live Nation Entertainment's concert
11 promotion dominance have also emerged since it merged with Ticketmaster, because
12 Ticketmaster provides the bulk of the merged firm's annual operating income. With
13 that income stream from Ticketmaster, Live Nation Entertainment is able to offer
14 higher payments to artists than AEG Live and other concert promoters, and to use its
15 promotion business as a loss leader to generate outsized profits for its ticketing and
16 sponsorship businesses. In 2019, for example, Live Nation Entertainment reported in
17 SEC filings that its promotion business operated at a \$53 million dollar loss. In the
18 same period, Ticketmaster generated nearly \$232 million in operating income.

19 77. Live Nation Entertainment's ability to price concert promotion services in
20 this way—losing money year after year after year—yet nevertheless ensure massive
21 profits for the overall company is one of the reasons why Live Nation Entertainment
22 has durable market power over its smaller competitors. Armed with that unique pricing
23 ability, Live Nation Entertainment has only grown its market share and power without
24 fear of serious competition. Live Nation Entertainment has also recently acquired most
25 of largest annual festivals in the United States, which provides the Live Nation
26 conglomerate yet more leverage over the entire live music industry.

27 78. Live Nation Entertainment's market power is also supported by current
28 trends in the music industry. Whereas, in previous decades, revenues from recorded

1 music were musicians' main source of income, with touring revenues providing a
2 smaller income stream, those statistics have since reversed themselves. This reversal is
3 largely due to the advent of modern music streaming and download technologies, and it
4 requires artists to place much more emphasis on the touring portion of their careers.
5 This reality has greatly increased Live Nation Entertainment's power and control over
6 the shape of artists' careers, making them more reluctant than ever to defy Live Nation
7 Entertainment more broadly, including by selecting a different promoter and/or
8 planning tours that try to focus on non-Ticketmaster-controlled major concert venues
9 (to the extent that is possible, which, for tours in the United States, it is not). Indeed,
10 Mr. Rapino has admitted that artists today make "about 95%" of their income from live
11 music events and that Live Nation is now the "largest single financier" of artists
12 worldwide (more than record companies).

13 79. Live Nation Entertainment holds over 60% of the concert promotion
14 services market and promotes at least 80% of the top-billing global touring acts, which
15 tour the United States. Within the last four years, Live Nation Entertainment has used
16 its market dominance to aid its subsidiary Ticketmaster in its efforts to destroy rivals
17 (discussed further below).

18 **ii. Live Nation Entertainment and Ticketmaster's combined**
19 **dominance is unique in the live music industry**

20 80. Since they merged in 2010, Defendants have, both individually and as a
21 conglomerate, acquired unparalleled dominance within the live music industry.
22 Ticketmaster provides the vast bulk of primary ticketing services in the United States,
23 just as it has for decades. Whereas, pre-merger, Ticketmaster needed to be cognizant of
24 promoters and artists taking business away from Ticketmaster's contracted venues, that
25 concern has now disappeared because the post-merger Live Nation Entertainment
26 business promotes, manages, and/or hosts concerts for most of the biggest acts that tour
27 in the United States—*i.e.*, the artists that Ticketmaster and its venue clients most care
28

1 about. Indeed, as herein alleged, Live Nation Entertainment has directly participated in,
2 encouraged, aided, and facilitated Ticketmaster's anticompetitive activities.

3 81. Defendants' unique position in the live music industry also creates
4 numerous entry barriers that protect and extend Ticketmaster's dominance. Live
5 Nation Entertainment's promotion and artist management businesses, for example,
6 provide a steady stream of business to Ticketmaster and its venue clients that smaller
7 ticketing companies cannot overcome. Over a decade ago (*i.e.*, pre-merger), Live
8 Nation Entertainment began to challenge Ticketmaster's dominance by using its stable
9 of artists as an inducement to venue operators to select its own primary ticketing
10 services over Ticketmaster's. Without that constraint in the market—and with Live
11 Nation Entertainment's now decade-long, perfect alignment with the company against
12 which it previously sought to compete—Ticketmaster has only grown its market share
13 and ability to set prices without fear of serious competition from any new entrant.
14 Ticketmaster notably admits it is renewing over 100% of its long-term exclusive
15 dealing contracts each year, which necessarily occurs at the expense of rivals.
16 Ticketmaster has also, within the past four years, sought to extend this monopoly power
17 to secondary ticketing services.

18 82. In addition to barriers to entry based on the current market structure and
19 conditions (including Defendants' corporate structure), Defendants' anticompetitive
20 practices, discussed herein, including but not limited to tying agreements, long-term
21 exclusive dealing contracts, vertically-arranged boycotts of various third parties against
22 Ticketmaster's competitors, and coercion of and threats against disloyal customers and
23 others, also act as a barrier to entry.

24 **E. Relevant Geographic Market**

25 83. The United States is the relevant geographic scope of both ticketing
26 service markets. Concert venue operators purchase primary ticketing services from
27 their locations within the United States and look to United States-based service
28 providers to provide the primary ticketing services for their shows. Similarly,

1 secondary ticketing service providers provide platforms connecting purchasers
2 throughout the United States. Furthermore, only ticketing service providers with one or
3 more locations in the United States compete with each other for customers requiring
4 ticketing services at concert venues in the United States or for United States-based
5 concert tours.

6 84. The geographic scope of the market for concert promotion services for
7 major concert venues is the United States. Artists look to concert promotion service
8 providers that operate within the United States in order to put on any leg of a concert
9 tour stopping at a major concert venue in the United States. Live Nation Entertainment
10 and AEG Live have promotion networks established throughout the country and are
11 considered viable alternatives to promoters with a more regional focus. Accordingly,
12 even if an artist is focused on conducting a concert tour in only a limited region of the
13 United States, the alternatives from which they can choose for concert promotions
14 services for major concert venues are national.

15 85. In the alternative, the relevant geographic markets of concert promotion
16 services for major concert venues are the sub-national regions in which artists require,
17 purchase, and look for promoters to provide promotion services for one or more legs of
18 a concert tour. Although Plaintiffs have not yet had the discovery needed to finally
19 define these regions, on information and belief, they include at least the following
20 regions:

21 Pacific Northwest
22 Northern California
23 Southern California
24 Intermountain West
25 Southwest
26 Upper Midwest
27 Lower Midwest
28 Texas
Ohio Valley
New England
Tri-State
Pennsylvania
D.C. Metropolitan

1 South
2 Southeast

3 **Defendants' Anticompetitive Practices Harm Competition in the Market for**
4 **Primary Ticketing Services for Major Concert Venues**

5 86. Ticketmaster's original steps were as follows. First, it shifted who paid the
6 fees for a primary ticketing service provider's services. Before Ticketmaster, venues
7 typically paid such fees. Since Ticketmaster, fans have paid those fees. Second,
8 Ticketmaster began paying venues large up-front fees to secure rights to service their
9 primary ticketing, payments that Ticketmaster earned back (in multiples) over the life
10 of its contract. These twin steps fundamentally altered the market for primary ticketing
11 services, because they created an economic misalignment between the venues and their
12 fans. Provided as they were with large up-front sums and drastically-reduced costs for
13 ticketing services, venues were far more willing to enter primary ticketing service
14 contracts—particularly long-term exclusive deals—with Ticketmaster, because they
15 made more money and were not punished by their fans as a result. Indeed, one reason
16 Ticketmaster is today among the most disliked companies in the country is because, on
17 information and belief, it willingly took on the role of the “bad guy” in fans' minds:
18 Ticketmaster, not the venue, made them pay ever-higher ticketing fees.

19 87. Because of the sea change it fomented when it first came to prominence in
20 the late 1970s and early 1980s (particularly after it helped introduce electronic ticketing
21 in 1982), Ticketmaster was able to quickly snap up a web of long-term exclusive
22 dealing contracts with venues throughout the country. Ticketmaster's share of primary
23 ticketing services for major concert venues continued to grow and grow, and it soon
24 became dominant in that market. It has held that position of dominance ever since,
25 despite multiple attempts by other primary ticketing services to take away market share
26 and power.

27 88. One of the problems that Ticketmaster's business practices—*i.e.*, up-front
28 payments, plus kickbacks of a portion of fan-paid ticketing services fees, in exchange

1 for long-term exclusive dealing contracts—is that they reduced competition between
2 venues and incentivized those venues to enter into contracts with Ticketmaster to the
3 detriment of live music fans, *even though* competing venues had already entered
4 contracts with Ticketmaster. The reason for this is straightforward. Venues compete
5 with each other to attract artists, because artists pay to rent the venue and bring fans to
6 the venue, where they spend money on tickets, concessions, parking, etc. Typically,
7 venues would compete on price in order to make themselves more attractive to artists,
8 such as by, among other things, offering lower ticketing fees for the artist’s fans. By
9 joining the Ticketmaster network of venues, however, the venue puts itself in the same
10 category as its competitors and need not compete on price for ticketing fees, because its
11 largest competitors (other comparable venues in the same region) are also part of
12 Ticketmaster’s network. Thus, Ticketmaster’s web of long-term exclusive dealing
13 contracts is largely self-reinforcing; major concert venues are coopted by its dominance
14 and able to make the less consumer-friendly choice because they are sharing in
15 Ticketmaster’s monopoly profits (especially since Ticketmaster began allowing venues
16 to help set ticketing fees for their shows).

17 89. For this reason, Ticketmaster’s claim that a portion of Ticketmaster’s
18 contracts come up for bid each year has little to no effect on its continued dominance in
19 the primary ticketing services market, nor the anticompetitive harm consumers suffer
20 from Ticketmaster’s exclusive dealing practices. All up-front bidding (*i.e.*, bidding
21 between primary ticketing services providers) does in that scenario is transfer more of
22 the profits from the eventual ticket sales to the venue; the bidding does not change the
23 nature of the venues’ incentives to join the Ticketmaster network, and does not create
24 the serious risk that Ticketmaster will lose any real share of the market. After all, the
25 only way a competing primary ticketing service provider could take any substantial
26 market share away from Ticketmaster would be to be aware of every single instance in
27 which venues throughout the nation put a contract up for bid, convince those venues to
28 leave the Ticketmaster network, pay huge up-front fees to convince the venues to do so,

1 charge similarly-monopolistic ticketing fees as Ticketmaster without the market power
2 to do so, and then repeat this feat thousands upon thousands of times over the next five
3 years. As Ticketmaster's over 100% annual renewal rate for exclusive venue deals
4 demonstrates, this is simply not competitively possible.

5 90. Beyond the general self-reinforcing nature of Ticketmaster's exclusive
6 dealing practices in primary ticketing services (*i.e.*, the carrot offered by its monopoly
7 power), any venue contemplating a contract with Ticketmaster must also keep in mind
8 that Ticketmaster is part of the broader Live Nation Entertainment empire (*i.e.*, it wields
9 a very large stick to maintain that monopoly power). Based on what the public now
10 knows, for the first time, were regular, behind-the-scenes statements from Live Nation
11 Entertainment's highest executives, as well as the merged companies' general business
12 practices, "venues throughout the United States have come to expect that refusing to
13 contract with Ticketmaster will result in the venue receiving fewer Live Nation concerts
14 or none at all." This fear is real and coercive, and it protects Ticketmaster's primary
15 ticketing services dominance, despite that venues ostensibly put up their contracts for
16 bid, because "[g]iven the paramount importance of live event revenues to a venue's
17 bottom line, this is a loss most venues can ill-afford to risk." Thus, for those venues
18 that step out of line, Defendants have the ability to threaten and punish—and have
19 actually punished—venues with a loss of future revenues via lost Live Nation
20 Entertainment concerts.

21 91. The evidence of this rampant intimidation and anticompetitive coercion
22 only recently came to light. On August 27, 2019, Senators Richard Blumenthal and
23 Amy Klobuchar sent a letter to the head of the Department of Justice's Antitrust
24 Division regarding significant concerns they had related to the ticketing industry; in
25 particular, with Defendants. Among other things, Senators Blumenthal and Klobuchar
26 noted that the DOJ's 2010 consent decree for the Live Nation Entertainment-
27 Ticketmaster merger "imposed behavioral conditions to prevent Ticketmaster from
28 using its dominance to stifle new competitors," including "prohibit[ing Defendants]

1 from withholding concerts that Live Nation promotes or concerts by artists that Live
2 Nation manages from venues that use a competitor's ticket platform." The Senators
3 observed that, at the time of the merger, "many experts were skeptical that the merger
4 conditions were sufficient to create a competitive market," and, importantly for this
5 Complaint, recent evidence indicated that "the skeptics' fears have proven correct."
6 The letter then went on to report that the Senators were "deeply disturbed by reports
7 that Ticketmaster has violated the behavioral conditions by retaliating against venues
8 that use a competing ticket platform."

9 92. Senators Blumenthal's and Klobuchar's letter echoed an April 2018
10 investigative piece from the New York Times that the Department of Justice had begun
11 investigating numerous complaints from Ticketmaster's competitors that Live Nation
12 Entertainment "has used its control over concert tours to pressure venues into
13 contracting with its subsidiary, Ticketmaster." AEG, the second-largest primary
14 ticketing services provider in the United States, "told the [DOJ] officials that venues it
15 manages that serve Atlanta; Las Vegas; Minneapolis; Salt Lake City; Louisville, Ky.;
16 and Oakland, Calif., were told they would lose valuable shows if Ticketmaster was not
17 used as a vendor." AEG backed up these complaints with emails from the venues,
18 including one in which a booking director asked Live Nation Entertainment to address
19 any issues regarding booking, to which the Live Nation representative replied, "Issue?
20 ... Three letters. Can you guess what they are?" The following year, Live Nation
21 Entertainment then halved the number of Live Nation-promoted tours that stopped at
22 that venue. AEG reportedly provided the Department of Justice with numerous other
23 examples.

24 93. In late September 2019, the head of the Department of Justice's Antitrust
25 Division confirmed to the Senate Antitrust Subcommittee that the Department was
26 currently "examining allegations of violations" of the consent decree, although he did
27 not elaborate regarding specifics at that time. Next, on December 13, 2019, the *Wall*
28 *Street Journal* reported that "[t]he Justice Department is preparing to take legal action

1 against Live Nation Entertainment Inc. on allegations the company has sought to
2 strong-arm concert venues into using its Ticketmaster subsidiary.” As reported, “[t]he
3 department believes the concert-promotion giant’s conduct has violated the merger
4 settlement Live Nation and the dominant ticket seller reached with the government in
5 2010.” Then, on December 19, 2019, the DOJ itself issued a press release stating that
6 “[d]espite the prohibitions in the Final Judgment, Live Nation repeatedly and over the
7 course of several years engaged in conduct that, in the Department’s view, violated the
8 Final Judgment.” DOJ accordingly moved for an amendment to the consent decree that
9 extended the decree for five and a half years and clarified several acts that directly
10 violate its terms. As part of the deal resolving this enforcement action, Defendants also
11 agreed to an independent monitor and that any violation warranted an automatic
12 \$1,000,000 per violation fine.

13 94. In the DOJ’s motion to amend Defendants’ 2010 consent decree, it
14 included several examples of Defendants’ wrongful, anticompetitive conduct. These
15 examples include:

16 (a) In early 2012, the President of Live Nation Arenas threatened on
17 multiple occasions to divert Live Nation concerts away from a venue if it did not select
18 Ticketmaster as its primary ticketer. After that venue did not select Ticketmaster, two
19 Live Nation executives—the President of Live Nation Arenas and the local Live Nation
20 President in charge of placing concerts in the region—repeatedly threatened that the
21 venue would not get Live Nation shows unless it switched to Ticketmaster. When the
22 venue refused to switch to Ticketmaster despite these threats, Live Nation followed
23 through on its threats and retaliated against the venue by reducing the number of
24 concerts played there. Between 2011 and 2015, Live Nation shows playing at the
25 venue dropped by an average of almost fifty percent.

26 (b) In another instance, an arena venue switched from Ticketmaster to a
27 competing ticketing service provider. Immediately after learning that the venue had
28 switched ticketing service provider, Ticketmaster’s President contacted the local Live

1 Nation President responsible for placing concerts in the region to suggest that Live
2 Nation book more shows at the venue's nearby rival venue. In the two years following
3 the venue's move to a Ticketmaster competitor for primary ticketing, Live Nation
4 significantly reduced the number of shows promoted at the venue in retaliation.

5 (c) In 2017, Live Nation threatened to withhold concerts from a venue
6 if that venue did not contract with Ticketmaster, and then refused to book concerts at
7 Venue A for a year in retaliation for its selection of a competing ticketer. In that
8 instance, the venue had issued a request for proposal ("RFP") only for ticketing services
9 and not for live content. Nevertheless, when Ticketmaster met with the venue's
10 ticketing committee, a Live Nation promoter responsible for deciding where in the
11 region to place Live Nation concerts also attended the meeting. At the meeting, the
12 Live Nation promoter explicitly threatened to withhold concerts from the venue if it did
13 not select Ticketmaster. A few weeks later, when the venue informed the Live Nation
14 promoter that it planned to select a competing ticketer that had offered better financial
15 terms, the promoter responded that the competitor's offer would not be better than
16 Ticketmaster's if the venue did not receive as many Live Nation shows. The Live
17 Nation promoter went on to specify that Live Nation would not book shows at the
18 venue unless it had no other options in the market. Before the venue's decision not to
19 contract with Ticketmaster, Live Nation estimated that for the next several years it
20 would book three to four shows per year at the venue. But in the year following the
21 venue's switch to Ticketmaster's competitor, Live Nation promoted zero shows at the
22 venue. As described to the DOJ, that venue understood that Live Nation's decision to
23 book zero shows at the venue was retaliation for not selecting Ticketmaster as its
24 primary ticketer.

25 (d) Also in 2017, another venue evaluated offers for primary ticketing
26 services from Ticketmaster and several competitors. When the venue informed Live
27 Nation that it was planning to choose Ticketmaster's competitor, Ticketmaster's Vice
28 President for Client Development threatened to withhold all Live Nation concerts from

1 the venue if it did not renew its contract with Ticketmaster. The Ticketmaster VP told
2 the venue that “if you move in that direction, you won’t see any Live Nation shows.”
3 Ticketmaster’s Executive Vice President and Co-Head of Sports for NBA and NHL
4 Arenas made a similar threat to the venue, telling it that Live Nation’s CEO would
5 never put one of his shows on sale through that particular Ticketmaster competitor.
6 Despite Defendants’ threats, the venue initially selected a Ticketmaster competitor as
7 its primary ticketing provider. Before that ticketing decision, Live Nation and the
8 venue discussed potential bookings approximately once per week. But when the venue
9 opted to go with Ticketmaster’s competitor, Live Nation stopped contacting the arena
10 about any possible concerts or booking shows at the venue. For unrelated reasons, one
11 month later, the venue agreed to contract with Ticketmaster. Immediately thereafter,
12 Live Nation began to get “geared back up” to bring concerts to the venue, because the
13 venue was “back in the family.”

14 (e) In September 2018, a different venue began evaluating primary
15 ticketing providers in advance of the expiration of its Ticketmaster contract. When the
16 venue told Ticketmaster that it was considering other primary ticketers, Ticketmaster’s
17 executive in charge of Sports for NBA and NHL Arenas told the venue that if it chose
18 another primary ticketer, its Live Nation concert volume would be put at risk because
19 Live Nation concerts would either skip the market altogether or play at another venue.
20 Later, that senior executive reiterated his threat that if the venue went with another
21 primary ticketing provider, Live Nation would pull concerts from the venue and reduce
22 the volume of shows held there. Despite receiving a competitive bid from a
23 Ticketmaster competitor, the venue determined that the risk of contracting with a
24 ticketing service provider other than Ticketmaster was too great. The venue renewed
25 its contract with Ticketmaster for primary ticketing services.

26 (f) In yet another instance, Defendants threatened to blacklist a certain
27 venue from all future Live Nation shows after the venue decided to contract with
28 Ticketmaster’s competitor for primary ticketing services. According to the venue’s

1 executive, Ticketmaster’s President warned the executive that if the venue went with a
2 competing ticketing service provider, Ticketmaster’s response “would be ‘nuclear’” and
3 “though he would deny it if I repeated it, Live Nation would never do a show in our
4 building, that they would find other places for their content” Following a
5 conversation with Ticketmaster’s President, a second executive from the venue reported
6 that Ticketmaster and Live Nation “will not do any business whatsoever with our
7 stadium” and that Ticketmaster was “drawing a line in the sand and picking this as their
8 ‘hill to die on.’” The venue executive went on to state his understanding that the venue
9 was “now on ‘the black list.’”

10 95. On information and belief, the above examples are not isolated instances
11 and instead reflect a widespread practice directed, encouraged, and mandated from and
12 also actively participated in and conducted by Live Nation Entertainment’s highest
13 executives on down. For this conclusion, one need not simply rely on the facts as
14 reported by the DOJ. Instead, one can look to the company’s own admissions. As
15 previously noted, Mr. Rapino, Live Nation Entertainment’s CEO and President,
16 publicly stated in September 2019—on information and belief, for the first time
17 publicly—that Live Nation Entertainment’s concert promotion segment considers
18 whether a venue selected Ticketmaster as its primary ticketing service provider. If the
19 venue did not, Mr. Rapino stated, then it “won’t be the best economic place anymore”
20 for Live Nation-promoted tours “because we don’t hold the revenue.” In these public
21 comments, Mr. Rapino claimed that this was not a “threat” to venues; however, his
22 description of how Defendants regularly practice their business was clearly one that, as
23 the DOJ’s recent report makes clear, anyone in the live music industry was able to
24 understand. Implicit threats are still threats, and Live Nation Entertainment did not
25 confine itself to implicit threats; it made explicit threats and backed up those threats
26 with reduced Live Nation concerts at disobedient venues.

27 96. Regardless of any effects the DOJ’s recent enforcement action and
28 extension to the consent decree *may* have on future competition in ticketing (which

1 unfortunately remains to be seen), the damage has already been done and Defendants
2 have, through their anticompetitive conduct, extended and maintained Ticketmaster's
3 monopoly power for years. That conduct damaged Plaintiffs and the putative classes
4 through, *inter alia*, supracompetitive fees Ticketmaster has been able to charge on all
5 ticket purchases through its platforms since the two companies merged.

6 **Defendants Are Now Attempting to Monopolize (and Succeeding in**
7 **Monopolizing) Secondary Ticketing Services for Major Concert Venues**

8 97. The rise of the internet ultimately helped create, for the first time, a truly
9 viable and robust secondary market for concert tickets in the U.S. This is because the
10 internet's ability to connect individuals from all walks of life allowed secondary
11 ticketing service providers to create platforms where secondary ticket sellers and
12 purchasers could more easily congregate and consummate secondary ticket sales.
13 Whereas, pre-internet, a secondary ticket purchaser needed to affirmatively seek out
14 ticket brokers or find scalpers near the entrance of a show, now they could locate
15 secondary tickets with just the click of a button. Similarly, ticket resellers suddenly had
16 a far broader reach via an easy-to-access electronic platform that dramatically lowered
17 the transaction costs for ticket resales. These mutual conveniences allowed the market
18 to flourish, which created substantial benefits for ticket resellers and purchasers.

19 98. The proliferation of the secondary market for concert tickets, however,
20 was not without negative effects. Because a ticket reseller may charge more for
21 secondary tickets than their face value, opportunistic individuals and companies built
22 business models around buying up large amounts of primary tickets at the beginning of
23 a general sale and then selling those tickets at a markup on the secondary market. They
24 could do so because they and other similar opportunists locked up the supply of the
25 tickets for a show, thereby driving up prices for fans that wanted to attend the concert.
26 These resellers (often, ticket brokers, but also just as often run-of-the-mill scalpers)
27 developed a number of different techniques to quickly purchase primary tickets,
28 including operating multiple accounts simultaneously, employing small armies of ticket

1 purchasers at the beginning of general sales, and by using “bots,” programs that
2 automatically purchase tickets far faster than a human could.

3 99. Many states have enacted laws ensuring that ticket purchasers may resell
4 their tickets, and secondary ticket sale platforms exist today because there is substantial
5 demand for secondary ticketing services. Until Defendants’ actions described herein,
6 there was robust competition between secondary ticketing services providers, which
7 benefited consumers to the extent they needed or wanted to purchase secondary tickets.

8 100. As the dominant primary ticketing service provider for major concert
9 venues in the U.S., Ticketmaster hugely benefited from the growth of secondary
10 concert ticket sales. The largest concerts in the U.S., which are typically held at major
11 concert venues, are also typically the most popular. Given that demand is extremely
12 high for these shows, ticket brokers and scalpers are incentivized to quickly purchase as
13 many primary tickets as they can; the rest are then purchased by real fans. All of this
14 frenzied purchasing during the general sale benefits the primary ticketing service
15 provider (typically, Ticketmaster) because, as discussed above, it generates revenues by
16 levying fees on primary ticket sales. A robust secondary ticket market is thus a benefit
17 to primary ticketing service providers, because it maximizes primary ticket sales.

18 101. Over the years, Ticketmaster has tread a narrow line by publicly decrying
19 ticket broker practices while privately encouraging them. Defendants began a
20 concerted effort to grow their secondary ticketing services in addition to their dominant
21 primary ticketing service, so that Ticketmaster could make money off the initial
22 purchase *and* resales of the very same concert tickets. This was a mandate from Mr.
23 Rapino on down.

24 102. Ticketmaster first entered the secondary ticketing services market by
25 acquiring preexisting secondary ticketing service providers. It then kept the platforms
26 separate from its primary ticket site for several years. More recently, however,
27 Defendants integrated those secondary ticketing service providers into Ticketmaster’s
28 broader online platform, such that consumers can now purchase primary *or* secondary

1 tickets off of Ticketmaster.com or the Ticketmaster mobile app, and may not even
2 know if they are purchasing a primary or secondary ticket at the time of sale.

3 103. Given the PR problems from publicly embracing ticket brokers and other
4 entities whose business is purchasing and reselling tickets at a markup, Defendants
5 have claimed over the years that they are taking efforts to stifle broker behavior. One
6 of the primary ways Defendants do so is through the “conditional license” Ticketmaster
7 grants to users of its website and/or mobile app. The conditional license allows users to
8 view Ticketmaster’s site and access its contents only if they agree to a bevy of
9 restrictions that prevent brokers from purchasing tickets from Ticketmaster and then
10 reselling them on rival secondary ticketing platforms. As one example, the conditional
11 license prevents users from refreshing Ticketmaster’s ticketing pages “more than once
12 during any three second interval.” The conditional license also restricts the use of
13 “ticket bot technology,” which makes it more difficult for brokers to engage in bulk
14 purchases of tickets. The conditional license contains many similar terms as well, and
15 Ticketmaster claims elsewhere that it will put brokers to the back of the electronic line
16 if it spots them in the queue.

17 104. Defendants claim this conditional license is pro-consumer, but the truth is
18 that it is simply one more tool Defendants use to effectuate their broader
19 anticompetitive scheme. As publicly reported earlier in 2019, Ticketmaster, with Live
20 Nation Entertainment’s direction and support, regularly sets aside primary tickets for
21 ticket brokers, so those brokers can purchase and then resell those tickets. Defendants
22 accomplish this goal through “ticket banks” that are ostensibly for presale tickets and
23 ticket “holds” (*i.e.*, allotments of the total tickets “held” aside from the general sale for
24 industry insiders, such as artists, agents, venues, promoters, marketing departments,
25 record labels, and sponsors). The ticket banks have neutral names so as not to trigger
26 fan suspicion, but the ticket banks (and the tickets placed into them) are really for the
27 brokers. In this way, Ticketmaster is able to bolster its relationship with ticket brokers
28 and maximize primary ticket sales while also growing its secondary ticketing service

1 business. As a recent investigation by the New York Attorney General revealed, tickets
2 set aside for holds and presales can often exceed 50% of the total tickets for a concert

3 105. Ticketmaster's conditional license plays into this scheme by acting as the
4 sword Ticketmaster wields against ticket brokers if they do not agree to its
5 anticompetitive demands. Put simply, Ticketmaster will allocate primary tickets for a
6 broker to a ticket bank *if* that broker agrees it will resell its tickets through
7 Ticketmaster's secondary ticket platform. If the broker does not agree, then
8 Ticketmaster will use the conditional license to try to keep the broker off its platform.
9 It is able to do so with impunity because of the power Ticketmaster holds over the
10 supply of primary tickets at major concert venues, and because Live Nation
11 Entertainment, as the dominant concert promoter in the nation, controls the vast bulk of
12 major concert tours. Faced with this potent combination, ticket brokers seeking to
13 resell major concert venue seats have no other choice but to use Ticketmaster's
14 secondary ticketing services, even though Ticketmaster is not as attractive a platform
15 for secondary sellers as Ticketmaster's competitors. On information and belief,
16 examples of brokers that have agreed to this setup include DTI, Dynasty, and
17 Eventellect.

18 106. Another tactic Ticketmaster employs to dominate secondary ticketing
19 services for major concert venues is to limit primary purchasers' ability to transfer their
20 tickets through any means other than Ticketmaster's secondary ticketing platform.
21 Defendants do so most prominently through a combination of mobile ticket and
22 Ticketmaster's branded "SafeTix" technology, although Defendants regularly attempt
23 to limit ticket transferability through other means as well. The overall goal of these
24 efforts is to prevent primary ticket purchasers from using competing secondary
25 ticketing service platforms, to competitors' detriment and Defendants' benefit. This
26 part of Defendants' scheme relies on utilizing their dominance over primary ticketing
27 services, their control over most major concert tours in the U.S., and their ability to
28 employ technological trickery for anticompetitive purposes.

1 107. Due to the rise of smartphone usage, many primary ticketing service
2 providers (including, of course, Defendants) have developed electronic ticket
3 technology.¹¹ Primary purchasers receive an email with a link to their mobile ticket, or
4 receive the ticket directly on a smartphone application the primary ticketing service
5 provider creates and provides. That mobile ticket usually includes a QR or other type
6 of electronic code that attendants at an event scan to permit the purchaser to enter.

7 108. Historically, primary ticket purchasers have been able to transfer electronic
8 tickets easily. Either as the result of a resale or simply in order to provide the ticket to a
9 friend or family member, primary purchasers could send their ticket electronically and
10 without cost. As relevant to secondary ticketing services, a ticket reseller could either
11 upload their electronic ticket to the secondary ticketing platform of their choice, or send
12 it directly to a secondary purchaser after the completion of the resale. Which option
13 they utilized depended on the secondary ticketing platform's procedures or, in some
14 instances, the ticket reseller's personal preference.

15 109. Recently, however, Defendants have taken steps to prevent primary ticket
16 purchasers for events at major concert venues (the vast majority of which, due to
17 Defendants' dominance of primary ticketing services for major concert venues,
18 purchase tickets through Ticketmaster) from transferring their tickets, except through
19 Ticketmaster's secondary ticketing platform. Defendants do so by utilizing
20 technological limits built into their primary ticketing platform that they and artists using
21 their concert promotion services can place on primary tickets sold at major concert
22 venues. Ticketmaster has applied various names to these technological limits over the
23 years, including mobile tickets, Verified Fan tickets, and, more recently, SafeTix.
24 SafeTix, in particular, demonstrates the insidious competition problems Defendants'
25 transfer restrictions create (particularly in combination with its other technologies).

26
27 ¹¹ In fact, many different industries now utilize electronic tickets. One particularly
28 notable example is the airline industry, which now offers passengers mobile tickets they
can present on their smartphones.

1 110. Defendants ostensibly advertise SafeTix as “encrypted mobile tickets built
2 with leading-edge technology” that “come standard with powerful fraud and counterfeit
3 protection.” They “are powered by a new and unique barcode that automatically
4 refreshes every few seconds so it cannot be stolen or copied, keeping your tickets safe
5 and secure.” The tickets are only available on Ticketmaster’s smartphone application.
6 A SafeTix ticket holder supposedly can transfer some or all of their tickets to someone
7 else “[i]n just a few taps” of their smartphone. The technology also “ma[kes] it a snap
8 to sell your tickets on the world’s largest marketplace [*i.e.*, Ticketmaster’s secondary
9 ticketing platform] in a few taps.”

10 111. Similar to the conditional license, however, Defendants use SafeTix (and
11 its functional predecessors) for anticompetitive, rather than procompetitive, purposes.
12 Primary ticket purchasers typically purchase their tickets with the understanding that
13 they can resell their tickets wherever and however they want. Using typical practices,
14 they can transfer their tickets electronically after selling through a different secondary
15 ticketing platform. But SafeTix primary purchasers often find only after the fact that
16 they cannot transfer their tickets in this manner. As Defendants themselves admit, the
17 only way to know if one can transfer their tickets is if they “look for the ‘Transfer
18 Tickets’ button on your order [*i.e.*, after the purchase]. If transfer is not available, the
19 button will not be there.” As public reports demonstrate, in some instances, primary
20 purchasers had no advance notice of this limitation on their transferability.¹² In other
21 instances, primary purchasers did receive advance notice of non-transferability, but they
22 were conveniently only allowed to resell their tickets through Ticketmaster’s secondary
23 ticketing platform.¹³

24
25 ¹² See, e.g., Sarah Pittman, *The Black Keys’ Wiltern Snafu Thrusts SafeTix Into*
26 *Spotlight*, Pollstar (Sept. 26, 2019), <https://www.pollstar.com/News/the-black-keys-wiltern-snafu-thrusts-safetix-into-spotlight-141163>.

27 ¹³ See, e.g., *Pearl Jam Deploys TicketMaster’s SafeTix Tech*, Ticketing Business
28 News (Jan. 17, 2020), <https://community.pearljam.com/discussion/283246/pearl-jam-deploys-ticketmaster-s-safetix-tech>.

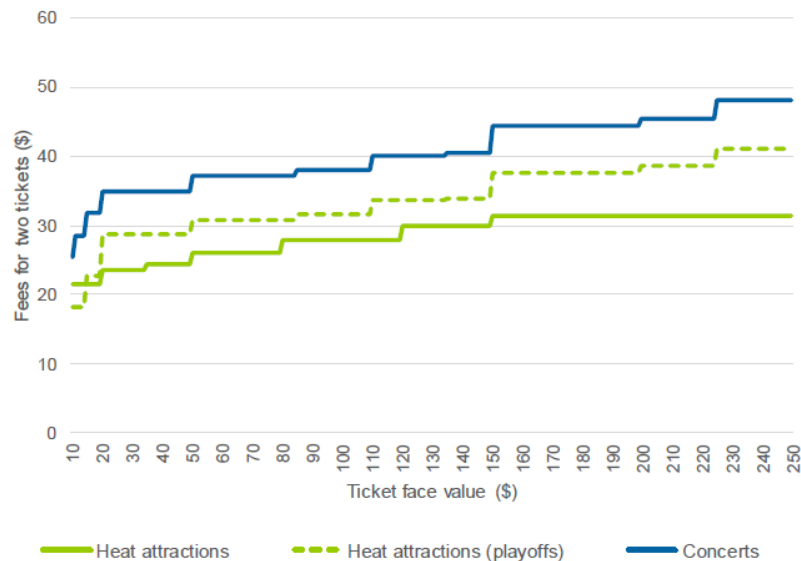
1 112. Competing secondary ticketing service providers, as well as a competitive
2 secondary ticketing marketplace, require a free-flowing supply of primary tickets.
3 Without a supply of primary tickets to list on their platforms, such secondary ticketing
4 service providers simply cannot compete. Furthermore, competing secondary ticketing
5 service providers have no ability to circumvent the technological limits Defendants
6 have increasingly placed on primary ticket transferability.

7 113. Defendants' use of the conditional license to force secondary resellers to
8 use Ticketmaster's platform, as well as their limitations on primary ticket
9 transferability, have had anticompetitive effects for both primary and secondary
10 ticketing services. Among other effects, one effect is to grow Ticketmaster's secondary
11 ticketing service business at the expense of its rivals (which provide the competing
12 secondary ticket platforms on which brokers can opt to sell their purchased tickets).
13 Another effect is to dramatically increase Ticketmaster's revenues by allowing it to
14 levy fees on the second (and third, etc.) sale of the same ticket(s) it sold in the primary
15 sale. Ticketmaster has steadily grown its secondary ticketing service business for years
16 and today processes well over a billion dollars annually of secondary concert ticket
17 sales at major concert venues. This growth has come at the expense of Ticketmaster's
18 secondary ticketing service provider competitors, who have no ability to compete with
19 Ticketmaster on the merits (although they struggle to do so). It also has come at the
20 expense of consumers because, despite the fact that Ticketmaster's secondary ticketing
21 service competitors for major concert venues charge consumers lower fees, Defendants
22 have steadily grown Ticketmaster's secondary ticketing market share through the
23 practices described herein, leading to ever more supracompetitive secondary ticketing
24 fees for both primary and secondary ticketing services at major concert venues. That is
25 a third effect of Defendants' conduct. This is discussed in further detail in the
26 following Section, pages 52-57.

Defendants' Acts Have Had Far-Reaching Anticompetitive Effects That Damaged Plaintiffs in Direct and Quantifiable Ways

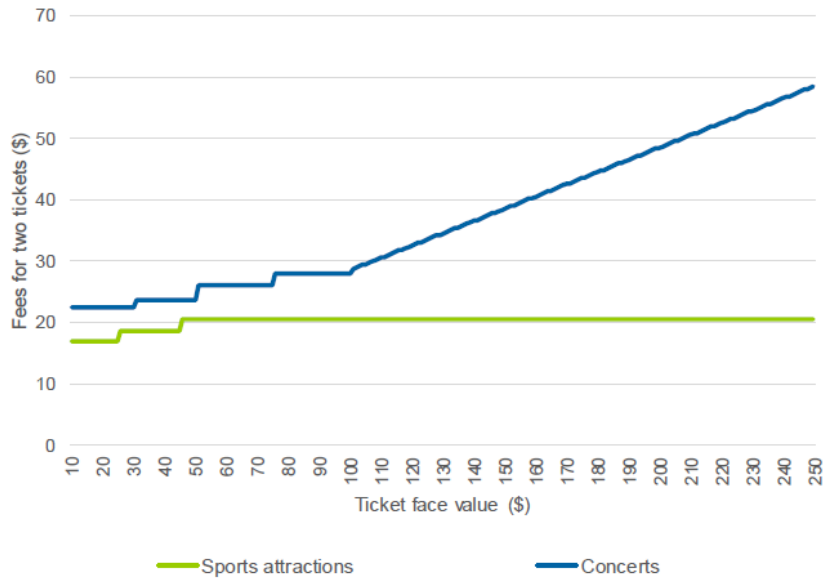
114. As a result of Defendants' anticompetitive conduct, Plaintiffs have paid anticompetitively-high fees on primary ticket purchases for years. Ticketmaster has reduced competition for such services through the anticompetitive conduct described above and therefore largely immunized itself from price competition on its ticketing fees. Thus, consumers who would otherwise be able to obtain primary tickets at lower overall cost must pay supracompetitive prices to obtain tickets from Ticketmaster, or else not be able to obtain tickets at all in the primary market.

115. For example, some major concert venues are also sport venues. There are instances where Ticketmaster is the exclusive primary ticketing service provider for the live music events at a major concert venue, but is not the exclusive primary ticketing service provider for the sports events at the venue. As of late 2017, one such venue was the American Airlines Arena, in Miami. The following chart compares the ticketing fees for the live music events for which Ticketmaster was the exclusive primary ticketing service provider against the sports events for which it was not. As is clear, the fees on live music events were markedly higher:



Source: Ticketmaster, "Licensed User Agreement," Oct. 28, 2014, 8–10 (TM00000362 at -369–371, -373).

116. A similar pattern emerges at Philips Arena, Atlanta, which has a similar separation between Ticketmaster's exclusivity over primary ticketing for live music events, and its lack of exclusivity over sporting events:

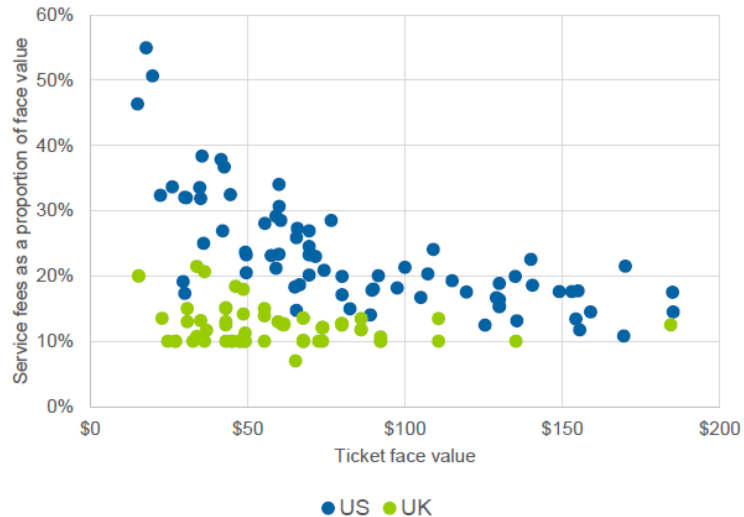


Source: Ticketmaster, "Licensed User Agreement," Jul. 11, 2011, 50 (TM00000243 at -289-291).

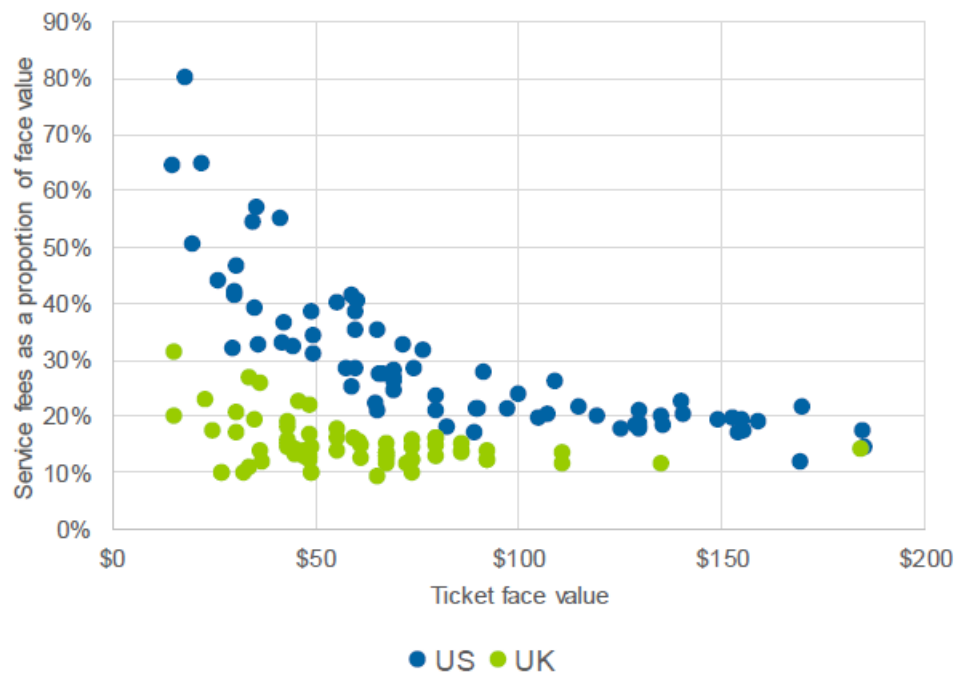
These examples are indicative of the broader harm Plaintiffs (live music fans) suffered at Defendants' hand—systematic, anticompetitively-high ticketing fees that began long before the class period.

117. But one need not only look to the United States for proof that Ticketmaster's exclusive dealing in primary ticketing services for major concert venues has anticompetitively raised fees for primary ticket purchasers. The United Kingdom is an example of a geographic market in which no one provider has extensive exclusive deals for primary ticketing services. In that country, it is very rare for a single provider to conduct all primary ticketing services at a venue; instead, the venue typically selects a provider for a portion of primary ticketing sales, and then others involved with the show (*e.g.*, the promoter, artist, etc.) each may select their own primary ticketing service provider(s) for a portion of the tickets. Ticketing service providers therefore compete with each other, including by offering lower fees for fans. As the data show,

1 ticketing fees in the U.S. (under Ticketmaster's exclusive dealing dominance) are
 2 invariably higher than the fees for tickets with the same face value in the U.K.):



Note: Fees calculated on the basis of a purchase of two tickets at the given face value. Y-axis represents (service fee) / (total combined face value). Ticket face value is given in USD. UK ticket prices converted to USD at the exchange rate available at the time of data collection.



Note: Fees calculated on the basis of a purchase of two tickets at the given face value. Y-axis represents (total fees) / (total combined face value). Ticket face value is given in USD. UK ticket prices converted to USD at the exchange rate available at the time of data collection.

1 118. As noted herein, however, Defendants' scheme does not just harm
2 competition in primary ticketing services for major concert venues; they have also
3 harmed (and continue to attempt to harm) competition in the secondary ticketing
4 services market. For those consumers in the Secondary Ticketing Services Consumer
5 Class (defined below), they are harmed by having to pay inflated secondary ticketing
6 fees when purchasing from Ticketmaster rather than competitors. The fees
7 Ticketmaster charges secondary ticket purchasers are, on average, significantly higher
8 than its competitors' secondary ticketing fees. This fact is important because, all else
9 being equal, secondary ticket resellers would ordinarily be incentivized to resell tickets
10 wherever consumers would incur the lowest fees, because that increases demand for
11 ticket resales given that the platform in question is less expensive for purchasers. In
12 other words, if seller fees are either the same or roughly equivalent, then secondary
13 ticket platforms that are cheaper for purchasers are better for the resellers.

14 119. These economic incentives are important because Ticketmaster's
15 secondary ticket reseller fees are either the same or *higher* than competitors' fees,
16 making the secondary ticket transaction either neutral or *worse* for resellers if they use
17 Ticketmaster's platforms as opposed to its competitors' platforms. Given this fact, the
18 focus then moves to purchasers. Ticketmaster's competitors all charge *lower* fees to
19 secondary ticket purchasers than Ticketmaster. The following chart shows this fact;
20 Ticketmaster's largest secondary ticketing service competitors all charge purchasers
21 lower fees on each transaction:
22
23
24
25
26
27
28

Secondary Ticketer	Buyer Fees ¹⁴
TicketsNow	15%
TicketExchange	15%
StubHub	10%
Vivid Seats	10%
TickPick	0%

Source: Orbis Research Analysis, 2019

Given these comparative fees, a rational ticket reseller, unencumbered by Defendants' anticompetitive scheme, would choose Ticketmaster's competitors, *not* Ticketmaster, if they want to maximize the profits they make from ticket resales. This is because (a) there is no clear benefit in terms of lower fees from choosing Ticketmaster rather than its competitors, and (b) there will be more demand for resale tickets on competitors' platforms, because the tickets sold there are less expensive for consumers. Thus, in a competitive market, one would expect to see Ticketmaster either enjoy no (or very little) secondary ticketing service growth, or that it would lower its fees in order to compete with lower-priced competitors.

120. But that is not what happened. Instead, the evidence shows that Ticketmaster's secondary ticketing services growth exploded since it made that business a priority in the past few years. Ticketmaster did not lower fees in order to achieve this growth, and it did not come at the expense of Ticketmaster's dominant primary ticketing services. Instead, Ticketmaster grew its share (and, on information and belief, dominance) in secondary ticketing services for major concert venues by engaging in the anticompetitive practices alleged herein. Defendants thus steadily gained market share (and continue to do so today) in secondary ticketing services via anticompetitive conduct while maintaining supracompetitive prices charged to secondary ticket purchasers. That is the epitome of anticompetitive effects.

¹⁴ The fees listed in this chart reflect a percentage of the ticket price for the final sale (e.g., TicketsNow charges ticket buyers fees equal to 15% of the ticket price). Ticketmaster's fees are higher than all fees depicted in the chart, and as noted previously, can exceed 30% of the total transaction, when seller fees are also included.

1 121. Defendants’ efforts to obtain market power in the secondary ticketing
2 services for major concert venues market by surreptitiously feeding primary tickets to
3 ticket brokers and limiting primary ticket transferability have also had the effect of
4 anticompetitively raising prices for its primary ticketing service fees. This is because,
5 *inter alia*, fees levied on primary ticket sales are typically set as a percentage of, or set
6 fee based on, the face value of the primary ticket. By creating an artificial picture of
7 demand for primary ticket sales through the anticompetitive conduct alleged herein,
8 Defendants drive face values of tickets up overall, which leads to anticompetitively-
9 higher ticketing fees. Similarly, in situations where an artist uses Ticketmaster’s
10 dynamic ticket pricing services, Defendants’ conduct artificially pushes up dynamic
11 ticket prices and leads to both higher face values *and* higher fees on primary ticket
12 purchases. Defendants’ power (and, on information and belief, dominance) over both
13 primary and secondary ticketing services for major concert venues also permits them to
14 maximize fees from the former while also growing fees from the latter.

15 122. Again, a comparison to a geographic region in which Ticketmaster does
16 not have dominance via exclusive deals demonstrates how its business practices
17 anticompetitively push up ticketing fees. In addition to the empirical evidence
18 discussed above with respect to lower primary ticketing services fees in the United
19 Kingdom, similar evidence from the same region shows that freer competition in
20 secondary ticketing services has a similar downward effect on price. The GAO, in its
21 recent analysis of secondary ticketing fees in the United States, noted that, while
22 service fees for U.S. venues the GAO analyzed averaged 22% and could go as high as
23 38%, “[i]n the United Kingdom, where the venue and promoter typically contract with
24 multiple ticket sellers, ticket fees are lower than in the United States—around 10
25 percent to 15 percent of the ticket’s face value, according to a recent study.”¹⁵
26

27 ¹⁵ The referenced study is Michael Waterson, *Independent Review of Consumer*
28 *Protection Measures Concerning Online Secondary Ticketing Facilities*, a report

1 123. The result of Defendants' efforts, working in concert with venues and
2 ticket brokers, is the substantial lessening of competition in the relevant markets for
3 primary and secondary ticketing services for major concert venues, injuring both
4 competitors and consumers alike.

5 **ACCRUAL OF CLAIM, CONTINUING VIOLATION,**
6 **EQUITABLE TOLLING, AND FRAUDULENT CONCEALMENT**

7 124. Plaintiffs did not discover and could not have discovered through the
8 exercise of reasonable diligence the existence of the anticompetitive acts alleged herein
9 prior to their disclosure in 2019 and 2020.

10 125. Since the start of the class periods, Defendants have committed continuing
11 violations of the antitrust laws resulting in monetary injury to Plaintiffs and class
12 members. These violations each constituted injurious acts.

13 126. In addition, Defendants' violations of the antitrust laws were kept secret
14 from Plaintiffs and putative Class members. As a result, Plaintiffs and class members
15 were unaware of Defendants' unlawful conduct alleged herein and did not know that
16 they were paying artificially high prices for ticketing fees in the United States
17 throughout the class periods. Defendants affirmatively and fraudulently concealed their
18 unlawful conduct by, *inter alia*:

19 (a) Agreeing to the consent decree, which forbade them from tying or
20 conditioning primary ticketing contracts to access to Live Nation-promoted concerts,
21 and making a public commitment to abide by its terms as a condition of the Live Nation
22 Entertainment-Ticketmaster merger;

23 (b) Maintaining in public, ever since the merger, that they were abiding
24 by the consent decree's terms and competing on the merits, rather than by threatening
25 the loss of Live Nation-promoted concerts in order to obtain ticketing contracts.
26 Examples of such public statements include:

27 _____
28 prepared at the request of the United Kingdom Department for Business, Innovation
and Skills and Department for Culture, Media and Sport (London: May 2016), 30-31.

1 • Stating in its SEC Form 10-Ks from 2015-2020 that, “Competition in the
2 live entertainment industry is intense. We believe that we compete primarily on the
3 basis of our ability to deliver quality music events, sell tickets and provide enhanced
4 fan and artist experiences.”

5 • Stating at multiple points in 2016 and 2017 in a recent antitrust litigation
6 against Defendants in this District Court, *Complete Entertainment Resources, LLC v.*
7 *Live Nation Entertainment, Inc.*, that Defendants had never tied or conditioned ticketing
8 contracts on access to Live Nation-promoted concerts, going so far as to convince the
9 Court to provide only limited discovery on that issue in the case. Later in the case,
10 Defendants’ representatives made multiple statements that there was no evidence of
11 such tying or conditioning, and attempted to excoriate the plaintiff for including such
12 allegations in the first place. Such conduct echoed affirmative statements from
13 Defendants’ employees, officers, and directors that they competed solely on the merits
14 in obtaining ticketing contracts.

15 • Implementing the “Verified Fan” program in 2017, which Ticketmaster
16 claimed—often through interviews from David Marcus, Ticketmaster’s EVP of
17 Music—helped cut down scalping behavior by “90%” by putting tickets in the hands of
18 “real fans” rather than secondary ticket resellers.

19 • In September 2019, Mr. Rapino tried to downplay the ongoing DOJ
20 inquiries and suggest that Defendants’ business practices were in keeping with the
21 consent decree’s requirements. He stated, “We educate all of our employees: ‘This is
22 how you go to market [with] Ticketmaster versus Live Nation, this and this is what you
23 can’t say. Win the business straight: You can bundle the business, you can add value,
24 you can present together — it’s great to have Ticketmaster ticketing your building and
25 have Live Nation as your content partner. That’s how we generally win a business:
26 because of the strong value proposition we provide.”

27 (c) By implementing and imposing the conditional license, which
28 ostensibly limited ticketing brokers’ and/or other mass secondary ticket resellers’

1 access to Defendants' ticketing platforms, which indicated that Defendants were taking
2 lawful steps to prevent ticketing brokers from accessing their ticketing platforms
3 instead of primary ticket purchasers;

4 (d) By publicly stating that they were taking steps to curtail abuses of
5 primary ticket purchases by ticket resellers. Examples of such statements include the
6 following:

7 • In a 2012 blog post, Ticketmaster stated that "the impact BOTS have on
8 you, our fans, isn't fair. We want them gone." It went on, "We invest millions of
9 dollars in our technology to differentiate the real fans from the BOTS" and
10 "Ticketmaster actively works with lawmakers, law enforcement and with our clients to
11 combat BOTS – and we have done this for years." It then—ironically—"challenge[d]
12 all in the industry to follow our lead and step up and take action against those who use
13 and profit from BOTS."

14 • In connection with a 2016 article for *ampthemag*, Mr. Rapino admitted
15 that "he remains focused on finding ways to curb secondary market ticket sales and put
16 the money back into the pockets of artists and promoters." He further was quoted as
17 stating that "his business model isn't selling a ticket multiple times, it's selling the right
18 ticket to the right fan at the right price and that sale happens once, not multiple times,"
19 and he was quoted as saying, "We don't benefit on the \$700 Beyonce ticket." "The
20 scalper or the mom and pop seller get the uplift. Our great motive is that \$8 billion is in
21 the gross, and that we are splitting it with the artist, and we make our piece, and the
22 artist makes the \$700. Our number one motive is to get the 8 billion in the gross for the
23 content, not to be on the sidelines making a service fee on a secondary ticket."

24 • In connection with a 2017 article for *Vulture*, David Marcus,
25 Ticketmaster's EVP of Music, stated regarding secondary ticketing, "It feels like an
26 injustice. It's the sense of, 'I don't know who's screwing me, but I feel screwed.'" He
27 went on, "How do we make sure that the primary industry recaptures that value?
28 Because that's where the art is being created, that's where the risk is being taken, that's

1 where the fans are. The extent that there's \$8 billion in activity in a secondary
2 marketplace? Shame on us. That's the primary industry's weakness and inefficiency
3 and failure to do what we can do for artists and fans."

4 • Mr. Marcus also provided an interview to *The Verge* in 2018, in which he
5 conveyed that "Scalpers and their bots are public enemy number one, to hear Marcus
6 tell it, and he talks about battling them as a 'constant arms race,' one that Ticketmaster
7 hopes to end by addressing 'the root causes' of the predatory resale market:
8 'Anonymous people buying tickets on a first-come-first-serve basis, at below market
9 value.'" "Scalpers completely abuse artists and fans, not to accomplish anything but a
10 profit," Marcus says. "If you want to build a successful retail brand, you can't stand by
11 and watch that happen. You have to change the way you do business."

12 127. Plaintiffs and the class members did not discover, nor could have
13 discovered through reasonable diligence, that Defendants were violating the antitrust
14 laws until less than four years before this litigation was initially commenced, because
15 Defendants used deceptive methods to avoid detection and to affirmatively conceal
16 their violations from the ticket-buying public.

17 128. Defendants did not tell Plaintiffs or other class members that they were
18 violating the consent decree, coercing disobedient venues into selecting Ticketmaster as
19 their primary ticketing service provider, misusing the conditional copyright license for
20 Ticketmaster, or engaging in the other unlawful collusive practices alleged herein. By
21 its very nature, Defendants' anticompetitive conduct, because it was performed outside
22 the sight and knowledge of the ticket-buying public, was inherently self-concealing.

23 129. As detailed above, Defendants engaged in a successful anticompetitive
24 scheme that they affirmatively concealed:

25 (a) By meeting with venues, ticket brokers, and other parties that
26 enabled the scheme out of sight from the ticket-buying public (including through the
27 use of private telephonic and electronic communications);
28

1 (b) By demanding and otherwise ensuring that the threats, back room
2 deals, and other anticompetitive practices were not discussed publicly, or did not
3 otherwise reveal the nature and substance of the acts and communications in
4 furtherance of their alleged scheme; and

5 (c) By publicly claiming (until only recently) that they were abiding by
6 the consent decree's terms, were using their conditional license in a lawful way, and
7 otherwise were competing on the merits rather than squashing competition through
8 anticompetitive means.

9 130. As a result, Plaintiffs did not discover Defendants' conspiracy, even with
10 the exercise of reasonable diligence. Plaintiffs' diligence included reviewing the terms
11 of purchases on Ticketmaster. Plaintiffs' review of these and other public materials
12 was insufficient to put Plaintiffs on notice of Defendants' anticompetitive scheme.

13 **CLASS ACTION ALLEGATIONS**

14 131. Under Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs seek
15 certification of two sub-classes, defined as follows:

16 The **"Primary Ticketing Services Consumer Class"**:

17 All end-user purchasers in the United States who purchased a primary
18 ticket and paid associated fees for primary ticketing services for an event
19 at a major concert venue in the United States from Ticketmaster or one
of its affiliated entities owned, directly or indirectly, by Live Nation
Entertainment, Inc. at any point since 2010.

20 The **"Secondary Ticketing Services Consumer Class"**:

21 All end-user purchasers in the United States who purchased a secondary
22 ticket and paid associated fees for secondary ticketing services for an
23 event at a major concert venue in the United States from Ticketmaster or
one of its affiliated entities owned, directly or indirectly, by Live Nation
Entertainment, Inc. at any point since 2010.

24 132. Excluded from the classes are ticket brokers, Defendants; the officers,
25 directors or employees of Defendants; any entity in which any defendant has a
26 controlling interest; and any affiliate, legal representative, heir or assign of Defendants.
27 Also excluded from the classes are any professional ticket resellers. Also excluded
28 from the classes are any federal, state or local governmental entities, any judicial officer

1 presiding over this action and the members of his/her immediate family and judicial
2 staff, and any juror assigned to this action.

3 133. Plaintiffs do not know the exact number of class members at the present
4 time. However, due to the nature of the trade and commerce involved, there appear to
5 be hundreds of thousands if not millions of class members such that joinder of all class
6 members is impracticable.

7 134. The classes are defined by objective criteria, and notice can be provided
8 through techniques similar to those customarily used in other antitrust cases and class
9 actions, including use of Defendants' records.

10 135. There are questions of law and fact common to each of the classes,
11 including whether Defendants violated the antitrust laws through the actions alleged
12 herein.

13 136. Plaintiffs assert claims that are typical of the classes. Plaintiffs and all
14 class members in each class have been subjected to the same wrongful conduct because
15 they all have purchased primary and/or secondary tickets and paid higher associated
16 fees for primary and/or secondary ticketing services for events at major concert venues
17 from Ticketmaster than they otherwise would have paid.

18 137. Plaintiffs will fairly and adequately represent and protect the interests of
19 the classes. Plaintiffs are represented by counsel competent and experienced in both
20 antitrust and class action litigation.

21 138. Class certification is appropriate because Defendants have acted on
22 grounds that apply generally to the class, so that final injunctive relief or corresponding
23 declaratory relief is appropriate respecting the class as a whole.

24 139. Class certification is also appropriate because common questions of law
25 and fact predominate over any questions that may affect only individual members of the
26 classes, including, *inter alia*, the following:

- 1 (a) whether Defendants in fact engaged in anticompetitive acts
2 aimed at unreasonably restraining competition for primary
3 and secondary ticketing services;
4 (b) whether such conduct violates the Sherman Act;
5 (c) whether such conduct injured the class members; and
6 (d) whether monetary damages and injunctive relief should be
7 provided to class members as a result of Defendants'
8 wrongful conduct.

9 140. A class action is superior to other available methods for the fair and
10 efficient adjudication of this controversy, since joinder of all the individual class
11 members is impracticable. Furthermore, because the monetary injury suffered by each
12 individual class member may be relatively small, the expense and burden of individual
13 litigation would make it very difficult or impossible for individual class members to
14 redress the wrongs done to each of them individually and the burden imposed on the
15 judicial system would be enormous.

16 141. The prosecution of separate actions by the individual class members would
17 create a risk of inconsistent or varying adjudications, which would establish
18 incompatible standards of conduct for Defendants. In contrast, the conduct of this
19 action as a class action presents far fewer management difficulties, conserves judicial
20 resources and the parties' resources, and protects the rights of each class member.

21 **INTERSTATE TRADE AND COMMERCE**

22 142. Defendants' conduct has taken place in and affected the continuous flow
23 of interstate trade and commerce of the United States, in that, *inter alia*:

- 24 (a) Defendants have provided primary and secondary ticketing services
25 for major concert venues throughout the United States;
26 (b) Defendants have used instrumentalities of interstate commerce to
27 provide primary and secondary ticketing services for major concert venues throughout
28 the United States;

1 (c) In furtherance of the anticompetitive scheme alleged herein,
2 Defendants have traveled between states and have exchanged communications through
3 interstate wire communications and via U.S. mail; and

4 (d) The anticompetitive scheme alleged herein has affected billions of
5 dollars of commerce. Defendants have inflicted antitrust injury by artificially raising
6 prices paid by Plaintiffs and the class members.

7 **CLAIMS FOR RELIEF**

8 **FIRST CLAIM FOR RELIEF**

9 **(Monopolization, Sherman Act, Section 2, 15 U.S.C. § 2)**

10 **(against All Defendants)**

11 143. Plaintiffs repeat and reallege each and every allegation of this Complaint
12 as if fully set forth herein.

13 144. Defendants have willfully acquired and maintained monopoly power for
14 Ticketmaster in the relevant markets for primary ticketing services for major concert
15 venues and, on information and belief, for secondary ticketing services for major
16 concert venues.

17 145. Ticketmaster possesses monopoly power in the relevant market for
18 primary ticketing services for major concert venues and, on information and belief, the
19 relevant market for secondary ticketing services for major concert venues.
20 Ticketmaster has the power to control prices or exclude competition in the relevant
21 markets.

22 146. Ticketmaster has market share of at least 70% of the relevant market for
23 primary ticketing services for major concert venues and, on information and belief, at
24 least 60% of the relevant market for secondary ticketing services for major concert
25 venues.

26 147. Defendants have willfully acquired and maintained monopoly power for
27 Ticketmaster in the relevant markets, by means of predatory, exclusionary, and
28 anticompetitive conduct, including but not limited to long-term exclusive dealing

1 arrangements, leveraging, coercion of disloyal customers, ticket brokers, and others,
2 tying arrangements, and vertically-arranged boycotts, as alleged herein.

3 Exclusive dealing arrangements

4 148. Defendants have entered into long-term exclusive dealing arrangements
5 with venues with respect to the provision of primary and secondary ticketing services.

6 149. Defendants' arrangements have had the effect of foreclosing competition
7 in a substantial share of the line of commerce affected and the relevant market for
8 primary and secondary ticketing services for major concert venues.

9 150. Defendants' arrangements cannot be circumvented.

10 151. Defendants' arrangements with major concert venues are of long duration
11 and not easily terminable as a matter of practical economics.

12 152. Defendants have coerced major concert venues to enter into these
13 arrangements.

14 153. Defendants' arrangements are not the product of competition.

15 154. Defendants' arrangements have had the effect of substantially lessening
16 competition and tending to create a monopoly in the relevant market for primary and
17 secondary ticketing services for major concert venues. Defendants have used that
18 monopoly power in a predatory, exclusionary, and anticompetitive manner to
19 monopolize, on information and belief, the relevant market for secondary ticketing
20 services for major concert venues.

21 Leveraging

22 155. Defendants have monopoly power in the relevant market for primary
23 ticketing services for major concert venues and in the relevant market for concert
24 promotion services for major concert venues.

25 156. Defendants have used their monopoly power in those relevant markets in a
26 predatory, exclusionary, and anticompetitive manner to monopolize the relevant market
27 for primary ticketing services for major concert venues and, on information and belief,
28 the relevant market for secondary ticketing services for major concert venues, and

1 exclude competitors from those markets, including but not limited to by means of
2 coercion of disloyal customers, ticket brokers, and others, tying arrangements, long-
3 term exclusive dealing arrangements, and vertically-arranged boycotts.

4 157. Defendants have used their monopoly power to monopolize the relevant
5 markets for primary ticketing services for major concert venues and secondary ticketing
6 services for major concert venues.

7 Coercion of and threats against disloyal customers, ticket brokers, and
8 others

9 158. Defendants have also coerced major concert venue operators to enter into
10 long-term exclusive deals with Ticketmaster.

11 159. Defendants have coerced major concert venue operators not to work with
12 other primary and secondary ticketing service providers.

13 160. Defendants' threats and coercion have impeded competitors' ability to
14 secure contracts for primary and secondary ticketing services with the majority of major
15 concert venues in the United States.

16 161. By way of, *inter alia*, the misuse of Ticketmaster's conditional license,
17 Defendants have agreed with and/or coerced ticket brokers and other ticket resellers not
18 to work with other secondary ticketing service providers.

19 162. By way of, *inter alia*, building in and applying technological limitations
20 on primary ticket transferability, Defendants have agreed with and/or coerced artists
21 into preventing primary ticket purchasers from working with other secondary ticketing
22 service providers.

23 163. Defendants' threats and coercion have impeded competitors' ability to
24 attract resellers to their secondary ticket platform for secondary ticket sales.

25 Tying arrangements – concert promotion and primary ticketing services

26 164. The provision of concert promotion services and primary ticketing services
27 are two separate services or products.
28

1 165. Defendants have conditioned the provision of concert promotion services
2 on the use of primary ticketing services from Ticketmaster.

3 166. Defendants have sufficient economic power in the relevant market for
4 concert promotion services to enable them to restrain trade in the relevant market for
5 primary ticketing services.

6 167. Defendants' conduct has affected a not insubstantial amount of interstate
7 commerce in the provision of primary ticketing services for major concert venues.

8 168. Defendants' conduct has had an anticompetitive effect in the relevant
9 market for primary ticketing services for major concert venues.

10 Tying arrangements – primary and secondary ticketing services

11 169. The provision of primary ticketing services for major concert venues and
12 secondary ticketing services for major concert venues are two separate services or
13 products.

14 170. By way of, *inter alia*, exclusive dealing contracts, the misuse of
15 Ticketmaster's conditional license, and technological limitations on primary ticket
16 transferability, Defendants have conditioned the provision of primary ticketing services
17 on the use of secondary ticketing services from Ticketmaster.

18 171. Defendants have sufficient economic power in the relevant market for
19 primary ticketing services for major concert venues to enable them to restrain trade in
20 the relevant market for secondary ticketing services for major concert venues.

21 172. Defendants' conduct has affected a not insubstantial amount of interstate
22 commerce in the provision of primary ticketing services for major concert venues and
23 secondary ticketing services for major concert venues.

24 173. Defendants' conduct has had an anticompetitive effect in the relevant
25 markets for primary ticketing services for major concert venues and secondary ticketing
26 services for major concert venues.

Vertically-arranged boycotts

174. Defendants have induced and coerced venues to boycott Ticketmaster's competitors for the provision of primary ticketing services.

175. By way of, *inter alia*, exclusive dealing contracts with major concert venues and misuse of Ticketmaster's conditional license, Defendants have agreed with, induced, and/or coerced ticket brokers and other ticket resellers to boycott Ticketmaster's competitors for the provision of secondary ticketing services.

176. By way of, *inter alia*, building in and applying technological limitations on primary ticket transferability, Defendants have agreed with and/or coerced artists into preventing primary ticket purchasers from working with other secondary ticketing service providers.

177. Defendants' conduct has foreclosed access to the relevant market for primary ticketing services for major concert venues, which is necessary to enable Ticketmaster's primary ticketing service competitors to compete.

178. Defendants' conduct has foreclosed access to the relevant market for secondary ticketing services for major concert venues, which is necessary to enable Ticketmaster's secondary ticketing service competitors to compete.

179. Ticketmaster possesses a dominant position in the relevant markets for primary ticketing services for major concert venues and secondary ticketing services for major concert venues.

180. Defendants' conduct is not justified, because their conduct is not intended to enhance overall efficiency and to make the relevant markets more efficient.

181. Defendants' conduct has had a substantial effect on interstate commerce.

182. Live Nation Entertainment promoted, encouraged, aided, assisted, and/or directed Ticketmaster's conduct alleged above. Live Nation Entertainment also independently participated in the anticompetitive scheme as alleged herein.

183. Plaintiffs have been or will be injured in their property as a result of Defendants' conduct.

1 184. Plaintiffs have suffered and will suffer injury of the type that the antitrust
2 laws were intended to prevent. Plaintiffs have been and will be injured by the harm to
3 competition as a result of Defendants' conduct.

4 **SECOND CLAIM FOR RELIEF**

5 **(Attempted Monopolization, Sherman Act, Section 2, 15 U.S.C. § 2)**

6 **(against All Defendants)**

7 185. Plaintiffs repeat and reallege each and every allegation of this Complaint
8 as if fully set forth herein.

9 186. With respect to the relevant market for primary ticketing services for
10 major concert venues, Defendants have engaged in predatory, exclusionary, and
11 anticompetitive conduct, including but not limited to leveraging, coercion of disloyal
12 customers and others, tying arrangements, long-term exclusive dealing arrangements,
13 and vertically-arranged boycotts.

14 187. With respect to the relevant market for secondary ticketing services for
15 major concert venues, Defendants have engaged in predatory, exclusionary, and
16 anticompetitive conduct, including but not limited to exclusive dealing contracts with
17 major concert venues that include the exclusive right to sell all tickets, including
18 secondary tickets, for said concerts, misusing the conditional license granted to use
19 Ticketmaster's online ticketing platform, limiting primary ticket transferability through
20 technological means, agreeing with and/or coercing ticket brokers to agree to list
21 primary tickets on Ticketmaster's secondary platform instead of competitors' secondary
22 ticket platforms, and agreeing with and/or coercing artists into limiting primary ticket
23 transferability except on Ticketmaster's secondary ticketing platform, as well as the
24 types of anticompetitive conduct referenced in the prior paragraph.

25 188. Defendants' conduct has had an anticompetitive effect in the relevant
26 markets for primary and secondary ticketing services for major concert venues.

27 189. Defendants' conduct has no legitimate business purpose or procompetitive
28 effect.

1 190. Defendants have engaged in that conduct with the specific intent of
2 monopolizing the relevant markets for primary and secondary ticketing services.

3 191. Defendants have engaged in that conduct with a dangerous probability of
4 monopolizing each of the relevant markets for primary and secondary ticketing services
5 for major concert venues.

6 192. Defendants' conduct has had a substantial effect on interstate commerce.

7 193. Live Nation Entertainment promoted, encouraged, aided, assisted, and/or
8 directed Ticketmaster's conduct alleged above. Live Nation Entertainment also
9 independently participated in the anticompetitive scheme as alleged herein.

10 194. Plaintiffs have been or will be injured in their property as a result of
11 Defendants' conduct.

12 195. Plaintiffs have suffered and will suffer injury of the type that the antitrust
13 laws were intended to prevent. Plaintiffs have been and will be injured by the harm to
14 competition as a result of Defendants' conduct.

15 **THIRD CLAIM FOR RELIEF**

16 **(Sherman Act, Section 1, 15 U.S.C. § 1)**

17 **(against All Defendants)**

18 196. Plaintiffs repeat and reallege each and every allegation of this Complaint
19 as if fully set forth herein.

20 197. As alleged above, Defendants and various venues, ticket brokers, artists,
21 and others have entered into one or more contracts, combinations, or conspiracies to
22 unreasonably restrain trade, to control prices or exclude competition, and to willfully
23 acquire and maintain monopoly power for Ticketmaster in the relevant markets for
24 primary and secondary ticketing services for major concert venues.

25 198. As alleged above, Defendants have induced or coerced various major
26 concert venues, ticket brokers, artists, and others to enter into one or more contracts,
27 combinations, or conspiracies to unreasonably restrain trade, to control prices or
28 exclude competition, and to willfully acquire and maintain monopoly power for

1 Ticketmaster in the relevant markets for primary and secondary ticketing services for
2 major concert venues.

3 199. As alleged above, Defendants have conditioned the provision of services
4 and access to venues over which they hold market power on the boycotting of
5 competing primary ticketing service providers for major concert venues and the use of
6 Ticketmaster's secondary ticketing services for major concert venues.

7 200. These contracts, combinations, or conspiracies include but are not limited
8 to long-term exclusive dealing arrangements, tying arrangements, and vertically-
9 arranged boycotts.

10 201. Defendants' conduct has had an anticompetitive effect in the relevant
11 markets for primary and secondary ticketing services for major concert venues.

12 202. Defendants' conduct has no legitimate business purpose or procompetitive
13 effect.

14 203. There are less restrictive alternatives to the restraints Defendants imposed
15 on the relevant markets for primary and secondary ticketing services for major concert
16 venues.

17 204. Defendants' conduct has had a substantial effect on interstate commerce.

18 205. Live Nation Entertainment promoted, encouraged, aided, assisted, and/or
19 directed Ticketmaster's conduct alleged above. Live Nation Entertainment also
20 independently participated in the anticompetitive scheme as alleged herein.

21 206. Plaintiffs have been or will be injured in their property as a result of
22 Defendants' conduct.

23 207. Plaintiffs have suffered and will suffer injury of the type that the antitrust
24 laws were intended to prevent. Plaintiffs have been and will be injured by the harm to
25 competition as a result of Defendants' conduct.

PRAYER FOR RELIEF

208. Wherefore, Plaintiffs request the following relief:

- (a) Damages in an amount to be determined;
- (b) Treble damages;
- (c) Attorneys' fees;
- (d) Costs;
- (e) Pre-judgment and post-judgment interest at the maximum rate permitted under the law;
- (f) Punitive damages;
- (g) Injunctive relief, including but not limited to an injunction barring Defendants' conduct alleged in the Complaint;
- (h) Declaratory relief, including but not limited to a declaration and judgment that Defendants' conduct alleged in the Complaint violates the laws alleged in the Complaint; and
- (i) Such other and further relief as the Court deems proper and just.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(a) of the Federal Rules of Civil Procedure, Plaintiffs demand a jury trial as to all issues triable by a jury.

1 DATED: January 4, 2022

Respectfully submitted,

2 QUINN EMANUEL URQUHART &
3 SULLIVAN, LLP

4 By /s/ Adam B. Wolfson

5 Frederick A. Lorig (Bar No. 057645)

6 fredlorig@quinnemanuel.com

7 Kevin Y. Teruya (Bar No. 235916)

8 kevinteruya@quinnemanuel.com

9 Adam B. Wolfson (Bar No. 262125)

10 adamwolfson@quinnemanuel.com

11 William R. Sears (Bar No. 330888)

12 willsears@quinnemanuel.com

13 865 South Figueroa Street, 10th Floor

14 Los Angeles, California 90017-2543

15 Telephone: (213) 443-3000

16 Facsimile: (213) 443-3100

17 *Attorneys for Plaintiffs* Skot Heckman,
18 Luis Ponce, Jeanene Popp, and Jacob
19 Roberts, on behalf of themselves and all
20 those similarly situated

21 KELLER LENKNER LLC

22 By /s/ Warren D. Postman

23 Warren Postman (Bar No. 33069)

24 wdp@kellerlenkner.com

25 Albert Pak (*pro hac vice* forthcoming)

26 albert.pak@kellerlenkner.com

27 1100 Vermont Avenue, N.W., 12th Floor

28 Washington, D.C. 20005

(202) 918-1123

Attorneys for Plaintiffs Skot Heckman,
Luis Ponce, Jeanene Popp, and Jacob
Roberts, on behalf of themselves and all
those similarly situated