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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

Plaintiff,

v.

LIVE NATION ENTERTAINMENT,
INC., MICHAEL RAPINO, and JOE
BERCHTOLD,

Defendant.

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all others
2 similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Live Nation Entertainment,
7 Inc. (“Live Nation” or the “Company”) with the United States (“U.S.”) Securities
8 and Exchange Commission (“SEC”); (b) review and analysis of press releases and
9 media reports issued by and disseminated by Live Nation; and (c) review of other
10 publicly available information concerning Live Nation.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Live Nation securities between February 23, 2022 and July 28,
14 2023, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants
15 under the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Live Nation is live entertainment company and concert and ticketing
17 platform operating in 48 countries. Live Nations owns, operates, and has exclusive
18 booking rights for a number of global venues and claims to be one of the world’s
19 leading artist managements companies. Through Ticketmaster, Live Nation provides
20 ticket sales and resale services for concerts, sporting events, performing arts
21 experiences, festivals, museums, and theaters.

22 3. Live Nation and Ticketmaster merged in January 2010 but were under a
23 consent decree with the U.S. Department of Justice (“DOJ”) to preserve competition
24 in the live events market. In 2019, Live Nation faced federal scrutiny for pressuring
25 concert venues to use Ticketmaster over other systems in five incidents, which
26 would have violated the consent decree. To resolve these claims, the Company
27 extended the consent decree to expire in December 2025 and added new provisions.
28 Pursuant to the amended consent decree, Live Nation agreed to abide by a set of

1 rules, including not threatening to condition the provision of Live Nation concerts
2 on a venue choosing Ticketmaster or retaliate in response to a venue choosing a
3 ticketing service provider other than Ticketmaster. The Company is subject to an
4 automatic penalty of \$1 million for each violation.

5 4. On November 18, 2022, *The New York Times* reported that the DOJ
6 had opened an antitrust investigation into Ticketmaster and Live Nation after the
7 ticketing platform’s systems crashed during a highly-anticipated presale for Taylor
8 Swift tickets. The ensuing chaos of disappointed “Swifties” highlighted Live
9 Nation’s power over the live music industry, exacerbating complaints that the
10 Company has “constrained competition and harmed consumers.”

11 5. On this news, Live Nation’s stock price fell \$5.64, or 7.8%, to close at
12 \$66.21 per share on November 18, 2022, on unusually heavy trading volume.

13 6. Then, on February 23, 2023 at 3:30 p.m. Eastern time, *NPR* reported
14 that, following Congressional hearings, the Senate Judiciary Subcommittee on
15 Competition Policy, Antitrust, and Consumer Rights wrote to the DOJ, presenting
16 evidence that “Live Nation is harming America’s music industry.” The letter cited
17 issues with Live Nation’s pricing models and fees, increasingly long contracts with
18 competitors, and retaliatory behavior against artists and venues that don’t want to
19 work with it. The senators “encourage[d]” the DOJ to take action if it found Live
20 Nation had “walled itself off from competitive pressure at the expense of the
21 industry and fans.”

22 7. On this news, Live Nation’s stock price fell \$7.71, or 10.1%, to close at
23 \$68.78 per share on February 24, 2023, on unusually heavy trading volume.

24 8. Then, on July 28, 2023 at 3:13 p.m. Eastern time, *Politico* reported that
25 the DOJ “could file an antitrust lawsuit against [Live Nation and Ticketmaster] by
26 the end of the year, according to three people with knowledge of the matter.”
27 *Politico* further reported that the DOJ complaint is expected to allege that “the
28 entertainment giant is abusing its power over the live music industry.”

1 9. On this news, Live Nation's stock price fell \$7.60, or 7.8%, to close at
2 \$89.33 per share on July 28, 2023, on unusually heavy trading volume.

3 10. Throughout the Class Period, Defendants made materially false and/or
4 misleading statements, as well as failed to disclose material adverse facts about the
5 Company's business, operations, and prospects. Specifically, Defendants failed to
6 disclose to investors: (1) that Live Nation engaged in anticompetitive conduct,
7 including charging high fees and extended contracts with talent, and retaliated
8 against venues; (2) that, as a result, Live Nation was reasonably likely to incur
9 regulatory scrutiny and face fines, penalties, and reputational harm; and (3) that, as a
10 result of the foregoing, Defendants' positive statements about the Company's
11 business, operations, and prospects were materially misleading and/or lacked a
12 reasonable basis.

13 11. As a result of Defendants' wrongful acts and omissions, and the
14 precipitous decline in the market value of the Company's securities, Plaintiff and
15 other Class members have suffered significant losses and damages.

16 **JURISDICTION AND VENUE**

17 12. The claims asserted herein arise under Sections 10(b) and 20(a) of the
18 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated
19 thereunder by the SEC (17 C.F.R. § 240.10b-5).

20 13. This Court has jurisdiction over the subject matter of this action
21 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. §
22 78aa).

23 14. Venue is proper in this Judicial District pursuant to 28 U.S.C. §
24 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts
25 in furtherance of the alleged fraud or the effects of the fraud have occurred in this
26 Judicial District. Many of the acts charged herein, including the dissemination of
27 materially false and/or misleading information, occurred in substantial part in this
28

1 Judicial District. In addition, the Company’s principal executive offices are located
2 in this District.

3 15. In connection with the acts, transactions, and conduct alleged herein,
4 Defendants directly and indirectly used the means and instrumentalities of interstate
5 commerce, including the United States mail, interstate telephone communications,
6 and the facilities of a national securities exchange.

7 **PARTIES**

8 16. Plaintiff Brian Donley, as set forth in the accompanying certification,
9 incorporated by reference herein, purchased Live Nation securities during the Class
10 Period, and suffered damages as a result of the federal securities law violations and
11 false and/or misleading statements and/or material omissions alleged herein.

12 17. Defendant Live Nation is incorporated under the laws of Delaware with
13 its principal executive offices located in Beverly Hills, California. Live Nation’s
14 common stock trades on the New York Stock Exchange under the symbol “LYV.”

15 18. Defendant Michael Rapino (“Rapino”) was the Company’s Chief
16 Executive Officer (“CEO”) at all relevant times.

17 19. Defendant Joe Berchtold (“Berchtold”) was the Company’s Chief
18 Financial Officer (“CFO”) at all relevant times.

19 20. Defendants Rapino and Berchtold (collectively the “Individual
20 Defendants”), because of their positions with the Company, possessed the power
21 and authority to control the contents of the Company’s reports to the SEC, press
22 releases and presentations to securities analysts, money and portfolio managers and
23 institutional investors, i.e., the market. The Individual Defendants were provided
24 with copies of the Company’s reports and press releases alleged herein to be
25 misleading prior to, or shortly after, their issuance and had the ability and
26 opportunity to prevent their issuance or cause them to be corrected. Because of their
27 positions and access to material non-public information available to them, the
28 Individual Defendants knew that the adverse facts specified herein had not been

1 disclosed to, and were being concealed from, the public, and that the positive
2 representations which were being made were then materially false and/or
3 misleading. The Individual Defendants are liable for the false statements pleaded
4 herein.

5 SUBSTANTIVE ALLEGATIONS

6 Background

7 21. Live Nation is live entertainment company and concert and ticketing
8 platform operating in 48 countries. Live Nations owns, operates, and has exclusive
9 booking rights for a number of global venues and claims to be one of the world's
10 leading artist managements companies. Through Ticketmaster, Live Nation provides
11 ticket sale and resale services for concerts, sporting events, performing arts
12 experiences, festivals, museums, and theaters.

13 22. Live Nation and Ticketmaster merged in January 2010 but were under a
14 consent decree with the U.S. Department of Justice ("DOJ") to preserve competition
15 in the live events market. In 2019, Live Nation faced federal scrutiny for pressuring
16 concert venues to use Ticketmaster over other systems in five incidents, which
17 would have violated the consent decree. To resolve these claims, the Company
18 extended the consent decree to expire in December 2025 and added new provisions.
19 Pursuant to the amended consent decree, Live Nation agreed to abide by a set of
20 rules, including not threatening to condition the provision of Live Nation concerts
21 on a venue choosing Ticketmaster or retaliate in response to a venue choosing a
22 ticketing service provider other than Ticketmaster. The Company is subject to an
23 automatic penalty of \$1 million for each violation.

1 **Materially False and Misleading**
2 **Statements Issued During the Class Period**

3 23. The Class Period begins on February 23, 2022.¹ On that day, Live
4 Nation filed its annual report on Form 10-K for the period ended December 31,
5 2021. Therein, the Company stated:

6 *In December 2019, we agreed with the United States Department of*
7 *Justice to extend and clarify the court-imposed final judgment to*
8 *which we became subject in connection with the merger of Live*
9 *Nation, Inc. and Ticketmaster Entertainment LLC, which places*
10 *certain restrictions and obligations on us which could negatively*
11 *impact our business.*

12 In connection with the merger of Live Nation, Inc. and Ticketmaster
13 Entertainment LLC in 2010, we became subject, through July 2020, to
14 a court-imposed final judgment (the “Final Judgment”) that places
15 certain restrictions and obligations on us in order to address the issues
16 the United States Department of Justice (the “DOJ”) raised in its
17 antitrust review of the merger. Pursuant to the Final Judgment, we
18 agreed to abide by certain behavioral remedies and to provide periodic
19 reports to the DOJ about our compliance with the Final Judgment. The
20 Final Judgment was due to expire in July 2020; in December 2019, we
21 reached an agreement with the DOJ to clarify certain aspects of the
22 Final Judgment and extend its duration through the end of 2025 (the
23 “Amended Final Judgment”).

24 *Under the Amended Final Judgment we may not (i) threaten to*
25 *condition (or actually condition) the provision of Live Nation*
26 *concerts on a venue choosing Ticketmaster, or (ii) retaliate (i.e.,*
27 *withhold any Live Nation concerts) in response to a venue choosing a*
28 *ticketing services provider other than Ticketmaster.* In addition,
pursuant to the Amended Final Judgment, (i) an independent monitor
has been appointed to monitor and report to the DOJ on our compliance
with the Amended Final Judgment, and investigate any potential
violations thereof, (ii) we appointed an internal antitrust compliance
officer and have conducted (and will continue to annually conduct)
internal trainings to ensure our employees fully comply with the
Amended Final Judgment; (iii) we provided, and will continue to
provide, notice to current or potential venue customers of the Amended
Final Judgment and its restrictions on our business conduct; and (iv) we
are subject to an automatic penalty of \$1,000,000 for each violation.
We agreed to pay costs and fees for the independent monitor and the
DOJ’s past investigation and enforcement.

During the duration of the Amended Final Judgment, we are restricted
from engaging in certain business activities that, absent the Final
Judgment, would be lawful for us to undertake. Our inability to

¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

1 undertake these business strategies could disadvantage us when we
2 compete against firms that are not restricted by any such order. In
3 addition, our business will be under continued and enhanced scrutiny
4 by the DOJ, including by the independent monitor. ***Our compliance
with the Amended Final Judgment therefore creates certain
unquantifiable business risks for us.***

(First emphasis in original.)

5
6 24. On May 5, 2022, Live Nation filed its Form 10-Q for the quarterly
7 period ended March 31, 2022. Therein, the Company stated that it faced class action
8 lawsuits in Canada alleging that “Live Nation and/or Ticketmaster engage in
9 conduct that is intended to encourage the resale of tickets on secondary ticket
10 exchanges at elevated prices.” The Company stated:

11 Based on information presently known to management, we do not
12 believe that a loss is probable of occurring at this time, and we believe
13 that the potential liability, if any, will not have a material adverse effect
14 on our financial position, cash flows or results of operations. ***Further,
we do not currently believe that the claims asserted in these lawsuits
have merit, and considerable uncertainty exists regarding any
monetary damages that will be asserted against us. We continue to
vigorously defend these actions.***

15 25. In conjunction with the 10-Q, the Company issued a press release,
16 which stated:

17 ***The industry continues to embrace market-based pricing, particularly
18 on the best tickets, shifting \$500 million to artists for shows this year,
19 resulting from a double-digit increase in ticket pricing,*** and reducing
20 the price arbitrage in the secondary market. At the same time, in the
U.S., the average entry level price to get in and enjoy the show remains
under \$35, approachable for almost all fans.

21 26. On August 4, 2022, Live Nation filed its Form 10-Q for the quarter
22 ended June 30, 2022, stating:

23 Our Ticketing segment revenue for the quarter grew by \$331 million,
24 from \$244 million in the second quarter of 2021 to \$575 million in the
25 second quarter of 2022. Ticketing AOI for the quarter increased by
26 \$131 million, from \$99 million in 2021 to \$231 million in 2022. The
27 improvement resulted from an increase in ticket sales, ***upward pricing
momentum due to higher fan demand,*** and higher ancillary revenue
28 streams. Our fee-bearing ticket sales for the quarter were 72 million, 46
million higher than in the second quarter of last year. This was a record
quarter for reported ticket sales, exceeding our last record set in the
fourth quarter of 2018 by 9 million tickets or 15%. The increase was
largely driven by sales in the United States, the United Kingdom, our
mainland European markets, and the addition of OCESA. ***Our resale***

1 ***business continued to excel***, with nearly a billion dollars in GTV for
2 the second quarter of 2022, more than doubling resale GTV in the
3 second quarter of 2019. It was our second highest resale quarter ever,
4 powered by both Concerts and all the major sporting leagues. For the
5 first six months of 2022, our Ticketing revenue grew by \$783 million,
6 from \$272 million in 2021 to \$1.1 billion in 2022. Ticketing AOI for
7 the first six month increased by \$400 million, from \$37 million in 2021
8 to \$437 million in 2022. Through the end of June, our fee-bearing
9 ticket sales are 124 million tickets, 91 million ahead of 2021 and,
10 notably, 20 million ahead of 2019 when all markets were fully open.
11 Resale GTV through the end of June 2022 was over \$1.8 billion which
12 is 90% of our full-year resale GTV in 2019. Overall pricing on our fee-
13 bearing tickets for the first half of the year is up more than 15%
14 compared to 2019. ***Consumer demand for premium seats and VIP
15 experiences has continued, with our Ticketmaster dynamic price sales
16 and GTV growing by 2.5 times the volume in 2019. Lastly, we have
17 signed 13 million net new tickets so far this year, which gives us
18 confidence that the Ticketmaster features and functionality will
19 continue to fuel growth going forward.***

20 * * *

21 ***Ticketing revenue increased \$331.3 million during the three months
22 ended June 30, 2022 as compared to the same period of the prior year
23 primarily due to an increase in North America primary and
24 secondary ticket fees driven by more events on sale and upward
25 pricing momentum due to higher fan demand in 2022*** as compared to
26 the resumption of concerts and sporting events starting late in the
27 second quarter of 2021. Ticketing had incremental revenue of
28 \$26.1 million during three months ended June 30, 2022 due to
acquisitions.

29 27. On October 26, 2022, the Company issues a press release in support of
30 President Biden’s call for ticketing fee transparency, stating:

31 We applaud President Biden’s advocacy for fee transparency in every
32 industry, including live event ticketing. Live Nation Entertainment
33 advocated for the all-in pricing mandate passed in New York earlier
34 this year, which requires face-value prices and fees to be shown upfront
35 – and we support the FTC mandating this nationally. We operate
36 ticketing marketplaces in 30+ countries around the world and have seen
37 all-in pricing adopted successfully in many countries when mandated
38 across the board. This only works if all ticketing marketplaces go all-in
together, so that consumers truly have accurate comparisons as they
shop for tickets.

39 28. Then, on November 3, 2022, Live Nation issued a press release
40 reporting its financial results for the quarter ended September 30, 2022, stating the
41 following:

42 As we have grown attendance, we have also continued driving greater
43 market pricing for our concerts, and now expect to transfer over \$550

1 million of additional payments to artists this year, continuing our
2 efforts to help artists get the full value from their shows.

3 * * *

4 Finally on Ticketmaster, a point on some recent press regarding
5 ticketing fees. ***We will continue to advocate for fee transparency in
6 live event ticketing.*** We advocated for the all-in pricing mandate
7 passed in New York earlier this year, which requires face-value prices
8 and fees to be shown upfront – and we support the FTC mandating this
nationally. We operate ticketing marketplaces in more than 30
countries around the world and have seen all-in pricing adopted
successfully in many countries when mandated across the board. This
only works if all ticketing marketplaces adopt together, so that
consumers truly can accurately compare as they shop for tickets.

9 29. The above statements identified in ¶¶ 23-28 were materially false
10 and/or misleading, and failed to disclose material adverse facts about the Company’s
11 business, operations, and prospects. Specifically, Defendants failed to disclose to
12 investors: (1) that Live Nation engaged in anticompetitive conduct, including
13 charging high fees and extended contracts with talent, and retaliated against venues;
14 (2) that, as a result, Live Nation was reasonably likely to incur regulatory scrutiny
15 and face fines, penalties, and reputational harm; and (3) that, as a result of the
16 foregoing, Defendants’ positive statements about the Company’s business,
17 operations, and prospects were materially misleading and/or lacked a reasonable
18 basis.

19 30. The truth began to emerge on November 18, 2022, *The New York*
20 *Times* reported that the DOJ had opened an antitrust investigation into Ticketmaster
21 and Live Nation after the ticketing platform’s systems crashed during a highly-
22 anticipated presale for Taylor Swift tickets. The ensuing chaos of disappointed
23 “Swifties” highlighted Live Nation’s power over the live music industry,
24 exacerbating complaints that the Company has “constrained competition and
25 harmed consumers.” The article reported that the DOJ has “in recent months
26 contacted music venues and players in the ticket market, asking about Live Nation’s
27 practices and the wider dynamics of the industry,” and that the “inquiry appears to
28 be broad, looking at whether the company maintains a monopoly over the industry,

1 one of the people said.” Furthermore, the article went into detail on the Taylor Swift
2 ticket debacle, stating:

3 The problems began Tuesday when Ticketmaster’s Verified Fan
4 system, which aims to weed out bots and professional scalpers from the
5 process, began doling out access codes to fans who were interested in
6 buying tickets to Ms. Swift’s Eras tour, scheduled to start in March.

7 According to a blog post by Ticketmaster, which was published on
8 Thursday but deleted within hours, 3.5 million fans registered for the
9 program. The company “invited” 1.5 million of those customers to the
10 presale by sending them codes, and the remaining two million were
11 placed on a waiting list.

12 That day, Ticketmaster received 3.5 billion system requests, causing its
13 app to crash for many users; some who were in the process of buying
14 tickets with their codes were unable to complete their transactions.
15 According to Ticketmaster, two million tickets were sold on Tuesday
16 alone. Another presale, for Capital One cardholders, was held on
17 Wednesday.

18 *But Thursday afternoon, Ticketmaster canceled its plans for a public
19 ticket sale on Friday, when it would typically sell any tickets
20 remaining after presales. It was unclear how many tickets had
21 already been sold for Ms. Swift’s tour, and how many — if any —
22 remained.*

23 On Friday, in her first comments about the ticketing debacle, Ms. Swift
24 posted a statement to social media saying she was looking into the
25 situation to see how it could be improved. But she also expressed
26 disappointment in Ticketmaster.

27 “I’m not going to make excuses for anyone,” Ms. Swift wrote,
28 “because we asked them, multiple times, if they could handle this kind
of demand, and we were assured that they could.”

31. On this news, Live Nation’s stock price fell \$5.64, or 7.8%, to close at
\$66.21 per share on November 18, 2022, on unusually heavy trading volume.

32. On November 19, 2022, Live Nation issued a statement on the matter,
stating as follows:

A Statement From Live Nation Entertainment

*As we have stated many times in the past, Live Nation takes its
responsibilities under the antitrust laws seriously and does not
engage in behaviors that could justify antitrust litigation, let alone
orders that would require it to alter fundamental business practices.*

The concert promotion business is highly competitive, with artist
management in control of selecting their promoting team. The demand
for live entertainment continues to grow, and there are more promoters

1 than ever working with artists to help them connect with fans through
2 live shows. The Department of Justice itself recognized the competitive
3 nature of the concert promotion business at the time of the Live Nation-
4 Ticketmaster merger. That dynamic has not changed.

5 Ticketmaster has a significant share of the primary ticketing services
6 market because of the large gap that exists between the quality of the
7 Ticketmaster system and the next best primary ticketing system. The
8 market is increasingly competitive nonetheless, with rivals making
9 aggressive offers to venues. That Ticketmaster continues to be the
10 leader in such an environment is a testament to the platform and those
11 who operate it, not to any anticompetitive business practices. 5 years
12 ago tickets were paper, now you scan in with your phone, and can
13 transfer tickets to your friend with one tap. We innovate and invest in
14 our technology more than any other ticketing company, and we will
15 continue to do so.

16 Secondary ticketing is extremely competitive, with Ticketmaster
17 competing with StubHub, SeatGeek, Vivid and many others. *No
18 serious argument can be made that Ticketmaster has the kind of
19 market position in secondary ticketing that supports antitrust claims.*

20 For the past 12 years Live Nation has operated under a Consent Decree
21 that among other things seeks to prevent anticompetitive leveraging of
22 Live Nation promoted content to advantage Ticketmaster. Pursuant to
23 the Amended Decree voluntarily entered in 2020, Live Nation's
24 compliance is monitored by a former federal judge. *There never has
25 been and is not now any evidence of systemic violations of the
26 Consent Decree. It remains against Live Nation policy to threaten
27 venues that they won't get Live Nation shows if they do not use
28 Ticketmaster, and Live Nation does not re-route content as retaliation
for a lost ticketing deal.*

Ticketmaster is also the most transparent and fan-friendly ticketing
system in the United States. *Ticketmaster does not set or control
ticket prices, strongly advocates for all-in pricing so that fans are not
surprised by what tickets really cost, and is the undisputed market
leader in ticket security and fighting bots. Ticketmaster also does not
embrace deceptive and questionable secondary ticketing practices
prevalent on rival sites such as speculative ticketing.*

We are proud of the work we do across both concerts and ticketing, and
will continue working to improve and support the live events industry.

33. The above statements identified in ¶ 32 were materially false and/or
misleading, and failed to disclose material adverse facts about the Company's
business, operations, and prospects. Specifically, Defendants failed to disclose to
investors: (1) that Live Nation engaged in anticompetitive conduct, including
charging high fees and extended contracts with talent, and retaliated against venues;
(2) that, as a result, Live Nation was reasonably likely to incur regulatory scrutiny

1 and face fines, penalties, and reputational harm; and (3) that, as a result of the
2 foregoing, Defendants’ positive statements about the Company’s business,
3 operations, and prospects were materially misleading and/or lacked a reasonable
4 basis.

5 34. The truth continued to emerge on February 23, 2023, when NPR
6 reported that the Senate Judiciary Subcommittee on Competition Policy, Antitrust,
7 and Consumer Rights called on the DOJ to continue examining the “anticompetitive
8 conduct” of Live Nation and Ticketmaster, citing issues with Live Nation’s pricing
9 models and fees, increasingly long contracts with competitors, and alleged
10 retaliatory behavior against artists and venues that do not want to work with it. In a
11 letter to Assistant Attorney General for Antitrust, Jonathan Kanter, Senator Amy
12 Klobuchar wrote:

13 As you know, we have long been concerned about the state of
14 competition in America’s ticketing industry, especially with the power
15 and reach of Live Nation and its wholly-owned subsidiary,
16 Ticketmaster. We strongly believe that music and live events connect
communities and bring people together. For too long, Live Nation and
Ticketmaster have wielded monopoly power anticompetitively,
harming fans and artists alike.

17 We recently held a bipartisan hearing in the Senate Judiciary
18 Committee at which the President of Live Nation testified under oath,
19 as did other industry participants, including an artist, a secondary
20 market ticketing company, a promoter, and industry experts. We write
to share some of the evidence developed at that hearing and to
encourage the Division to follow up on some remaining questions in
this industry.

21 ***As an initial matter, other than Live Nation’s executive, every witness***
22 ***at our hearing testified that Live Nation is harming America’s music***
industry. For example:

- 23 • The Founder and CEO of Seat Geek testified that Ticketmaster
24 now uses even longer exclusive agreements with venues, in some
instances as long as ten years.
- 25 • Clyde Lawrence, lead singer in the band Lawrence, testified that
26 on a \$30 ticket, Live Nation adds \$12 in fees, and of that \$42
27 price the customer pays, only \$12 goes to the band before
accounting for its cost of the tour.
- 28 • A competing promoter, Jam Productions, testified that Live
Nation attempts to lock up talent so competitors cannot produce

1 concert tours. He also noted that 87 percent of Billboard’s Top
2 40 Tours in 2022 were ticketed by Ticketmaster in the U.S. and
3 that Ticketmaster has exclusive ticketing contracts for more than
4 85 percent of the nation’s NFL, NHL, and NBA teams. (While
5 Live Nation contested the accuracy of this data, it failed to
6 provide any alternative data.)

- 7 • A public policy expert at the James Madison Institute testified
8 that Ticketmaster’s market dominance allows it to harm
9 consumers through charging service fees and demanding
10 exclusivities. In particular, he noted that the service fees can be
11 greater than 30 percent and “are tacked on at the very end of the
12 process, on the very last screen before purchasing,” raising
13 questions about deceptive pricing strategies.
- 14 • A former DOJ lawyer testified that the conduct remedies in the
15 2010 consent decree from the Live Nation-Ticketmaster merger
16 investigation have failed and that such failures constitute hard
17 evidence of the firm’s monopoly power. She also testified that
18 “the company still has the power to silence market participants
19 who fear its retaliation.”

20 35. Seemingly in response to the senators’ letter, Live Nation issued a
21 statement on February 23, 2023, stating:

22 If there’s any chance of improving ticketing for fans and artists, we all
23 need to focus on the facts. In the last few weeks alone, we’ve submitted
24 more than 35 pages of information to provide greater context and
25 transparency to policymakers on the realities of the industry. These
26 include the fact that this industry is more competitive than ever:
27 Ticketmaster has actually lost market share since the 2010 merger, not
28 gained it; that venues set and keep most of the fees associated with
tickets and are increasingly taking an ever-larger share; and
Ticketmaster has for years been advocating for a federal all-in pricing
requirement. *We believe that policymakers would benefit from asking
more questions about the chaos caused by scalpers and the resale-
first side of the industry. We remain committed to working with
lawmakers on developing reforms that will benefit fans and artists
including those outlined in a FAIR Ticketing Act.*

31 36. On February 23, 2023, after the market closed, Live Nation filed its
32 annual report on Form 10-K for the period ended December 31, 2022. Therein, the
33 Company touted claims of the competitive nature of the live entertainment industry,
34 seemingly refuting allegations of its monopoly on the industry, stating:

35 **Competition**

36 Competition in the live entertainment industry is intense. We believe
37 that we compete primarily on the basis of our ability to deliver quality
38 music events, sell tickets and provide enhanced fan and artist
experiences. . . .

1 * * *

2 Some of our competitors in the live music industry have a stronger
3 presence in certain markets, have access to other sports and
4 entertainment venues and may have greater financial resources in those
5 markets, which may enable them to gain a greater competitive
6 advantage in relation to us.

7 ***In markets where we own or operate a venue, we compete with other
8 venues to serve artists likely to perform in that general region.***

9 Consequently, touring artists have various alternatives to our venues
10 when scheduling tours. Our main competitors in venue management
11 include ASM Global, Madison Square Garden Entertainment Corp.,
12 The Nederlander Organization and Bowery Presents, in addition to
13 numerous smaller regional companies in North America, Europe,
14 Australia and New Zealand. Some of our competitors in venue
15 management may have more attractive or a greater number of venues in
16 certain markets, and may have greater financial resources in those
17 markets.

18 The ticketing services industry includes the sale of tickets primarily
19 through online and mobile channels, but also through telephone and
20 ticket outlets. The transition to online and mobile ticket purchases has
21 made it easier for technology-based companies to offer primary
22 ticketing services and standalone, automated ticketing systems that
23 enable venues to perform their own ticketing services or utilize self-
24 ticketing systems. In the online environment, we compete with other
25 websites, online event sites and ticketing companies to provide event
26 information, sell tickets and provide other online services such as fan
27 clubs and artist websites.

28 We experience competition from other national, regional and local
primary ticketing service providers to secure new venues and to reach
fans for events. Resale, or secondary, ticketing services have created
more aggressive buying of primary tickets whereby certain brokers are
using automated internet “bot” technology to attempt to buy the best
tickets when they go on sale, notwithstanding federal and state
prohibitions. We actively develop and apply methods to mitigate the
impact of these bots, however, the bot technology constantly evolves
and changes. The internet allows fans and other ticket resellers to reach
a vastly larger audience through the aggregation of inventory on resale
websites and marketplaces, and provides consumers with more
convenient access to tickets for a larger number and greater variety of
events.

We also face significant and increasing competition from companies
that sell self-ticketing systems, as well as from venues that choose to
integrate self-ticketing systems into their existing operations or acquire
primary ticketing service providers. Our competitors include primary
ticketing companies such as Tickets.com, AXS, Paciolan, Inc., CTS
Eventim AG, Eventbrite, eTix, SeatGeek, Ticketek, See Tickets and
Dice; secondary ticketing companies such as StubHub, Vivid Seats,
Viagogo and SeatGeek; and many others, including large technology
and ecommerce companies that we understand have recently entered or
could enter these markets.

1 Our main competitors at the local market level for sponsorships and
2 advertising dollars include local sports teams, which often offer state-
3 of-the-art venues, strong brand association and attractive local media
4 packages, as well as festivals, theme parks and other local events. On
5 the national level, our competitors include the major sports leagues that
6 sell sponsorships combined with significant national media packages.

7 37. Additionally, in the 2022 10-K, Live Nation addressed the Taylor Swift
8 incident, shifting responsibility onto hackers and “bots”, stating:

9 Although we have developed systems and processes that are designed
10 to protect customer and employee information and to prevent security
11 breaches or incidents (which could result in data loss or other harm or
12 loss), such measures cannot provide absolute security or certainty. It is
13 possible that advances in computer and hacker capabilities, new
14 variants of malware, the development of new penetration methods and
15 tools, inadvertent violations of company policies or procedures or other
16 developments could result in a compromise of customer or employee
17 information or a breach of the technology and security processes that
18 are used to protect customer and employee information. The techniques
19 used to obtain unauthorized access, automate or expedite transactions
20 or other activities on our platform (e.g., “bots”), disable or degrade
21 service or sabotage systems (or otherwise bring about one or more of
22 these effects) may change frequently and as a result, may be difficult
23 for our business to detect for long periods of time and may impact the
24 efficacy of our defenses and/or the products and services we provide. In
25 addition, despite our best efforts, we may be unaware of or unable to
26 anticipate these techniques or implement adequate preventative
27 measures. *For instance, in November 2022, significant bot activity in
28 connection with a large ticket onsale significantly contributed to a
degraded website experience for customers and our eventually
needing to pause the on-sale to address these issues.* We have
expended significant capital and other resources to protect against and
remedy such potential security breaches, incidents and their
consequences, including the establishment of a dedicated cybersecurity
organization within our larger technology environment, and will
continue to do so in the future.

38. On this news, Live Nation’s stock price fell \$7.71, or 10.1%, to close at
\$68.78 per share on February 24, 2023, on unusually heavy trading volume. As
observed by an article by *Barron’s* published on February 24, 2023 entitled “Live
Nation’s Stock Is Paying for the Taylor Swift Ticket Mess”:

Live Nation Entertainment gave investors an upbeat earnings report and
outlook but the stock on Friday was on track for its worst day in nearly
a year. *Worries about regulatory scrutiny and margins may be
weighing on shares of the Ticketmaster parent.*

39. On July 27, 2023, Live Nation submitted its 10-Q for quarter ended
June 30, 2023. Therein, the Company stated:

1 We are optimistic about the long-term potential of our Company and
2 are focused on the key elements of our business model: expanding our
3 concerts platform with more shows and fans in both existing and new
4 markets as well as improving the on-site experience for our fans by
5 enhancing food and beverage products and premium service offerings.
6 We will drive conversion of ticket sales through development of
7 innovative products that support selling tickets to fans. ***Our ticket
8 marketplaces have reduced friction in the ticket purchase experience
9 and created additional revenue opportunities.*** In addition, we continue
10 to grow our sponsorship and advertising partnerships and our clients
11 are able to reach their customers via the powerful connection that live
12 shows creates with ardent fans.

13 ***Serving artists remains at the center of our strategy and we work with
14 them to continue improving the fan experience.*** We joined with more
15 than 20 of the industry’s top artist coalitions, management groups,
16 music labels, and agencies to propose the FAIR Ticketing Act which
17 focuses on reforms that will protect fans, artists, and venues. As part of
18 this, we joined with President Biden to champion all-in pricing at the
19 venues we operate and pushed for increased transparency to consumers,
20 outlawing speculative tickets, greater enforcement of the BOTS Act
21 and elimination of other deceptive practices. We believe these are
22 positive first steps to a broader reform that is needed in the industry.

23 40. The above statements identified in ¶¶ 35-37, 39 were materially false
24 and/or misleading, and failed to disclose material adverse facts about the Company’s
25 business, operations, and prospects. Specifically, Defendants failed to disclose to
26 investors: (1) that Live Nation engaged in anticompetitive conduct, including
27 charging high fees and extended contracts with talent, and retaliated against venues;
28 (2) that, as a result, Live Nation was reasonably likely to incur regulatory scrutiny
and face fines, penalties, and reputational harm; and (2) that, as a result of the
foregoing, Defendants’ positive statements about the Company’s business,
operations, and prospects were materially misleading and/or lacked a reasonable
basis.

Disclosures at the End of the Class Period

41. On July 28, 2023 at 3:13 p.m. Eastern time, *Politico* reported that the
DOJ “could file an antitrust lawsuit against [Live Nation and Ticketmaster] by the
end of the year, according to three people with knowledge of the matter.” *Politico*
further reported that the DOJ complaint is expected to allege that “the entertainment
giant is abusing its power over the live music industry.”

1 47. Common questions of law and fact exist as to all members of the Class
2 and predominate over any questions solely affecting individual members of the
3 Class. Among the questions of law and fact common to the Class are:

4 (a) whether the federal securities laws were violated by Defendants’
5 acts as alleged herein;

6 (b) whether statements made by Defendants to the investing public
7 during the Class Period omitted and/or misrepresented material facts about the
8 business, operations, and prospects of Live Nation; and

9 (c) to what extent the members of the Class have sustained damages
10 and the proper measure of damages.

11 48. A class action is superior to all other available methods for the fair and
12 efficient adjudication of this controversy since joinder of all members is
13 impracticable. Furthermore, as the damages suffered by individual Class members
14 may be relatively small, the expense and burden of individual litigation makes it
15 impossible for members of the Class to individually redress the wrongs done to
16 them. There will be no difficulty in the management of this action as a class action.

17 **UNDISCLOSED ADVERSE FACTS**

18 49. The market for Live Nation’s securities was open, well-developed and
19 efficient at all relevant times. As a result of these materially false and/or misleading
20 statements, and/or failures to disclose, Live Nation’s securities traded at artificially
21 inflated prices during the Class Period. Plaintiff and other members of the Class
22 purchased or otherwise acquired Live Nation’s securities relying upon the integrity
23 of the market price of the Company’s securities and market information relating to
24 Live Nation, and have been damaged thereby.

25 50. During the Class Period, Defendants materially misled the investing
26 public, thereby inflating the price of Live Nation’s securities, by publicly issuing
27 false and/or misleading statements and/or omitting to disclose material facts
28 necessary to make Defendants’ statements, as set forth herein, not false and/or

1 misleading. The statements and omissions were materially false and/or misleading
2 because they failed to disclose material adverse information and/or misrepresented
3 the truth about Live Nation’s business, operations, and prospects as alleged herein.

4 51. At all relevant times, the material misrepresentations and omissions
5 particularized in this Complaint directly or proximately caused or were a substantial
6 contributing cause of the damages sustained by Plaintiff and other members of the
7 Class. As described herein, during the Class Period, Defendants made or caused to
8 be made a series of materially false and/or misleading statements about Live
9 Nation’s financial well-being and prospects. These material misstatements and/or
10 omissions had the cause and effect of creating in the market an unrealistically
11 positive assessment of the Company and its financial well-being and prospects, thus
12 causing the Company’s securities to be overvalued and artificially inflated at all
13 relevant times. Defendants’ materially false and/or misleading statements during
14 the Class Period resulted in Plaintiff and other members of the Class purchasing the
15 Company’s securities at artificially inflated prices, thus causing the damages
16 complained of herein when the truth was revealed.

17 **LOSS CAUSATION**

18 52. Defendants’ wrongful conduct, as alleged herein, directly and
19 proximately caused the economic loss suffered by Plaintiff and the Class.

20 53. During the Class Period, Plaintiff and the Class purchased Live
21 Nation’s securities at artificially inflated prices and were damaged thereby. The
22 price of the Company’s securities significantly declined when the
23 misrepresentations made to the market, and/or the information alleged herein to
24 have been concealed from the market, and/or the effects thereof, were revealed,
25 causing investors’ losses.

26 **SCIENTER ALLEGATIONS**

27 54. As alleged herein, Defendants acted with scienter since Defendants
28 knew that the public documents and statements issued or disseminated in the name

1 of the Company were materially false and/or misleading; knew that such statements
2 or documents would be issued or disseminated to the investing public; and
3 knowingly and substantially participated or acquiesced in the issuance or
4 dissemination of such statements or documents as primary violations of the federal
5 securities laws. As set forth elsewhere herein in detail, the Individual Defendants,
6 by virtue of their receipt of information reflecting the true facts regarding Live
7 Nation, their control over, and/or receipt and/or modification of Live Nation's
8 allegedly materially misleading misstatements and/or their associations with the
9 Company which made them privy to confidential proprietary information
10 concerning Live Nation, participated in the fraudulent scheme alleged herein.

11 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
12 **(FRAUD-ON-THE-MARKET DOCTRINE)**

13 55. The market for Live Nation's securities was open, well-developed and
14 efficient at all relevant times. As a result of the materially false and/or misleading
15 statements and/or failures to disclose, Live Nation's securities traded at artificially
16 inflated prices during the Class Period. On February 25, 2022, the Company's share
17 price closed at a Class Period high of \$126.04 per share. Plaintiff and other
18 members of the Class purchased or otherwise acquired the Company's securities
19 relying upon the integrity of the market price of Live Nation's securities and market
20 information relating to Live Nation, and have been damaged thereby.

21 56. During the Class Period, the artificial inflation of Live Nation's shares
22 was caused by the material misrepresentations and/or omissions particularized in
23 this Complaint causing the damages sustained by Plaintiff and other members of the
24 Class. As described herein, during the Class Period, Defendants made or caused to
25 be made a series of materially false and/or misleading statements about Live
26 Nation's business, prospects, and operations. These material misstatements and/or
27 omissions created an unrealistically positive assessment of Live Nation and its
28 business, operations, and prospects, thus causing the price of the Company's

1 securities to be artificially inflated at all relevant times, and when disclosed,
2 negatively affected the value of the Company shares. Defendants' materially false
3 and/or misleading statements during the Class Period resulted in Plaintiff and other
4 members of the Class purchasing the Company's securities at such artificially
5 inflated prices, and each of them has been damaged as a result.

6 57. At all relevant times, the market for Live Nation's securities was an
7 efficient market for the following reasons, among others:

8 (a) Live Nation shares met the requirements for listing, and was
9 listed and actively traded on the New York Stock Exchange, a highly efficient and
10 automated market;

11 (b) As a regulated issuer, Live Nation filed periodic public reports
12 with the SEC and/or the New York Stock Exchange;

13 (c) Live Nation regularly communicated with public investors via
14 established market communication mechanisms, including through regular
15 dissemination of press releases on the national circuits of major newswire services
16 and through other wide-ranging public disclosures, such as communications with the
17 financial press and other similar reporting services; and/or

18 (d) Live Nation was followed by securities analysts employed by
19 brokerage firms who wrote reports about the Company, and these reports were
20 distributed to the sales force and certain customers of their respective brokerage
21 firms. Each of these reports was publicly available and entered the public
22 marketplace.

23 58. As a result of the foregoing, the market for Live Nation's securities
24 promptly digested current information regarding Live Nation from all publicly
25 available sources and reflected such information in Live Nation's share price. Under
26 these circumstances, all purchasers of Live Nation's securities during the Class
27 Period suffered similar injury through their purchase of Live Nation's securities at
28 artificially inflated prices and a presumption of reliance applies.

1 **FIRST CLAIM**

2 **Violation of Section 10(b) of The Exchange Act and**

3 **Rule 10b-5 Promulgated Thereunder**

4 **Against All Defendants**

5 61. Plaintiff repeats and re-alleges each and every allegation contained
6 above as if fully set forth herein.

7 62. During the Class Period, Defendants carried out a plan, scheme and
8 course of conduct which was intended to and, throughout the Class Period, did: (i)
9 deceive the investing public, including Plaintiff and other Class members, as alleged
10 herein; and (ii) cause Plaintiff and other members of the Class to purchase Live
11 Nation's securities at artificially inflated prices. In furtherance of this unlawful
12 scheme, plan and course of conduct, Defendants, and each defendant, took the
13 actions set forth herein.

14 63. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
15 made untrue statements of material fact and/or omitted to state material facts
16 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
17 and a course of business which operated as a fraud and deceit upon the purchasers of
18 the Company's securities in an effort to maintain artificially high market prices for
19 Live Nation's securities in violation of Section 10(b) of the Exchange Act and Rule
20 10b-5. All Defendants are sued either as primary participants in the wrongful and
21 illegal conduct charged herein or as controlling persons as alleged below.

22 64. Defendants, individually and in concert, directly and indirectly, by the
23 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
24 and participated in a continuous course of conduct to conceal adverse material
25 information about Live Nation's financial well-being and prospects, as specified
26 herein.

27 65. Defendants employed devices, schemes and artifices to defraud, while
28 in possession of material adverse non-public information and engaged in acts,

1 practices, and a course of conduct as alleged herein in an effort to assure investors of
2 Live Nation's value and performance and continued substantial growth, which
3 included the making of, or the participation in the making of, untrue statements of
4 material facts and/or omitting to state material facts necessary in order to make the
5 statements made about Live Nation and its business operations and future prospects
6 in light of the circumstances under which they were made, not misleading, as set
7 forth more particularly herein, and engaged in transactions, practices and a course of
8 business which operated as a fraud and deceit upon the purchasers of the Company's
9 securities during the Class Period.

10 66. Each of the Individual Defendants' primary liability and controlling
11 person liability arises from the following facts: (i) the Individual Defendants were
12 high-level executives and/or directors at the Company during the Class Period and
13 members of the Company's management team or had control thereof; (ii) each of
14 these defendants, by virtue of their responsibilities and activities as a senior officer
15 and/or director of the Company, was privy to and participated in the creation,
16 development and reporting of the Company's internal budgets, plans, projections
17 and/or reports; (iii) each of these defendants enjoyed significant personal contact
18 and familiarity with the other defendants and was advised of, and had access to,
19 other members of the Company's management team, internal reports and other data
20 and information about the Company's finances, operations, and sales at all relevant
21 times; and (iv) each of these defendants was aware of the Company's dissemination
22 of information to the investing public which they knew and/or recklessly
23 disregarded was materially false and misleading.

24 67. Defendants had actual knowledge of the misrepresentations and/or
25 omissions of material facts set forth herein, or acted with reckless disregard for the
26 truth in that they failed to ascertain and to disclose such facts, even though such
27 facts were available to them. Such defendants' material misrepresentations and/or
28 omissions were done knowingly or recklessly and for the purpose and effect of

1 concealing Live Nation's financial well-being and prospects from the investing
2 public and supporting the artificially inflated price of its securities. As demonstrated
3 by Defendants' overstatements and/or misstatements of the Company's business,
4 operations, financial well-being, and prospects throughout the Class Period,
5 Defendants, if they did not have actual knowledge of the misrepresentations and/or
6 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
7 refraining from taking those steps necessary to discover whether those statements
8 were false or misleading.

9 68. As a result of the dissemination of the materially false and/or
10 misleading information and/or failure to disclose material facts, as set forth above,
11 the market price of Live Nation's securities was artificially inflated during the Class
12 Period. In ignorance of the fact that market prices of the Company's securities were
13 artificially inflated, and relying directly or indirectly on the false and misleading
14 statements made by Defendants, or upon the integrity of the market in which the
15 securities trades, and/or in the absence of material adverse information that was
16 known to or recklessly disregarded by Defendants, but not disclosed in public
17 statements by Defendants during the Class Period, Plaintiff and the other members
18 of the Class acquired Live Nation's securities during the Class Period at artificially
19 high prices and were damaged thereby.

20 69. At the time of said misrepresentations and/or omissions, Plaintiff and
21 other members of the Class were ignorant of their falsity, and believed them to be
22 true. Had Plaintiff and the other members of the Class and the marketplace known
23 the truth regarding the problems that Live Nation was experiencing, which were not
24 disclosed by Defendants, Plaintiff and other members of the Class would not have
25 purchased or otherwise acquired their Live Nation securities, or, if they had acquired
26 such securities during the Class Period, they would not have done so at the
27 artificially inflated prices which they paid.

28

1 power to control or influence the particular transactions giving rise to the securities
2 violations as alleged herein, and exercised the same.

3 75. As set forth above, Live Nation and Individual Defendants each
4 violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this
5 Complaint. By virtue of their position as controlling persons, Individual Defendants
6 are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate
7 result of Defendants' wrongful conduct, Plaintiff and other members of the Class
8 suffered damages in connection with their purchases of the Company's securities
9 during the Class Period.

10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

12 (a) Determining that this action is a proper class action under Rule 23 of
13 the Federal Rules of Civil Procedure;

14 (b) Awarding compensatory damages in favor of Plaintiff and the other
15 Class members against all defendants, jointly and severally, for all damages
16 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,
17 including interest thereon;

18 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
19 incurred in this action, including counsel fees and expert fees; and

20 (d) Such other and further relief as the Court may deem just and proper.

21 **JURY TRIAL DEMANDED**

22 Plaintiff hereby demands a trial by jury.
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1 DATED: August 4, 2023

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