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19
20 SUPERIOR COURT FOR THE STATE OF CALIFORNIA
21 COUNTY OF LOS ANGELES

22 In re TICKETMASTER ENTERTAINMENT
SHAREHOLDER LITIGATION

Lead Case No. BC407677

CLASS ACTION

24
25 This Document Relates To:
ALL ACTIONS.

**FIRST AMENDED CONSOLIDATED
SHAREHOLDER COMPLAINT FOR
BREACH OF FIDUCIARY DUTIES**

JURY TRIAL DEMANDED

By Fax

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1 Plaintiffs Police & Fire Retirement System of the City of Detroit (“PFRS”) and Jack
2 McBride (collectively “Plaintiffs”) on behalf of themselves and all other similarly situated public
3 shareholders (the “Class”) of Ticketmaster Entertainment, Inc. (hereafter “Ticketmaster” or the
4 “Company”), by their attorneys, make the following allegations against Ticketmaster, the
5 members of Ticketmaster’s Board of Directors (the “Ticketmaster Board” or “Board”), and Live
6 Nation, Inc. (“Live Nation”) in support of Plaintiffs’ claims.

7 **SUMMARY OF THE ACTION**

8 1. This case arises because Ticketmaster shareholders are being asked to make the
9 most important decision investors can make, yet Defendants are denying them critical
10 information about the circumstances surrounding the proposed stock-for-stock merger of
11 Ticketmaster with Live Nation (the “Proposed Acquisition”). Among other things, Defendants
12 have concealed material information about the opportunities available to Ticketmaster if the deal
13 is rejected and the potential value of the combined company should the shareholders approve the
14 Proposed Acquisition. Under Delaware law, the shareholders – not the Ticketmaster Board – are
15 vested with the power to decide whether to approve the Proposed Acquisition. This decision
16 takes on added importance in view of the fact that the Proposed Acquisition is unfairly priced,
17 will fundamentally change the nature of Ticketmaster’s business, and will leave shareholders
18 vulnerable to the consequences of the potential failure of the strategic shift the directors favor.

19 2. Ticketmaster’s primary business is acting as a ticket broker and distributor, selling
20 tickets to concerts, sporting events and entertainment venues across the United States and
21 abroad. Ticketmaster also acts as an artist management company, managing musical acts and
22 providing ancillary services for artists.¹ By comparison, Live Nation is primarily a live music
23 promoter, which owns and rents venues and produces shows for musical artists. Accordingly,
24

25 ¹ Ticketmaster’s ancillary artist management business is centered on the Company’s October
26 2008 acquisition of a majority interest in Front Line Management Group, Inc. (“Front Line”).
27 Following the acquisition, Front Line’s Chief Executive Officer (“CEO”), Irving Azoff, was
28 appointed CEO of Ticketmaster. Front Line manages high-profile musical acts such as Jimmy
Buffett, the Eagles and Guns N’ Roses.

1 Live Nation's acquisition of Ticketmaster represents a substantial change in Ticketmaster's
2 business model, making the compensation offered and completeness and accuracy of the
3 disclosures in the registration statement of particular importance to Ticketmaster shareholders.

4 3. On February 9, 2009, Ticketmaster and Live Nation announced that they had
5 executed an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement
6 proposed a combination of Live Nation and Ticketmaster which would yield a total enterprise
7 value of approximately \$2.5 billion. The terms of the Merger Agreement provide that, if
8 shareholders approve the Proposed Acquisition, Ticketmaster shareholders will receive 1.384
9 shares of Live Nation common stock for each share of Ticketmaster common stock (the
10 "Exchange Ratio"). Given the relative market values of Ticketmaster and Live Nation shares on
11 February 9, 2009, and as of the filing of this First Amended Consolidated Complaint
12 ("Complaint"), the Proposed Acquisition offers *no premium* at all to Ticketmaster's
13 shareholders.

14 4. Indeed, if the Proposed Acquisition were to be completed today, not only would
15 Ticketmaster's shareholders not receive a premium, but they would actually be penalized an
16 aggregate amount of approximately \$16,880,896. This is because the value of each share they
17 would receive in the combined company – as dictated by the Exchange Ratio – is actually less
18 than the current trading price of Ticketmaster alone.² Significantly, there is no "collar" to the
19 Exchange Ratio currently in place, which might remove or ameliorate such a deficit, and as
20 things stand now there is no mechanism for Ticketmaster to negotiate a new Exchange Ratio.
21 Therefore, Ticketmaster shareholders are left with no protection whatsoever with regard to
22 market forces or changes in circumstances which may render the Proposed Acquisition even
23 more unfair than it currently is given the fixed Exchange Ratio.

24
25
26 ² The closing price of Ticketmaster's common stock as of September 8, 2009 was \$10.19 per
27 share. Live Nation's closing common share price as of September 8, 2009 was \$7.15 per share.
28 Applying an exchange ratio of 1.384 shares of Live Nation common stock per share of
Ticketmaster yields a deficit of approximately \$0.29 per share ($\$7.15 * 1.384 = \$9.90 - 10.19 =$
 $-\$0.29 * 57.34 \text{ million shares outstanding} = -\$16,880,896$).

1 5. Even with an economic penalty looming over the Proposed Acquisition for
2 Ticketmaster’s shareholders, the transaction is essentially a *fait accompli* as a result of
3 defendants’ voting agreements with insiders (such as Liberty Media Corporation (“Liberty
4 Media”), Front Line, and Defendant Azoff) who have approximately 36% of the vote.
5 Accordingly, it is even *more important* than usual that Ticketmaster’s public and unaffiliated
6 shareholders receive full, complete and timely information to determine whether they want to
7 continue to own Ticketmaster as it currently stands or to approve the Proposed Acquisition and
8 enjoy the benefits or risks of that deal.

9 6. Nonetheless, on July 1, 2009, defendants caused to be filed with the Securities
10 and Exchange Commission (“SEC”) a false and misleading registration statement under the
11 Securities Act of 1933 (the “Registration Statement”). The Registration Statement omits and/or
12 misstates various material facts essential for shareholders to make a fully informed decision
13 whether to approve the Proposed Acquisition.³ The most important and most material categories
14 of information which Ticketmaster shareholders need to make a fully informed decision on the
15 Proposed Acquisition are rife with omissions, half-truths, and misleading statements, which
16 render the disclosures meaningless. For instance, the Registration Statement fails to give
17 shareholders an accurate or helpful financial picture of the post-Proposed Acquisition company
18 (the “Combined Company”). Indeed, *pro forma* projections for the Combined Company are only
19 presented on a historical basis, rendering shareholders without any *means of* determining
20 whether the Proposed Acquisition will be beneficial in the future.

21 7. The Registration Statement is teeming with false and misleading financial
22 statements concerning *inter alia* the value of Ticketmaster on a standalone basis, the existence
23 and substance of future financial projections for Ticketmaster, *and* the fairness of the Proposed
24 Acquisition to Ticketmaster shareholders from a financial point of view. In fact, the opinion
25 issued by Ticketmaster’s investment bankers at Allen & Company LLC (“Allen & Co.”) was

26
27 ³ The term “Registration Statement” refers to the amended Registration Statement (Form S-4/A)
28 filed with the SEC by Live Nation on July 1, 2009, amending the Form S-4 previously filed by
Live Nation on June 15, 2009.

1 prepared in less than two weeks (14 days). In addition, the fairness opinion is outdated and
2 provides only a conclusion, accompanied by meaningless historical stock analysis and
3 incomplete inputs and assumptions, rendering the analysis impossible for Ticketmaster
4 shareholders to adequately replicate in order to form their own conclusion. The Ticketmaster
5 Board’s reliance on this haphazard approach to a fairness opinion is far from the complete
6 candor that the law of fiduciary duty requires, rendering the whole of the fairness opinion false
7 and misleading.

8 8. Moreover, other important material information is completely missing from the
9 Registration Statement, such as: (a) an adequate description of any strategic alternatives, besides
10 an acquisition by Live Nation, the Ticketmaster Board considered in the course of their
11 deliberations and relative merits of such alternatives; (b) the realities and impact on valuation
12 issues of Live Nation’s financial condition and aggressive accounting practices; (c) the true
13 reason for the Ticketmaster Board’s failure to consider and/or disclose an “Upside Scenario” in
14 determining whether the Exchange Ratio is fair; (d) the reason for the exclusion of original
15 Ticketmaster management projections and analysis from the Registration Statement; (e) whether
16 Live Nation’s creditors have agreed to a modification of their obligations to deal with a “change
17 in control” of Live Nation; and (f) the status of existing significant business partners such as CTS
18 Eventim AG (“CTS”) and Anschutz Entertainment Group (“AEG”) should the Proposed
19 Acquisition receive shareholder approval and their potential impact on valuation considerations.

20 9. Plaintiffs and the other Class members face certain and irreparable harm if the
21 Proposed Acquisition is allowed to proceed and Plaintiffs and the other Class members are
22 forced to determine the fate of the Proposed Acquisition without material information necessary
23 to assess the value of the Proposed Acquisition. As such, Plaintiffs, on behalf of themselves and
24 the other Class members, respectfully request the Court to enjoin the Proposed Acquisition, as
25 Plaintiffs and the other Class members have no adequate remedy at law.

26 **JURISDICTION AND VENUE**

27 10. This Court has jurisdiction over all causes of action asserted herein pursuant to
28 the California Constitution, Article VI, § 10, because this case is a cause not given by statute to

1 other trial courts, § 410.10 of the California Code of Civil Procedure and § 2116 of the
2 California Corporations Code.

3 11. This Court has jurisdiction over each defendant named herein because each
4 defendant is either a corporation that does sufficient business in California, or an individual who
5 has sufficient minimum contacts with California, to render the exercise of jurisdiction by the
6 California courts permissible under traditional notions of fair play and substantial justice. All of
7 the defendants conduct business and/or maintain offices in California, and Ticketmaster's
8 headquarters are located at 8800 W. Sunset Blvd., West Hollywood, County of Los Angeles,
9 California. Live Nation has its headquarters at 9348 Civic Center Drive, Beverly Hills,
10 California 90210. Also, many of the defendants (as defined below) reside in California.

11 12. Venue is proper in this Court because a substantial portion of the wrongs
12 complained of herein, including the defendants' primary participation in the wrongful acts
13 detailed herein in violation of their fiduciary duties, occurred in this county, and the defendants
14 have received substantial compensation in this county by doing business here and engaging in
15 numerous activities which had an effect in this county. Venue is also proper in this Court
16 because many of those affected by defendants' conduct reside in this county, and many of the
17 potential witnesses reside or work in this county.

18 THE PARTIES

19 13. Plaintiff **PFRS** is a public pension fund for the benefit of the active and retired
20 police officers and firefighters of the City of Detroit, Michigan. PFRS is a stockholder of
21 Ticketmaster, has been a stockholder of Ticketmaster at all material times alleged in this
22 Complaint, and will continue to be a stockholder through its pendency.

23 14. Plaintiff **Jack McBride** is a resident of the state of Michigan and is a stockholder
24 of Ticketmaster, has been a stockholder of Ticketmaster at all material times alleged in this
25 Complaint, and will continue to be a stockholder through its pendency.

26 15. Defendant **Ticketmaster** is incorporated under the laws of the State of Delaware
27 and has its principal executive offices located at 8800 W. Sunset Blvd., West Hollywood,
28 California 90069. Ticketmaster consists of Ticketmaster and Front Line. As a leading live

1 entertainment ticketing and marketing company, Ticketmaster operates globally in 20 markets,
2 providing ticket sales, ticket resale services, marketing and distribution through
3 www.ticketmaster.com (one of the largest e-commerce sites on the Internet), approximately
4 7,100 retail outlets, and 17 worldwide call centers. Ticketmaster acquired a controlling interest
5 in Front Line in October 2008. Founded by Defendant Azoff and Howard Kaufman in 2004,
6 Front Line is an artist management company with nearly 200 clients and more than 80 executive
7 managers.

8 16. Defendant **Live Nation** is incorporated under the laws of the State of Delaware
9 and has its principal executive offices located at 9348 Civic Center Drive, Beverly Hills,
10 California 90210. Live Nation's core business is producing, marketing and selling live concerts
11 for artists via its global concert pipeline.

12 17. Defendant **Allen & Co.** is a boutique investment bank headquartered at 711 5th
13 Avenue, 9th Floor, New York, New York 10022. Allen & Co. served as financial advisors to the
14 Ticketmaster Board and opined on the fairness, from a financial point of view, of the Proposed
15 Acquisition to Ticketmaster shareholders.

16 18. Defendant **Irving Azoff** ("Azoff") is the CEO of Ticketmaster (since October
17 2008) and CEO of Front Line. Defendant Azoff was appointed to the Ticketmaster Board on
18 January 22, 2009.

19 19. Defendant **Terry R. Barnes** ("Barnes") has served as a member of the
20 Ticketmaster Board since at least August 12, 2008. Defendant Barnes served as Chairman and
21 CEO of Ticketmaster from June 2005 to December 2006 and Chairman from January 2003 to
22 June 2005. He was the Co-Chairman of Ticketmaster from January 2001 until January 2003 and
23 President and CEO of Ticketmaster Corporation from June 1998 until January 2001. From
24 September 1995 until June 1998, Defendant Barnes was the President and Chief Operating
25 Officer of Ticketmaster Ticketing Company.

26 20. Defendant **Mark Carleton** ("Carleton") has served as a member of the
27 Ticketmaster Board since at least August 12, 2008. He currently serves as a Senior Vice
28 President of Liberty Media. Prior to that, Carleton was employed by KPMG LLP, the audit, tax

1 and advisory firm, from July 1982 to November 2003. Defendant Carleton was a practicing
2 Certified Public Accountant during his time at KPMG.

3 21. Defendant **Brian Deevy** (“Deevy”) has served as a member of the Ticketmaster
4 Board since at least August 12, 2008. He is Chairman and CEO of RBC Daniels, responsible for
5 strategic development of the firm’s business, which includes mergers and acquisitions, private
6 equity and debt capital formation and financial advisory engagements. Defendant Deevy also
7 has primary responsibility for RBC Daniels’ Cable Television Group.

8 22. Defendant **Barry Diller** (“Diller”) serves as Chairman of the Ticketmaster Board.
9 He has been a member of the Ticketmaster Board since at least August 12, 2008. He has also
10 been a director and the chairman and CEO of IAC/InterActiveCorp (“IAC”) (and its
11 predecessors) since August 1995. Furthermore, Defendant Diller has served as the Chairman of
12 Expedia, Inc. (“Expedia”), since August 2005.

13 23. Defendant **Jonathan L. Dolgen** (“Dolgen”) has served as a member of the
14 Ticketmaster Board since at least August 12, 2008. He has served as senior consultant for Artist
15 Direct, Inc. since October 2006. Since July 2004, Defendant Dolgen has also been a Senior
16 Advisor to Viacom, Inc., providing advisory services to the chief executive officer on an as-
17 requested basis. Since July 2004, Dolgen has been a private investor and since September 2004,
18 Defendant Dolgen has been a principal of Wood River Ventures, LLC. Defendant Dolgen also
19 has been a director of Expedia since August 2005.

20 24. Defendant **Julius Genachowski** (“Genachowski”) has served as a member of the
21 Ticketmaster Board from at least August 12, 2008, until his resignation in March 2009. He co-
22 founded Rock Creek Ventures, an investment and advisory services firm, in March of 2005 and
23 continues to be a Managing Director there. From June 2003 until August of 2005, Genachowski
24 served as the Executive Vice President and Chief of Business Operations for IAC and, prior to
25 that, served as IAC’s Executive Vice President and General Counsel.

26 25. Defendant **Diane Irvine** (“Irvine”) has served as a member of the Ticketmaster
27 Board since at least August 12, 2008. She has served as CEO and President of Blue Nile, Inc.,
28 an online retailer of high quality diamonds and fine jewelry in the United States, since February

1 2008. Defendant Irvine serves on the Board of Directors of Blue Nile, Inc. and Davidson
2 Companies, an investment banking and asset management company.

3 26. Defendant **Craig Jacobson** (“Jacobson”) has served as a member of the
4 Ticketmaster Board since January 28, 2009. He is a founding partner at the law firm of Hansen,
5 Jacobson, Teller, Hoberman, Newman & Richman, L.L.P. where he has practiced entertainment
6 law. Defendant Jacobson also serves as member of the board of directors of Expedia.

7 27. Defendant **Victor A. Kaufman** (“Kaufman”) has served as a member of the
8 Ticketmaster Board since at least August 12, 2008. He has been a director of IAC since
9 December 1996 and has been Vice Chairman of IAC since October 1999. Defendant Kaufman
10 also serves as the Vice Chairman of the board of Expedia.

11 28. Defendant **Michael Leitner** (“Leitner”) has served as a member of the
12 Ticketmaster Board since at least August 12, 2008. He is a managing partner at Tennenbaum
13 Capital Partners, a private investment firm.

14 29. Defendant **Jonathan F. Miller** (“Miller”) has served as a member of the
15 Ticketmaster Board since at least August 12, 2008. He is a founding partner of Velocity
16 Interactive Group, an investment firm focusing on digital media and the consumer internet.

17 30. Defendant **Sean Moriarty** (“Moriarty”) served as a member of the Ticketmaster
18 Board from at least August 12, 2008 until his resignation in March 2009. Defendant Moriarty
19 resigned from all positions with Ticketmaster and its subsidiaries on March 24, 2009. He was
20 the President of Ticketmaster Entertainment, Inc. and CEO of Ticketmaster.

21 31. Defendants Azoff, Barnes, Carleton, Deevy, Diller, Dolgen, Irvine, Jacobson,
22 Kaufman, Leitner, and Miller collectively constitute the entirety of the Company’s Board.
23 Defendants Genachowski and Moriarty resigned from the Ticketmaster Board in March 2009,
24 following the approval of the Merger Agreement. These thirteen individuals are hereinafter
25 referred to as the “Ticketmaster Board” or the “Individual Defendants.”

26 32. By virtue of their positions as directors and/or officers of Ticketmaster and/or
27 their exercise of control and ownership over the business and corporate affairs of the Company,
28 the Individual Defendants have, and at all relevant times had, the power to control and influence

1 and did control and influence and cause the Company to engage in the practices complained of
2 herein. Each Individual Defendant owed and owes Ticketmaster and its shareholders fiduciary
3 obligations of candor, due care, good faith and loyalty and were and are required to: (a) use their
4 ability to control and manage Ticketmaster in a fair, just and equitable manner; (b) act in
5 furtherance of the best interests of Ticketmaster and its shareholders and not their own; and (c)
6 fully disclose the material circumstances, procedures, and terms of the Proposed Acquisition so
7 that shareholders can make a fully informed decision.

8 33. Each defendant herein is sued individually and as an aider and abettor and/or in
9 his/her capacity as a director of Ticketmaster. The liability of each of the defendants arises from
10 the fact that they have engaged in all or part of the unlawful acts, plans, schemes, or transactions
11 complained of herein.

12 **BACKGROUND ON TICKETMASTER AND THE PROPOSED ACQUISITION**

13 34. Ticketmaster is a ticket sales and distribution company with operations in many
14 countries around the world. Typically, Ticketmaster's clients – arenas, stadiums, and theaters –
15 control their events, and Ticketmaster simply acts as an agent, selling the tickets that the clients
16 make available to them. Originally founded in 1976 in Phoenix, Arizona, Ticketmaster has its
17 headquarters in West Hollywood, California. The Company was spun off from IAC/
18 InterActiveCorp, (previously defined as "IAC"), a company run by Defendant Diller, in August
19 of 2008.

20 35. As the world's leading live entertainment ticketing and marketing company,
21 Ticketmaster operates world-wide, providing ticket sales, ticket resale services, marketing and
22 distribution through www.ticketmaster.com, one of the largest e-commerce sites on the Internet;
23 approximately 7,100 retail outlets; and 17 worldwide call centers. Ticketmaster serves more
24 than 10,000 clients across multiple event categories, providing exclusive ticketing services for
25 leading arenas, stadiums, professional sports franchises and leagues, college sports teams,
26 performing arts venues, museums, and theaters. In 2008, the Company sold more than 141
27 million tickets valued at over \$8.9 billion on behalf of its clients.

1 36. Live Nation's business, while also related to the music and entertainment
2 industry, is very different from that of Ticketmaster. Live Nation is the largest producer of live
3 music concerts in the world, annually producing over 16,000 concerts for 1,500 artists in 57
4 countries. Typically, Live Nation signs artists to deals and takes the role of concert promoter.
5 The company also owns various concert venues, including the popular venue chain, House of
6 Blues. The company was formed in 2005 by a spin-off from Clear Channel Communications.

7 37. Ticketmaster announced on February 10, 2009, that the Company entered into a
8 definitive Merger Agreement to be acquired by Live Nation. Pursuant to the terms of the Merger
9 Agreement, Ticketmaster investors are to receive 1.384 shares of Live Nation for each
10 Ticketmaster share they now own.

11 38. Because this transaction represents a fundamental strategic shift for both of these
12 companies and because the economic benefits of the transaction cannot be realized unless and
13 until the Combined Company performs well, Ticketmaster shareholders must carefully consider
14 the merits of the Proposed Acquisition and be fully informed before casting their vote. The
15 estimated \$2.5 billion Proposed Acquisition intends to combine the nation's largest concert
16 promoter with the nation's largest seller of tickets for live entertainment. The Proposed
17 Acquisition continues to face extreme scrutiny from federal antitrust regulators and has yet to
18 receive final antitrust federal approval.

19 39. As previously explained, the Proposed Acquisition today would penalize
20 Ticketmaster's shareholders in an aggregate amount of approximately \$16,880,896.
21 Significantly, there is no "collar" to the Exchange Ratio currently in place, which might remove
22 or ameliorate such a deficit, and as things stand now, there is no mechanism for Ticketmaster to
23 negotiate a new Exchange Ratio.

24 40. As justification for this inadequate price, Ticketmaster and Live Nation attempt to
25 characterize the Proposed Acquisition as a "merger of equals" that does not warrant any
26 premium to Ticketmaster shareholders. As further justification, Ticketmaster and Live Nation
27 also claimed the Proposed Acquisition provided for \$40 million in synergies. In other words,
28 Ticketmaster shareholders were told that instead of enjoying any immediate and tangible benefit

1 from the transaction (as is the case in the usual takeover, in which target shareholders receive
2 either a cash or stock premium relative to the pre-announcement market price of their stock), the
3 Ticketmaster shareholders will only receive a “premium” later, in the form of a stronger
4 combined entity, as evidenced by these synergies. As Nat Worden reported in a February 10,
5 2009 *Dow Jones Newswires* article:

6 Ticketmaster Entertainment Inc. (TKTM) and Live Nation Inc.
7 (LYV) said Tuesday that their proposed merger can achieve \$40
8 million in *costs savings in the* first year after the deal closes due to
9 synergies between the two companies.

10 Executives from the companies on a conference call following an
11 announcement of the deal declined to provide more details on the
12 cost savings.

13 41. In reaching the Merger Agreement, Ticketmaster and Live Nation negotiated an
14 antitrust covenant with a “hell-or-high-water” provision to deal with the impending antitrust
15 scrutiny (explained more fully below). This provision requires each company to use its
16 reasonable best efforts to make asset divestitures and take all other necessary steps to satisfy the
17 demands of the Justice Department. Thus, the \$40 million in cost savings and synergies offered
18 by defendants to justify the Proposed Acquisition as a “merger of equals” – a proposal devoid of
19 any premium to Ticketmaster shareholders – can be readily foregone to obtain antitrust approval.

20 42. On March 19, 2009, Live Nation and Ticketmaster received from the Antitrust
21 Division a request for additional information and material relating to the Merger Agreement
22 under the Hart-Scott-Rodino Antitrust Improvements Act (“HSR Act”), which is generally
23 referred to as a “Second Request.” *See* Registration Statement at 103. A Second Request
24 indicates the seriousness with which the government is examining the transaction, and increases
25 the odds that some, if not all, of the sources of the \$40 million in synergies will be foregone in
26 order to obtain antitrust approval of the transaction. Live Nation and Ticketmaster are in the
27 process of responding to the Justice Department’s Second Request for information concerning
28 antitrust approval of the Proposed Acquisition. This Second Request makes it unlikely that the
Combined Company will reap any “synergistic benefit” as the costs incurred by both

1 Ticketmaster and Live Nation in seeking regulatory approval continue to mount at an
2 undisclosed rate.

3 43. On June 15, 2009, Live Nation and Ticketmaster, with the help of their
4 investment bankers, filed with the SEC the original Form S-4. Two weeks later, on July 1, 2009,
5 defendants filed an amended Form S-4 (previously defined herein as the “Registration
6 Statement”), superseding the original proxy materials.

7 44. According to the Registration Statement, the Ticketmaster Board, certain
8 executive officers and Liberty Media own approximately 34.3% of the outstanding stock of
9 Ticketmaster. In addition, Defendant Azoff owns 100% of the 1,750,000 shares of Ticketmaster
10 Entertainment Series A preferred stock outstanding as of May 22, 2009, with one vote per share.
11 Thus, according to the Registration Statement, the insiders and Liberty Media have
12 approximately 36.3% of the voting power of Ticketmaster.

13 45. The Ticketmaster bylaws, as they are currently written, require only that a simple
14 majority of shareholder’s vote in favor of the Proposed Acquisition in order for it to be approved.
15 Accordingly, absent court intervention, the Proposed Acquisition is essentially a *fait accompli*,
16 given that only 14% of Ticketmaster’s public shareholders – many of which are Ticketmaster
17 officers and employees and only 30% of which are institutional investors – need to vote in favor
18 of the Proposed Acquisition in order for it to be approved.

19 46. The Ticketmaster Board caused Ticketmaster to enter into the Merger Agreement
20 in order to perpetuate their own personal interests, and the interests of Defendants Diller and
21 Azoff. In the case of Defendant Azoff, the Merger Agreement provides for the acceleration of
22 the vesting of Azoff’s stock options for 2,000,000 shares of Ticketmaster common stock. *See*
23 Registration Statement at 14. Live Nation also guaranteed certain defendants lucrative positions
24 with the Combined Company. Pursuant to the Registration Statement, Defendant Azoff is
25 expected to serve as the Executive Chairman of the Combined Company and Defendant Diller is
26 expected to become Chairman of the Board of the Combined Company upon the completion of
27 the Proposed Acquisition.

1 51. In addition, the Registration Statement fails to inform shareholders about the
2 potential value of a new cross-promotional deal that Ticketmaster has entered into with
3 Priceline.com. On Thursday, July 9, 2009, Ticketmaster announced that the Company has
4 entered into an agreement with Priceline.com, whereby Priceline.com will serve “as the ‘Official
5 Travel Partner’ of Ticketmaster.com.” In that Press Release, Ticketmaster Senior Vice President
6 of Business Development, Greg Consiglio, stated:

7 We are thrilled to welcome priceline.com to our growing network
8 of premier ‘beyond the ticket’ brands as our official sponsor in the
9 travel category, In securing this strategic business alliance
10 with priceline.com, we’ve further demonstrated Ticketmaster’s
11 ability to utilize our leading and established online consumer
12 ticketing and event information platform to drive marketing
13 programs for strategic partners.

14 Surprisingly, however, the terms of the “official sponsor[ship]” were not released, nor was an
15 amendment to the Registration Statement filed with the SEC alerting Ticketmaster shareholders
16 to this event and its impact on the pending Proposed Acquisition of Ticketmaster by Live Nation.
17 This transaction and others of its sort may support a decision by shareholders to reject the
18 Proposed Acquisition and to instead pursue Ticketmaster’s standalone potential.

19 52. Likewise, on September 2, 2009, Ticketmaster announced that it had renewed a
20 multi-year deal with the Charlotte Regional Visitors Authority (“CRVA”) to serve as the
21 ticketing agent for more than 600 events per year held at CRVA properties. Included in the
22 CRVA facilities is the NASCAR hall of fame, the Bojangles’ Coliseum, Ovens Auditorium and
23 the Charlotte Convention Center. The Registration Statement fails to quantify the benefit to
24 Ticketmaster of such a contract, and what impact, if any, the Proposed Acquisition would have
25 on that contract.

26 53. Defendants chose not to make these types of financial disclosures even though
27 such disclosures may well demonstrate Ticketmaster’s increasing value and undermine the
28 Ticketmaster Board’s conclusion and recommendation to Ticketmaster shareholders that the
agreed upon Exchange Ratio remains “fair” to Ticketmaster’s shareholders.

1 **1. Failure To Include A Meaningful Financial**
2 **Picture Of The Post-Proposed Acquisition Company**

3 54. First and foremost, shareholders are concerned with the compensation they
4 receive for their shares in the Proposed Acquisition. In this case, the compensation will not be
5 cash, but will be a stake in the Combined Company. Therefore, in order for shareholders to be
6 able to make an informed decision on whether to vote in favor of the Proposed Acquisition, it is
7 essential that they be shown what Ticketmaster and its advisors consider to be a reasonable
8 projection as to the financial performance of the Combined Company post acquisition.

9 55. In this case, shareholders have not been provided with any meaningful profit
10 projections for the Combined Company. Instead, shareholders are given a historical look at the
11 combined entity on a *pro forma* basis. However, this historical look is insufficient to make an
12 informed decision on the merits of the Proposed Acquisition. Shareholders are entitled to
13 Ticketmaster's and Live Nation's profit projections for the Combined Company, post
14 acquisition, including earnings per share, EBITDA, net income and other reasonable financial
15 metrics for a period of at least three (3) to five (5) years into the future. It is inconceivable that
16 these numbers have not been run within Ticketmaster or by its financial advisors.

17 56. This information is necessarily material to shareholders' decision to approve the
18 Proposed Acquisition. The omission of such material – which is, or should have been, in the
19 possession of the Board, Ticketmaster management and the financial advisors – constitutes a
20 breach of fiduciary duty.

21 **2. Live Nation's Financial Condition,**
22 **Accounting And Profitability**

23 57. Live Nation has, in the past, adopted certain aggressive accounting practices.
24 Prior to the signing of the Merger Agreement, this 'aggressive' accounting caused alarm in the
25 ranks of Ticketmaster management.

26 58. In fact, Ticketmaster management and the advisors to the Ticketmaster Board had
27 serious concerns as to the accounting standards and the credibility of the financial projections
28 generated by Live Nation prior to and after the consummation of the Merger Agreement.

1 However, either those concerns were not shared with the Ticketmaster Board, or those concerns
2 were dismissed out-of-hand. Either way, the failure of the Ticketmaster Board to seriously
3 consider and/or disclose the ramifications of Live Nation's perceived accounting problems and
4 overstatement of income to Ticketmaster shareholders in conjunction with the Proposed
5 Acquisition, constitutes a breach of fiduciary duty.

6 59. Following the consummation of the Merger Agreement, both Ticketmaster
7 management and Live Nation sought to minimize the potential impact of such accounting issues
8 in order secure a smooth close to the Proposed Acquisition. Accordingly, the Registration
9 Statement was cleansed of any mention of 'aggressive' accounting practices at Live Nation and
10 the impact (if any) those practices would have on either Ticketmaster or the Combined Company
11 going forward.

12 60. The "Unaudited Pro Forma Condensed Combined Financial Data," included in
13 the Registration Statement makes no mention of the impact – or potential impact – that any
14 changes to Live Nation's accounting would have on the Combined Company or to the valuation
15 analysis performed by Allen & Co., or to the valuation assumptions relied on by the Board.
16 Indeed, as discussed *infra*, only a few months of *pro forma* historical results are included in the
17 Registration Statement, but no forward looking projections are included. \

18 61. If the Ticketmaster Board was given information concerning the serious
19 irregularities with Live Nation's projections, they should not have recommended that
20 shareholders vote in favor of the Proposed Acquisition. Moreover, at the very least, shareholders
21 should be given information concerning Live Nation's accounting issues and their potential
22 impact on the profitability of the Combined Company post acquisition in order to make a fully
23 informed and competent decision regarding whether to vote in favor of the Proposed Acquisition.

24 **3. Failure To Adequately Disclose Impact Of**
25 **Material Changes To Accounting Standards**

26 62. Since the deal was announced, Ticketmaster has made disclosures of accounting
27 changes that muddy the waters and make it more difficult for shareholders to assess
28 Ticketmaster's financial performance.

1 63. On July 1, 2009, Live Nation filed the amended Registration Statement with the
2 SEC. The amendment to the Registration Statement included a chart entitled “Selected
3 Historical Financial Data of Ticketmaster Entertainment.” Among other things, the chart added
4 to the amendment depicted a nearly **\$1,000,000,000** (\$1 billion) loss of income attributable to the
5 fact that “Ticketmaster Entertainment adopted SFAS No. 160 on January 1, 2009.” Both the
6 timing of the accounting change and the tremendous dollar amount of the posted loss to income
7 raise red flags regarding the quality of information provided to shareholders in the remainder of
8 the Registration Statement. In particular, the Registration Statement does not adequately explain
9 the reason for this accounting change, the timing of its adoption, or how it impacts
10 Ticketmaster’s projections and the analysis done by Allen & Co.

11 64. Following the filing of the Registration Statement, on Monday, July 13, 2009,
12 Ticketmaster formally announced that it had retroactively adopted FASB Statement of Financial
13 Accounting Standards No. 160 (“FASB No. 160”), with regard to its interests in Front Line,
14 Reserve America and Active.com. *See* Ticketmaster Entertainment Inc., Current Report (“Form
15 8-K”), at 1 (July 13, 2009). This report confirmed that the adoption of FASB No. 160 had a
16 material impact on Ticketmaster’s income and/or earnings, to the tune of almost \$1 billion.

17 65. However, while this information is presented in the form of an amendment to the
18 Registration Statement and a subsequently issued Form 8-K, shareholders are not informed of the
19 impact that such a change in accounting practices will (and has) had on the Proposed
20 Acquisition. In other words, shareholder have no way of knowing whether the \$1 billion income
21 loss associated with the adoption of FASB No. 160 factored into the valuation analysis provided
22 by Allen & Co. or not, or whether that loss would render the whole of Allen & Co.’s fairness
23 opinion, which has not been updated, false and misleading. Indeed, as presented, the change in
24 accounting is a standalone disclosure, not connected to other disclosures in the Registration
25 Statement and not presented in a way that shareholders could judge the impact of FASB No.
26 160’s adoption by Ticketmaster in conjunction with the Proposed Acquisition.

27 66. As such, shareholders are left guessing what the true value of the shares they are
28 being asked to trade are worth, and have an inadequate basis for making an informed vote

1 whether to approve the Proposed Acquisition. The absence of this information alone would
2 render the Registration Statement materially false and misleading.

3 **4. False And Misleading Fairness**
4 **Opinion From Allen & Co.**

5 67. The Registration Statement also contains material misstatements and omissions
6 regarding the fairness opinion delivered by Ticketmaster's financial advisor regarding the
7 Proposed Acquisition. As further alleged herein, the Proposed Acquisition presents a discount to
8 Ticketmaster's shareholders, not a premium. Moreover, Allen & Co.'s opinion provides only a
9 conclusion, accompanied by essentially meaningless historical stock analysis and incomplete
10 inputs and assumptions, rendering the analysis impossible for Ticketmaster shareholders to
11 replicate or assess in order to form their own conclusion.

12 68. Indeed, Allen & Co. spent less than two weeks (14 days) preparing the opinion.
13 The Ticketmaster Board's reliance on this haphazard approach to a fairness opinion is far from
14 the complete candor that the law of fiduciary duty requires, rendering the whole of the fairness
15 opinion false and misleading.

16 69. Further, the Ticketmaster Board relied on a fairness opinion that is currently
17 completely stale. Ticketmaster's shareholders deciding whether to allow their current investment
18 to be fundamentally changed should be given complete and up to date information about their
19 Company and how the Combined Company will look going forward. Further, if the
20 Ticketmaster Board actually believes the Company should be acquired by Live Nation pursuant
21 to the Proposed Acquisition, then updating the fairness opinion would further support that
22 outcome. Shareholders should be told whether Allen & Co. still considers the Proposed
23 Acquisition fair and adequate.

24 70. Shareholders are entitled to disclosure of the information underlying or supporting
25 the purported "fair value" of their shares. Accordingly, defendants are required to disclose the
26 assumptions and underlying projections on which Allen & Co.'s "fairness" opinion was based.
27 Specifically, the fairness opinion of Allen & Co. fails to disclose the following key inputs and
28 analysis and/or misstates the following information:

- 1 (a) Allen & Co.'s analysis does not include sufficient information which would allow
2 a shareholder to "recreate" the analysis conducted by Allen & Co. and/or conduct
3 his or her own independent analysis of the fairness of the Proposed Acquisition;
- 4 (b) Allen & Co.'s reason for relying, in any way, on backwards-looking "Trading
5 Ranges" and "Wall Street Analyst Target Prices" in coming to its conclusion that
6 the Proposed Acquisition is fair from a financial point of view to Ticketmaster
7 shareholders;
- 8 (c) The identity, premiums and key statistics of any of the "35 merger of equals
9 transactions" relied on by Allen & Co. in its "Precedent Transaction Analysis;"
- 10 (d) Why Allen & Co. chose not to undertake and/or to present to Ticketmaster
11 shareholders a comparable companies analysis which would include the identities
12 and key statistics (including EBITDA and/or EBITDA multiples) of selected
13 comparable companies;
- 14 (e) Allen & Co.'s key inputs and other iterations of the discounted cash flows
15 analysis included in its fairness opinion;
- 16 (f) Allen & Co.'s rationale for using discount rates of "10% to 15%," when
17 Ticketmaster's weighted average cost of capital, according to reliable market
18 sources, is under 10%;
- 19 (g) The criteria and rationale behind the selection of the five (5) analyst price targets,
20 out of numerous analysts looking at Ticketmaster, to be used in the "Wall Street
21 Analyst Target Prices" analysis;
- 22 (h) What reason investors have to rely on and/or place any decisional weight on the
23 "Wall Street Analyst Target Prices" analysis, which is based on historical, public
24 information, and not confidential Ticketmaster information concerning the
25 Company's current and future opportunities and strengths;
- 26 (i) What information, if any, Allen & Co. relied on in preparation for the rendering
27 of their opinion that is not presented in the Registration Statement, and the content
28 and detail of that undisclosed information;
- (j) Allen & Co.'s reason for using only the Ticketmaster "Downside Case" in its
"Contribution Analysis;"
- (k) The analysis and inputs used in Allen & Co.'s "Free Cash Flow
Accretion/Dilution Analysis;" and
- (l) The impact, if any, of the accounting change announced by Ticketmaster on July
1, 2009 to the analysis performed by Allen & Co. and included in the Registration
Statement. *See supra* ¶¶ 80-83.

1 71. Both the underlying data relied upon and the key assumptions employed by Allen
2 & Co. are essential to shareholder’s scrutiny of the adequacy of the Proposed Acquisition. The
3 withholding of such information renders the fairness opinion misleading, and the Registration
4 Statement it is included in, false and misleading and in breach of the fiduciary duties of the
5 Ticketmaster Board that commissioned the opinion.

6 **B. Failure To Disclose The Extent And Impact Of Synergy**
7 **Divestitures Necessary To Obtain Antitrust Approval**

8 72. The Proposed Acquisition asks Ticketmaster shareholders to exchange their
9 Ticketmaster stock for stock in the Combined Company without receiving any immediate
10 premium. One of the few benefits shareholders stand to receive from such zero-premium “stock
11 for stock” transactions comes in the form of cost savings or “synergies” achieved through
12 business efficiencies of the Combined Company.

13 73. The Registration Statement fails to accurately disclose the amount of synergies
14 that (1) have been divested and; (2) are estimated to survive as a result of the on-going antitrust
15 regulatory approval process. Accurate information regarding the purported synergies is material
16 to Ticketmaster shareholders because they are being asked to exchange their Ticketmaster stock
17 for shares in the new Combined Company – as opposed to cash. Accordingly, the amount of
18 cost saving synergies achieved as a result of combining Ticketmaster and Live Nation into a
19 single business enterprise will help shareholders properly assess the true value of the Proposed
20 Acquisition and make an informed decision when it comes to for a shareholder vote.

21 74. The Merger Agreement expressly requires Ticketmaster and Live Nation to make
22 divestitures necessary to comply with any antitrust governmental approval requirements. In
23 reaching the Merger Agreement, Ticketmaster and Live Nation negotiated an antitrust covenant
24 with a “hell-or-high-water” provision to deal with the impending antitrust scrutiny. This
25 provision requires each company to use its reasonable best efforts to make asset divestitures, and
26 take all other necessary steps to satisfy the demands of the Justice Department. These
27 divestitures include cost saving synergies.
28

1 75. Moreover, the Merger Agreement expressly provides that Live Nation and
2 Ticketmaster agree that the “elimination of projected financial benefits and synergies anticipated
3 to be achieved following the Merger shall not be a basis to assert under this Section 6.3(d) that
4 there may be a material impairment in the business operations of the Combined Company.”
5 According to the Merger Agreement, “a material impairment” is defined as an “effect on the
6 business operations of the Combined Company that would reasonably be expected to have a
7 Material Adverse Effect.”

8 76. Accordingly, the \$40 million in cost savings and synergies represented to
9 shareholders by defendants to justify the Proposed Acquisition as a “merger of equals” – a
10 proposal devoid of any premium to Ticketmaster shareholders – can be readily foregone to
11 obtain antitrust approval.

12 **1. Failure To Disclose The Cost Of Antitrust**
13 **Approval And Potential Harm To Shareholders**
14 **Of Protracted Antitrust Approval Process**

15 77. The Registration Statement fails to quantify, in any meaningful way, the impact of
16 a protracted antitrust review process on Ticketmaster shareholders and/or the business of both
17 Ticketmaster and Live Nation. Among other things, shareholder have the right to know:

- 18 (a) How much money has been spent attempting to procure antitrust approval;
- 19 (b) Whether the amount of money spent thus far to attempt to obtain antitrust
20 approval exceeds or falls short of projections;
- 21 (c) The cost to shareholders, in real economic terms, on Ticketmaster’s business
22 going forward (beyond the required payment of the Termination Fee) resulting
23 from the failure of Ticketmaster to gain antitrust approval for the Proposed
24 Acquisition;
- 25 (d) The nature and extent of any divestitures which may be required in order to obtain
26 antitrust approval for the Proposed Acquisition and how the current projections
27 regarding such divestitures compares with the projected economic impact of
28 divestitures that were developed before execution of the Merger Agreement; and
- (e) The impact prolonged antitrust approval and protests from artists such as Bruce
Springsteen will have on financial projections for Ticketmaster and its
subsidiaries, such as TicketsNow.

1 78. Without this information, Ticketmaster’s shareholders will be unable to make a
2 meaningful decision regarding the true value of their shares in Ticketmaster, as well as the future
3 prospects of the Combined Company post acquisition. Accordingly, shareholders are unable to
4 determine whether the Proposed Acquisition is indeed the best alternative for Ticketmaster to
5 pursue at this time.

6 **C. Inadequate Disclosures Regarding Alternative Strategic**
7 **Transactions Considered And Pursued By Ticketmaster**

8 79. Among other things, the Registration Statement fails to disclose and/or misstates
9 necessary and material information concerning the Ticketmaster Board’s process in agreeing to
10 the Proposed Acquisition. For example, the Registration Statement fails to include an adequate
11 description of the relative merits of the alternative strategic alternatives the Ticketmaster Board
12 considered. Those alternatives may or may not become realistic options should shareholders
13 decide to reject the Proposed Acquisition. Yet the shareholders are not in position to assess
14 those options, or even the Board’s views of those options, when deciding how to vote.

15 80. For example, Ticketmaster shareholders should be informed whether any of Live
16 Nation’s competitors, such as AEG, Jam, and/or MSG Entertainment, were considered for
17 alternative transactions. Moreover, the details of alternative arrangements and initiatives
18 considered by the Board, such as “Project Showtime” and any alternative business arrangements
19 with the likes of eBay Inc.’s StubHub.com, Ace Ticket, Barry’s Tickets Service, Total Tickets,
20 Gold Coast Tickets, Elite Ticket Service, and/or Alliance Tickets should be disclosed to
21 Ticketmaster’s shareholders so they can adequately evaluate the merits of the Proposed
22 Acquisition compared to alternative strategies that may be pursued if the deal is rejected by the
23 shareholders.

24 81. The Registration Statement also fails to adequately discuss the positions of any
25 potential strategic partners – other than Live Nation – that were considered by Ticketmaster or its
26 advisors. The Registration Statement also fails to indicate the reasons why the strategic
27 alternatives considered by the Ticketmaster Board were rejected in favor of the Proposed
28

1 Acquisition, and fails to disclose the relative pros and cons of each alternative strategic
2 transaction considered in comparison to the Proposed Acquisition.

3 82. Also unclear is the likelihood that any of these potential strategic alternative
4 partners may seek to renew negotiations with Ticketmaster in light of the prolonged antitrust
5 approval process currently underway. Due to the time that has elapsed as a result of the antitrust
6 approval process, Ticketmaster shareholders should be informed as to the merits of alternative
7 transactions considered and rejected by the Board, as well as the potential for renewed
8 negotiations with such parties.

9 83. Ticketmaster's shareholders need this information so they can determine whether
10 the Proposed Acquisition is indeed the best alternative for Ticketmaster to pursue at this time.
11 Without such material disclosures, shareholders will be unable to make any meaningful decisions
12 as to whether they should vote in favor of the Proposed Acquisition.

13 **D. Misleading Statements Regarding Ticketmaster**
14 **Shareholders' Future Role In The Combined Company**

15 84. The Registration Statement also falsely renders the impression that Ticketmaster's
16 shareholders will have substantial influence over the new Combined Company as a result of
17 receiving a reduced 50.01% ownership. Specifically, the Registration Statement lists under the
18 heading, "Ticketmaster Entertainment's Reasons for the Merger" the following as a reason
19 shareholders should vote in favor of the Proposed Acquisition:

20 The fact that Ticketmaster Entertainment stockholders immediately
21 prior to the Merger would hold 50.01% of the voting power of the
22 equity interests of the combined company immediately following
23 the completion of the Merger, which will allow Ticketmaster
24 stockholders to *participate meaningfully* in growth and other
25 opportunities of the combined company after the Merger.

26 *See* Registration Statement at 62 [emphasis added]. This disclosure is false and misleading. In
27 truth, Ticketmaster shareholders not affiliated with Liberty Media will represent only
28 approximately 35% of the Combined Company. This is in stark contrast to the 70% ownership
and control stake that shareholders currently enjoy. Liberty Media, which currently owns 30% of
Ticketmaster, will own 15% of the Combined Company.

1 85. *Liberty Media* will have an active role in the new Combined Company. In
2 connection with the execution of the Merger Agreement, Liberty Media entered into an
3 agreement with Live Nation to support the merger only after being assured of two seats on the
4 Combined Company's board of directors. Under the agreement, Liberty Media will be entitled
5 to nominate up to two (2) of Ticketmaster's seven (7) director seats for the Combined Company.
6 *See* Registration Statement at 128.

7 86. Currently, Ticketmaster's non-Liberty Media shareholders possess more than
8 70% of the voting shares of Ticketmaster. Following the conclusion of the Proposed
9 Acquisition, this amount will be cut in half, placing these shareholders in the clear minority with
10 only 35% stake in the Combined Company.

11 **E. Failure To Adequately Disclose The Role Of CTS Eventim**
12 **Following Consummation Of The Proposed Acquisition**

13 87. According to the Registration Statement, under Live Nation's long-term
14 agreement with a competitor of Ticketmaster, CTS, Live Nation may be required to take actions
15 or incur expenses that could limit the ability of Live Nation and Ticketmaster to fully integrate
16 their ticketing businesses successfully and realize the full benefits of synergies, cost savings,
17 growth and operational efficiencies that may be otherwise obtained through the Proposed
18 Acquisition. *See* Registration Statement at 34.

19 88. Following the announcement of the Proposed Acquisition, the role of CTS
20 remained unclear according to at least one industry analyst. The Registration Statement did little
21 to clarify the uncertainty surrounding the future status of CTS:

22 Live Nation is a party to a long-term agreement with CTS pursuant
23 to which CTS licenses intellectual property to Live Nation that is
24 core to Live Nation's current ticketing platform. CTS may seek to
25 terminate its agreement with Live Nation should the Merger be
26 completed, or Live Nation may be required under its agreement
27 with CTS to take actions or incur expenses following the
28 completion of the Merger, which, if so required, could have an
adverse effect on the business, financial condition and results of
operations of the combined company.

See Registration Statement at 39.

1
2 89. This disclosure is too vague and general to provide shareholders with any
3 meaningful information regarding the future role CTS will play with the Combined Company
4 following the acquisition. For example, it is unclear whether Live Nation intends to honor its
5 agreements with CTS, or attempt to integrate the ticket operations rapidly to achieve cost saving
6 synergies. The Registration Statement fails to disclose how rapidly such integration would occur
7 and what amount, if any, would be owed to CTS in order to achieve the integration.

8 90. Without this information concerning the status of CTS post acquisition,
9 Ticketmaster's shareholders will be unable to determine whether the Proposed Acquisition is
10 indeed the best alternative for Ticketmaster to pursue at this time.

11 **F. Failure To Adequately Disclose**
12 **The Risks Of Losing Ticketmaster's**
13 **Customers Due To Acquisition By Live Nation**

14 91. According to at least one industry analyst at the time the Proposed Acquisition
15 was announced, it was unclear whether or not Live Nation competitors, such as AEG or Jam,
16 will be willing to renew their ticketing agreements with Ticketmaster, if the Proposed
17 Acquisition is consummated. Live Nation's competitors such as AEG and Jam possess leases on
18 numerous concert venues throughout the United States. The Registration Statement, however,
19 provides only a vague and generic statement, with no meaningful information for shareholders,
20 regarding this uncertainty relating to the Combined Company's future customers:

21 In addition, at least one significant Ticketmaster Entertainment
22 client, Anschutz Entertainment Group, has indicated its belief that
23 any transaction involving Live Nation and Ticketmaster
24 Entertainment would permit it to unilaterally terminate the
25 ticketing agreement under which Ticketmaster Entertainment and
26 its subsidiaries provide primary ticketing services to it. There can
27 be no assurance that the combined company will be able to
28 maintain important client relationships such as this after the
completion of the Merger. The failure to do so could have a
material adverse effect on the business, financial condition and
results of operations of the combined company.

See Registration Statement at 39.

1 92. Significantly, the Registration Statement does not make clear the financial impact
2 the loss of AEG, or any other customers, would have on the Combined Company's earnings.
3 The Registration Statement also fails to disclose the estimated likelihood that any of
4 Ticketmaster's customers, including AEG, may refuse to do business with the Combined
5 Company following completion of the Proposed Acquisition.

6 93. Moreover, the Registration Statement fails to adequately disclose the impact the
7 Proposed Acquisition may have on the Combined Company's market going forward. For
8 example, there is no meaningful discussion regarding the ability of rival ticketing companies,
9 such as CTS, to obtain a greater share in the U.S. market or alternatively force down margins for
10 the Combined Company's ticket business post acquisition.

11 94. Without this information concerning Ticketmaster's market and customers,
12 Ticketmaster's shareholders will be unable to make a meaningful decision as to whether they
13 should vote in favor of the Proposed Acquisition.

14 **G. Failure To Disclose Whether Live Nation's Creditors**
15 **Have Agreed To Modification Of Their Obligations**
16 **To Deal With A Change In Control For Live Nation**

17 95. The Registration Statement fails to disclose whether the lenders under the credit
18 facilities of Live Nation (or the holders of subsidiary preferred stock) have agreed to
19 modifications of their obligations to deal with a change in control for Live Nation.

20 96. The Registration Statement fails to adequately disclose whether it will be
21 necessary for Live Nation to obtain any waivers or amendments (and the basis for such
22 conclusions and progress of such efforts, if any) of, *inter alia*, any convertible notes, preferred
23 stock, and/or any credit agreements.

24 97. Such information is material to shareholders in determining the chances that the
25 Proposed Acquisition will actually be consummated under the terms recommended by the Board.
26
27
28

1 **H. Failure To Disclose Schedules Necessary**
2 **To Interpret The Value Of The Proposed**
3 **Acquisition And Likelihood Of Consummation**

4 98. Defendants also failed to disclosure certain schedules necessary for Ticketmaster
5 shareholders to properly assess the Proposed Acquisition. For example, the Merger Agreement,
6 provides a lengthy definition of “Material Adverse Effect” and includes thirteen separate carve-
7 out exceptions. The Merger Agreement defines “Material Adverse Effect” as follows:

8 “Material Adverse Effect” with respect to any Person means any
9 fact, circumstance, effect, change, event or development that is
10 materially adverse to the business, properties, financial condition
11 or results of operations of such Person and its Subsidiaries, taken
12 as a whole, excluding any fact, circumstance, effect, change, event
13 or development to the extent that it results from or arises out of:

14 * * *

15 (xii) solely with respect to Live Nation, the matters set forth on
16 Live Nation Disclosure Schedule 9.1; or (xiii) solely with respect
17 to Ticketmaster, the matters set forth on Ticketmaster Disclosure
18 Schedule 9.1.

19 99. Notably, Live Nation Disclosure Schedule 9.1, Ticketmaster Disclosure Schedule
20 9.1, and the matters set forth therein, nor any other such disclosure schedules exchanged by
21 Ticketmaster and Live Nation have not been publicly disclosed.

22 100. These disclosure schedules are material to Ticketmaster shareholders because
23 they will assist in assessing the true value of the Proposed Acquisition. Specifically, these
24 schedules disclose circumstances in which Ticketmaster and Live Nation are not relieved from
25 their obligation to complete the Proposed Acquisition, despite the fact that such circumstances
26 are “materially adverse to the business, properties, financial condition or results of operations of
27 such Person and its Subsidiaries, taken as a whole.”

28 **I. Failure To Disclose Board Of Director Conflicts**

 101. The Registration Statement fails to disclose the fact that the Ticketmaster Board is
rife with conflicts and professional entanglements.

 102. The Registration Statement does not adequately make clear Liberty Media’s
ability to influence corporate governance of the Combined Company post acquisition. The

1 Registration Statement does disclose that Liberty Media is Ticketmaster’s largest shareholder,
2 controlling 29% of Ticketmaster’s common stock with 28.2% of the eligible shareholder votes.
3 *See* Registration Statement at 262. Liberty Media (including its three constituent groups) is
4 governed by a single board of directors with John C. Malone (“Malone”) serving as Chairman.
5 Malone has the power to direct approximately 32% of the aggregate voting power in Liberty
6 Media, due to his voting control of approximately 92% of the outstanding shares of Series B
7 Liberty Capital common stock, 93% of the outstanding shares of Series B Liberty Interactive
8 common stock and approximately 92% of the Series B Liberty Entertainment common stock.
9 Mr. Malone is Liberty’s controlling shareholder.

10 103. And, the Registration Statement discloses that the current Ticketmaster Board is
11 comprised of eleven (11) members. Three (3) of the eleven (11) directors, Defendants Carleton,
12 Deevy and Leitner, were elected by Liberty Media to the Ticketmaster Board pursuant to an
13 agreement with Liberty Media resulting from litigation at the time of the Ticketmaster spin-off
14 from IAC in August 2008. *See* Registration Statement at 197.

15 104. However, four (4) other members of Ticketmaster’s Board, Defendants Kaufman,
16 Dolgen, Jacobson and Diller, all currently sit on the board of Expedia, a leading travel services
17 company. The Registration Statement fails to disclose to shareholders that Expedia is a company
18 also controlled by Liberty Media and its largest shareholder, Mr. Malone. Liberty Media’s Form
19 10-K, dated February 27, 2009, discloses the following regarding Liberty Media’s relationship
20 with Expedia:

We indirectly own an approximate 24% equity interest and a 58%
voting interest in Expedia. We have entered into governance
arrangements pursuant to which Mr. Barry Diller, Chairman of the
Board and Senior Executive Officer of Expedia, has voted our
shares of Expedia, subject to certain limitations. Also through our
governance arrangements with Mr. Diller, we have the right to
appoint and have appointed 20% of the members of Expedia's
board of directors, which is currently comprised of 10 members.

26 *See* Liberty Media’s Form 10-K filed with SEC in February 2009.
27
28

1 105. The Registration Statement does not contain a similar disclosure informing
2 shareholders of the connection between Defendant Diller, Expedia, and Liberty Media.

3 106. While the Registration Statement discloses that Defendant Diller is the Chairman
4 of the Board and Senior Executive Officer of Expedia and that Defendants Kaufman, Dolgen and
5 Jacobson all serve on Expedia's board of directors; the Registration Statement is silent regarding
6 the fact that Mr. Malone also serves on Expedia's board and his control over Liberty Media.
7 Moreover, the Registration Statement fails to mention the fact that Liberty Media has the right to
8 appoint and has appointed 20% of the members of Expedia's board of directors, which is
9 currently comprised of ten members – four of whom are defendants in this action.

10 107. Liberty Media also indirectly owns an approximate 27% equity interest and a 60%
11 voting interest in IAC, the parent company from which Ticketmaster was spun-off in August
12 2008. *See* Liberty Media's Form 10-K, dated February 26, 2009. Liberty Media has the right to
13 appoint and has appointed two of the twelve members of IAC's board of directors. Defendant
14 Diller is the Chairman of the Board and CEO of IAC and Defendant Kaufman and Malone also
15 sit on the IAC board. Liberty Media's February 26, 2009 Form 10-K discloses:

16 As of January 30, 2009, we indirectly own an approximate 27%
17 equity interest and a 60% voting interest in IAC. Pursuant to
18 certain governance arrangements between Mr. Barry Diller,
19 Chairman of the Board and CEO of IAC, and our company, Mr.
20 Diller votes our shares of IAC, subject to certain limitations, and
we have the right to appoint and have appointed two of the 12
members of IAC's board of directors.

21 108. Notably, the Registration Statement fails to make a similar disclosure concerning
22 the connection between Defendant Diller, IAC, and Liberty Media.

23 109. The Registration Statement also fails to disclose the extent to which executives
24 from Ticketmaster's former parent company, IAC, participated in the process leading up to the
25 Board's approval of the Proposed Acquisition, as well as the efforts to obtain antitrust approval
26 and consummate the deal. Indeed, the source of the information provided to the Ticketmaster
27 Board in making its decision to approve and recommend the Proposed Acquisition is relevant
28 and material to Ticketmaster's shareholders.

1 110. In short, the Registration Statement fails to properly disclose significant
2 professional entanglements that result from certain defendants serving on the boards of Expedia
3 and/or IAC and the fact that Liberty Media has the power to and in fact has appointed directors
4 to the boards of Ticketmaster, Expedia and IAC.

5 **DEAL PROTECTION DEVICES AGREED TO IN**
6 **THE MERGER AGREEMENT REQUIRE THE**
7 **BOARD TO BREACH THEIR FIDUCIARY DUTIES**

8 111. The terms of the Merger Agreement deter competing bids and prevent the
9 Ticketmaster Board from exercising their fiduciary duties to obtain the best available price for
10 Ticketmaster shareholders. The defensive provisions erect barriers to competing offers and
11 function to substantially increase the likelihood that the Proposed Acquisition will be
12 consummated, leaving Ticketmaster shareholders with no meaningful premium. When viewed
13 collectively, these provisions, which are detailed below, further the personal interests of the
14 Individual Defendants and cannot be justified as an appropriate and proportionate response to
15 any reasonable threat posed to Ticketmaster shareholders.

16 112. No-Solicitation Provision: The Merger Agreement prevents Ticketmaster from
17 soliciting alternative bids for the Company, thus preventing the Ticketmaster Board from seeking
18 an adequate bid in the best interests of Ticketmaster shareholders.

19 113. The Merger Agreement provides a limited exception under which the
20 Ticketmaster Board may consider only an *unsolicited* bid that the Ticketmaster Board has
21 formally determined constitutes a “bona fide written Ticketmaster Acquisition Proposal.”
22 Specifically, the Merger Agreement provides that “a bona fide written Ticketmaster Acquisition
23 Proposal that the Ticketmaster Board determines in good faith . . . constitutes or is reasonably
24 likely to lead to a Superior Ticketmaster Proposal.” Thus, even when the Ticketmaster Board is
25 facing an intervening bid that appears on its face to be “superior” to the Proposed Acquisition,
26 the individual Ticketmaster directors may be prevented from even considering the proposal
27 unless the Ticketmaster Board first makes a determination that the proposal is, in fact,
28 “superior.” Consequently, this provision prevents the Ticketmaster Board from exercising their
fiduciary duties individually and precludes even an investigation into competing proposals

1 unless, as a prerequisite, the majority of the Board first determines (without such an inquiry) that
2 the proposal is superior.

3 114. “Last Look” Provision: The Merger Agreement requires Ticketmaster to offer
4 Live Nation a “last look” – *i.e.*, should another offer emerge and the Ticketmaster Board
5 concludes that the other offer is superior to the Proposed Acquisition, Ticketmaster is
6 nonetheless required to offer Live Nation the opportunity to make improvements to its offer.
7 Accordingly, any potential third-party bidders will be loath to invest the time and resources
8 necessary to pursue a superior bid while knowing full well that Live Nation retains control of the
9 bidding and will receive all third party communications concerning competing bid proposals.

10 115. “Force the Vote/Transaction” Provision: The Merger Agreement provides that if
11 approval of the Proposed Acquisition is not forthcoming at the shareholder meeting,
12 Ticketmaster will adjourn it to further solicit stockholders. Further, this provision requires that
13 the Proposed Acquisition be submitted to a shareholder vote even if the Ticketmaster Board
14 rejects the Proposed Acquisition in favor of a superior offer. These “force-the-transaction” and
15 “force the vote” provisions are intended to deter the success of a superior alternative offer by
16 creating needless expense and delay for Ticketmaster, its shareholders, and a competing bidder,
17 even if the Ticketmaster Board withdraws its support for the Proposed Acquisition in favor of
18 that superior bid.

19 116. The Individual Defendants breached their duties of due care, good faith, and
20 undivided loyalty by locking – up the *zero-premium* Proposed Acquisition with these improper
21 deal protection provisions while at the same time seeking to entrench themselves as directors in
22 the new Combined Company. The Individual Defendants caused Ticketmaster to enter into the
23 Merger Agreement in order to perpetuate their own personal interests, and the interests of
24 Defendants Diller and Azoff, because Live Nation guaranteed them lucrative positions with the
25 surviving company. Specifically, pursuant to the Merger Agreement, Ticketmaster Chairman
26 Diller will be chairman of the Combined Company, while Ticketmaster’s CEO Azoff, will be
27 executive chairman and CEO of the new company’s Front Line artist-management unit.
28 Additionally, the Combined Company will be significantly and equally comprised of

1 Ticketmaster directors, thereby advancing a majority of the Ticketmaster Board's own personal
2 interests over those of Ticketmaster and its shareholders.

3 117. Taken together, these various provisions render it unreasonable to expect that the
4 Ticketmaster Board will fulfill, or are even capable of fulfilling, their fiduciary obligations to
5 Ticketmaster shareholders.

6 **CLASS ACTION ALLEGATIONS**

7 118. Plaintiffs bring this action pursuant to California Code of Civil Procedure § 382,
8 individually and on behalf of all other stockholders of the Company (except the defendants
9 herein and any persons, firm, trust, corporation, or other entity related to or affiliated with them
10 and their successors in interest), who are or will be threatened with injury arising from
11 defendants' actions, as more fully described herein the Class.

12 119. This action is properly maintainable as a class action for the following reasons:

13 a) The Class is so numerous that joinder of all members is impracticable. As of
14 February 19, 2009, there were over 57,212,000 shares outstanding of
15 Ticketmaster common stock, including 37,810,000 shares which were publicly
16 traded. Upon information and belief, Ticketmaster common stock is owned by
17 thousands of shareholders of record nationwide.

18 b) Plaintiffs are committed to prosecuting this action and have retained competent
19 counsel experienced in litigation of this nature. Plaintiffs' claims are typical of
20 the claims of the other members of the Class and Plaintiffs have the same interests
21 as the other members of the Class. Accordingly, Plaintiffs are adequately
22 representative of the Class and will fairly and adequately protect the interests of
23 the Class.

24 c) The prosecution of separate actions by individual members of the Class would
25 create the risk of inconsistent or varying adjudications with respect to individual
26 members of the Class, which would establish incompatible standards of conduct
27 for defendants, or adjudications with respect to individual members of the Class
28 which would, as a practical matter, be dispositive of the interests of the other

1 members not parties to the adjudications or substantially impair or impede their
2 ability to protect their interests.

- 3 d) To the extent defendants take further steps to effectuate the Proposed Acquisition,
4 preliminary and final injunctive relief on behalf of the Class as a whole will be
5 entirely appropriate because defendants have acted, or refused to act, on grounds
6 generally applicable and causing injury to the Class.

7 120. There are questions of law and fact which are common to the Class and which
8 predominate over questions affecting any individual class member. The common questions
9 include, *inter alia*, the following:

- 10 a) Whether defendants breached their fiduciary duties of candor, due care, good faith
11 and loyalty with respect to Plaintiffs and the other members of the Class as a
12 result of the conduct alleged herein;
- 13 b) Whether the Proposed Acquisition is entirely fair to the members of the Class;
- 14 c) Whether defendants breached their fiduciary duties of loyalty, due care and good
15 faith by approving the Proposed Acquisition, which provides for inadequate
16 consideration to the Class;
- 17 d) Whether the Registration Statement contains materially false and misleading
18 statements and omissions with the intent to induce and coerce Ticketmaster's
19 public shareholders into voting in favor of the Proposed Acquisition;
- 20 e) Whether defendants have breached their fiduciary duty of candor by failing to
21 inform shareholders of certain material information in connection with the
22 Proposed Acquisition, as alleged herein;
- 23 f) Whether the Individual Defendants breached their fiduciary duties by agreeing to
24 improper deal protection provisions set forth in the Merger Agreement, including
25 the no solicitation provision, last look provision, force the vote and force the
26 transaction provisions, effectively precluding the Individual Defendants from
27 complying with their fiduciary duties;
- 28 g) Whether the Individual Defendants breached their duty of undivided loyalty by

locking - up the Proposed Acquisition with improper deal protection provisions;

h) Whether Ticketmaster, Live Nation, and/or Allen & Co., aided and abetted the Individual Defendants' breaches of fiduciary duties of candor, due care, good faith, and loyalty with respect to Plaintiffs and the other members of the Class as a result of the conduct alleged herein; and

i) Whether Plaintiffs and the other members of the Class would be irreparably damaged if Ticketmaster, the Individual Defendants, Live Nation, and/or Allen & Co. are not enjoined from effectuating the conduct described herein.

FIRST CAUSE OF ACTION

**For Class Claim For Breach Of Fiduciary Duty
(Against The Company And The Individual Defendants)**

121. Plaintiffs repeat and reallege each and every allegation above as if set forth in full herein.

122. The Company and the Individual Defendants owe the Class the utmost fiduciary duties of candor, due care, good faith and loyalty. As such, the Individual Defendants are bound by their fiduciary duties to the Class to employ all measures necessary to provide the Class with all material information necessary for the Class members to decide whether to vote in favor of the Proposed Acquisition or not.

123. The Individual Defendants have breached their fiduciary duties in the sale of Ticketmaster by failing to fully disclose the terms, circumstances and procedures of the Proposed Acquisition by filing a Registration Statement that contains false and misleading statements and omissions, as alleged herein, including, *inter alia*:

- (a) Failure to include a meaningful financial picture of the post-proposed acquisition company;
- (b) Live Nation's Financial Condition, Accounting and Profitability;
- (c) Failure to adequately disclose the impact of material changes to accounting standards;
- (d) False and misleading fairness opinion from Allen & Co.;

- 1 (e) Failure to disclose the extent and impact of synergy divestitures
2 necessary to obtain antitrust approval;
- 3 (f) Failure to disclose the cost of antitrust approval and potential harm
4 to shareholder of protracted antitrust approval process;
- 5 (g) Inadequate disclosure regarding alternative strategic transactions
6 considered and pursued by Ticketmaster;
- 7 (h) False and misleading statements regarding Ticketmaster
8 shareholders' future role in the Combined Company;
- 9 (i) Failure to adequately disclose the role of CTS following
10 consummation of the Proposed Acquisition;
- 11 (j) Failure to adequately disclose the risks of losing Ticketmaster's
12 customers due to acquisition by Live Nation;
- 13 (k) Failure to disclose whether Live nation's bondholders have agreed
14 to modification of their obligations to deal with a change in control
15 for Live Nation;
- 16 (l) Failure to disclose schedules necessary to interpret the value of the
17 Proposed Acquisition and likelihood of consummation; and
- 18 (m) Failure to disclose conflicts on the Ticketmaster Board.

19 124. The Company and the Individual Defendants have breached their fiduciary duties
20 by failing to fully disclose the terms, circumstances and effect of the Merger Agreement and
21 Proposed Acquisition as alleged herein.

22 125. Plaintiffs and the Class have, and continue to be, harmed by these breaches of
23 fiduciary duty.

24 126. Plaintiffs and the Class have no adequate remedy at law. Only through the
25 exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the
26 immediate and irreparable injury the actions of the Individual Defendants threaten to inflict.

27 **SECOND CAUSE OF ACTION**

28 **For Class Claim For Breach Of Fiduciary Duty** **(Against The Company And The Individual Defendants)**

127. Plaintiffs repeat and reallege each and every allegation above as if set forth in full
herein.

1 128. The Company and the Individual Defendants owe the Class the utmost fiduciary
2 duties of candor, due care, good faith and loyalty. The defendants breached those fiduciary
3 duties by favoring their own interests over those of Ticketmaster’s shareholders by erecting
4 defensive measures and by agreeing to divest assets to protect the inferior Proposed Acquisition.

5 129. The Individual Defendants, in breach of their duties of good faith, due care and
6 loyalty, agreed to the Merger Agreement in spite of the fact that the price to be paid to
7 shareholder, *i.e.*, the exchange ratio, is grossly inadequate. In addition, the Individual
8 Defendants permitted the Proposed Acquisition to be “locked up” with significant deal protection
9 measures, including: (a) no solicitation provisions; (b) last look provision; and (c) force the
10 transaction and vote provisions. The Individual Defendants failed to adequately analyze or
11 disclose the effect that these deal protection provisions would have on a potential alternate bidder
12 who may seek to acquire Ticketmaster.

13 130. Moreover, the Individual Defendants failed to adequately consider or disclose: (a)
14 the true value of the transaction at issue; or (b) what risks the deal faced as no “deal jumpers” or
15 alternative bidders were ever disclosed.

16 131. Further, the Individual Defendants agreed to allow Live Nation to acquire
17 Ticketmaster for *zero* premium. The Proposed Acquisition will create very little in the way of
18 synergies which would compensate Ticketmaster shareholders for the loss of control of the
19 Company. The Merger Agreement requires Ticketmaster to seek and obtain antitrust approval,
20 despite the cost and also requires Ticketmaster to make divestures necessary to comply with any
21 antitrust governmental approval requirements. Thus, the \$40 million of purported synergies
22 asserted by defendants as justification for this so-called “merger of equals” will be completely
23 dissipated obtaining antitrust approval.

24 132. The Individual Defendants also breached their fiduciary duties of candor, due
25 care, good faith, and loyalty by favoring their own interests over those of the Ticketmaster
26 shareholders. The Individual Defendants caused the Company to enter into the Merger
27 Agreement in order to perpetuate their own personal interests, and the interests of Defendants
28 Diller and Azoff, because Live Nation guaranteed them lucrative positions with the surviving

1 company. Specifically, pursuant to the Merger Agreement, Ticketmaster Chairman Diller will
2 be chairman of the Combined Company, while Ticketmaster's CEO Azoff, will be executive
3 chairman and CEO of the new company's Front Line artist-management unit. Additionally, the
4 Combined Company will be significantly and equally comprised of Ticketmaster directors,
5 thereby advancing a majority of the Ticketmaster Board's own personal interests over those of
6 Ticketmaster and its shareholders.

7 133. As a result of the Individual Defendants' breaches of fiduciary duty – in, among
8 other breaches, erecting these defensive measures in the Merger Agreement and in their approval
9 of the Proposed Acquisition – the Class will be harmed by not receiving adequate consideration
10 for their shares. The defensive measures agreed to by the Individual Defendants, and their
11 interpretations thereof, simply compound the problem, imposing excessive and disproportionate
12 impediments to any other potential superior alternative.

13 134. Plaintiffs and the Class have been harmed by these breaches of fiduciary duty.

14 135. Plaintiffs and the Class have no adequate remedy at law. Only through the
15 exercise of this Court's equitable powers can Plaintiffs and the Class be fully protected from the
16 immediate and irreparable injury the actions of defendants threaten to inflict.

17 **THIRD CAUSE OF ACTION**

18 **For Class Claim For Breach Of Fiduciary Duty** 19 **(Against The Company And The Individual Defendants)**

20 136. Plaintiffs repeat and reallege each and every allegation above as if set forth in full
21 herein.

22 137. The Company and the Individual Defendants owe the Class the utmost fiduciary
23 duties of due care, good faith and loyalty. The defendants breached those fiduciary duties by
24 recommending that shareholder vote "for" the Proposed Acquisition without an adequate or
25 reasonable basis to give such a recommendation.

26 138. As alleged herein, the fairness opinion prepared by Allen & Co. for the
27 Ticketmaster Board was materially false and misleading. *See* Registration Statement at 85 - 93,
28 Annex G. In addition, the fairness opinion was prepared in less than two weeks, which should

1 have indicated to the Board and to Allen & Co. that insufficient time was spent in assuring the
2 quality and accuracy of the analysis included therein. Therefore, the Board's reliance on such an
3 opinion was misplaced, rendering any recommendation to shareholders about the fairness of the
4 Proposed Acquisition, from a financial point of view, false and misleading. As such, the
5 Ticketmaster Board's recommendation contained in the Registration Statement and disseminated
6 to shareholders, is false and misleading, and shareholders have not been given adequate
7 information on which to base an informed decision whether or not to vote in favor of the
8 Proposed Acquisition.

9 139. Plaintiffs and the Class have been harmed by these breaches of fiduciary duty.

10 140. Plaintiffs and the Class have no adequate remedy at law. Only through the
11 exercise of this Court's equitable powers can Plaintiffs and the Class be fully protected from the
12 immediate and irreparable injury the actions of defendants threaten to inflict.

13 **FOURTH CAUSE OF ACTION**

14 **For Class Claim For Aiding And Abetting Breaches Of Fiduciary Duty** 15 **(Against The Individual Defendants Ticketmaster, Live Nation And Allen & Co.)**

16 141. Plaintiffs repeat and reallege each and every allegation above as if set forth in full
17 herein.

18 142. The Individual Defendants owe the Class the fiduciary duties of candor, due care,
19 good faith, and loyalty. That the Individual Defendants owe the Class these fiduciary duties is
20 well known to Ticketmaster, Live Nation, and Allen & Co.

21 143. As is detailed in the previous paragraphs, the Individual Defendants have
22 breached their fiduciary duties to the Class.

23 144. **Ticketmaster** - Ticketmaster knowingly prepared and disseminated the materially
24 false and misleading Registration Statement to Ticketmaster shareholders. In addition,
25 Ticketmaster knowingly colluded with and among the Ticketmaster Board and Live Nation to
26 draft, approve and publish the materially false and misleading Registration Statement.
27 Specifically, Ticketmaster was heavily involved in the process of drafting and reviewing the
28 Registration Statement, and communicated on a regular basis with the Ticketmaster Board and

1 Live Nation, aiding in and approving the false and misleading statements contained therein.
2 Also, in conjunction with financial advisors at Allen & Co., Ticketmaster aided in the
3 preparation and/or approval of the Registration Statement, along with the Ticketmaster Board
4 and Live Nation. But for Ticketmaster's knowing and deliberate participation in, and publication
5 of, the Registration Statement, the breaches of fiduciary perpetrated on Ticketmaster's
6 shareholders alleged herein, would not have been possible.

7 145. **Live Nation** – Live Nation knowingly prepared and disseminated the materially
8 false and misleading Registration Statement to Ticketmaster shareholders. In addition, Live
9 Nation knowingly colluded with and among Ticketmaster, the Ticketmaster Board and Allen &
10 Co. to draft, approve and publish the materially false and misleading Registration Statement.
11 Specifically, Live Nation was heavily involved in the process of drafting and reviewing the
12 Registration Statement, and communicated on a regular basis with Ticketmaster, the
13 Ticketmaster Board and Allen & Co., aiding in and approving the false and misleading
14 statements contained therein. Also, Live Nation aided in the preparation and/or approval of the
15 Registration Statement, along with Ticketmaster, the Ticketmaster Board and Allen & Co. But
16 for Live Nation's knowing and deliberate participation in, and publication of, the Registration
17 Statement, the breaches of fiduciary perpetrated on Ticketmaster's shareholders alleged herein,
18 would not have been possible.

19 146. **Allen & Co.** – Allen & Co. was the only financial advisor to produce a fairness
20 opinion on behalf of Ticketmaster, for the purpose of disseminating said fairness opinion to
21 Ticketmaster's shareholder. As such, Allen & Co. knowingly and deliberately prepared the false
22 and misleading fairness opinion contained in the Registration Statement, which misstated some
23 material facts and completely omitted others. In addition, Allen & Co. was a knowing
24 participant in the preparation and approval of other portions of the false and misleading
25 Registration Statement. During the preparation of the Registration Statement, Allen & Co. was
26 in regular contact with Ticketmaster, Live Nation and the Individual Defendants at all times
27 relevant to this Complaint. As a financial advisor to Ticketmaster and the preparer of a fairness
28 opinion in the Registration Statement, the Board and shareholders alike ascribe great importance

1 to Allen & Co.'s materially false and misleading statements, which have been incorporated into
2 the Registration Statement. But for Allen & Co.'s knowing and deliberate participation in, and
3 publication of, the Registration Statement, the breaches of fiduciary perpetrated on
4 Ticketmaster's shareholders alleged herein, would not have been possible.

5 147. Each of the above defendants aided and abetted the Individual Defendants
6 breaches of fiduciary duty. In addition, Ticketmaster, Live Nation, and Allen & Co. participated
7 in the breach of fiduciary duties by Individual Defendants for the purpose of advancing their own
8 interests. Allen & Co. will obtain both direct and indirect benefits from colluding in or aiding
9 and abetting the Individual Defendants' breaches of fiduciary duties—including, but not limited
10 to, large financial fees for their services. Also, Live Nation will benefit, *inter alia*, from the
11 acquisition of the Company at an inadequate price (to Ticketmaster's shareholders) if the
12 Proposed Acquisition is consummated.

13 148. Plaintiffs and the Class have been harmed by Live Nation's, Ticketmaster's, and
14 Allen & Co.'s, aiding and abetting of the Individual Defendants' breaches of fiduciary duty
15 alleged herein.

16 149. Plaintiffs and the Class have no adequate remedy at law. Only through the
17 exercise of this Court's equitable powers can Plaintiffs and the Class be fully protected from the
18 immediate and irreparable injury the actions of the Individual Defendants, Ticketmaster, Live
19 Nation, & Allen & Co. threaten to inflict.

20 **RELIEF REQUESTED**

21 **WHEREFORE**, Plaintiffs demand judgment as follows:

- 22 (a) Declaring this action properly maintainable as a class action;
- 23 (b) Preliminarily and permanently enjoining Ticketmaster, Live Nation, Allen & Co.
24 and any of the Individual Defendants and any and all other employees, agents, or representatives
25 of these defendants and persons acting in concert with any one or more of any of the foregoing,
26 during the pendency of this action, from taking any action to consummate the Merger Agreement
27 and Proposed Acquisition until the defendants have fully complied with their duties to fully and
28 fairly disclose all material facts and act solely for the benefit of Ticketmaster shareholders;

1 (c) Declaring that the Proposed Acquisition is in breach of the fiduciary duties of the
2 defendants and, therefore, any agreement arising there from is unlawful and unenforceable;

3 (d) In the event that the Proposed Acquisition is consummated, rescinding it and
4 setting it aside;

5 (e) Declaring and decreeing that defendants' conduct has been in breach of the
6 fiduciary duties owed by the defendants to Ticketmaster and its public shareholders;

7 (f) Ordering defendants to comply with said fiduciary duties;

8 (g) Awarding compensatory damages against defendants, individually and severally,
9 in an amount to be determined at trial, together with pre-judgment and post-judgment interest at
10 the maximum rate allowable by law;

11 (h) Directing the defendants to refrain from advancing their own interests at the
12 expense of Ticketmaster or its shareholders and to exercise their fiduciary duties to act
13 reasonably with respect to the Proposed Acquisition and any other offers to acquire
14 Ticketmaster;

15 (i) Prohibiting defendants from entering into any contractual provisions which harm
16 Ticketmaster or its shareholders or prohibit the Individual Defendants from maximizing
17 shareholder value, including any contractual provision between Ticketmaster and Live Nation
18 and any confidentiality agreement or contract designed to impede the maximization of
19 shareholder value;

20 (j) Prohibiting the Individual Defendants from approving any transaction with Live
21 Nation or any other suitor which does not offer fair value for the common stock of the Company;

22 (k) Directing that defendants account to Plaintiffs and the Class for all damages
23 caused to them and account for all profits and any special benefits obtained by defendants as a
24 result of their unlawful conduct;

25 (l) Enjoining, temporarily and permanently, any material transactions or changes to
26 Ticketmaster's business and assets unless and until a proper process is conducted to evaluate
27 Ticketmaster's strategic alternatives;

1 (m) Awarding Plaintiffs the costs and disbursements of this action, including
2 attorneys', accountants', and experts' fees; and

3 (n) Awarding such other and further relief as is just and equitable.

4 **JURY DEMAND**

5 Plaintiffs demand a trial by jury on all claims so triable.

6 Dated: September 10, 2009

BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP

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