EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

MEREDITH CORPORATION, et al.	:	
	:	
v.	:	Case No. 09 Civ. 9177 (PAE)
	:	
SESAC LLC, et al.	:	

SETTLEMENT AGREEMENT

TABLE OF CONTENTS

		Page
1.	Recitals.	1
2.	The Monetary Settlement Consideration and the Settlement Fund.	4
3.	Agreements Regarding Future Conduct.	6
4.	Second Amended Complaint.	15
5.	Motion for Leave To File Second Amended Complaint, Certification of Settlement Class and Preliminary Approval of Settlement.	16
6.	Final Settlement Approval and Motion for Entry of Final Judgment and Order of Dismissal	16
7.	Best Efforts to Effectuate This Settlement.	17
8.	No Reversion.	17
9.	Attorney's Fees and Expenses.	18
10.	Settlement Class Notice.	18
11.	Plan of Allocation.	18
12.	Opt Outs.	19
13.	Releases.	21
14.	Termination or Disapproval.	22
15.	This Settlement Is Not an Admission.	23
16.	Binding Effect.	23
17.	Integrated Agreement.	24
18.	Headings.	24
19.	Authorization to Enter Settlement Agreement.	24
20.	Signature.	25
21.	Governing Law.	25
22.	Provision of Notice.	25

TABLE OF CONTENTS
(continued)

Exhibits

Exhibit A – Carve Out for SESAC Released Claims

Exhibit B – [Proposed] Second Amended Class Action Complaint

Exhibit C – [Proposed] Preliminary Approval Order

Exhibit D – [Proposed] Final Judgment and Order of Dismissal

Exhibit E – [Proposed] Settlement Class Notice

Exhibit F – [Proposed] Plan of Allocation

1. Recitals.

This Stipulation and Agreement of Settlement, including its exhibits, (collectively the "Settlement Agreement") is made and entered into on October 14, 2014, and is submitted to the Court for its approval as set forth below. This Settlement Agreement is entered into on behalf of the Named Plaintiffs,[1] the Television Music License Committee, LLC ("TMLC"), and Defendant SESAC, LLC ("SESAC"), by and through their respective undersigned counsel.

WHEREAS, the Named Plaintiffs, the TMLC, and SESAC have reached an agreement providing for the settlement of Meredith Corp., et al. v. SESAC, LLC et al., Case No. 1:09 Civ. 09177-PAE ("the Meredith Proceeding"), a putative class action that is pending in the United States District Court for the Southern District of New York, the Honorable Paul A. Engelmayer, presiding ("the Court");

WHEREAS, the action was commenced on November 4, 2009 and the First Amended Class Action Complaint was filed on March 18, 2010, alleging generally that SESAC, individually and in concert with its affiliated composers, authors, and music publishers, engaged in conduct that allegedly had and has the purpose and effect of, inter alia, unreasonably restraining trade in, monopolizing, and conspiring to monopolize the market for performance licenses to the music in SESAC's repertory, and depriving the Named Plaintiffs and similarly situated local television stations of the benefits of free competition in the determination of prices, royalty rates, and fees in music performance licensing, allegedly in violation of Sherman Act, 15 U.S.C. §§ 1-2 et seq., and further alleging generally that the Named Plaintiffs and similarly situated local television stations have suffered, and continue to suffer, damages as a result of SESAC's alleged conduct and are threatened with future harm;

---

[1] "Named Plaintiffs" refer to Meredith Corporation, the E.W. Scripps Company, Scripps Media, Inc., Hoak Media of Dakota, LLC, Hoak Media of Nebraska, LLC, Hoak Media, LLC, and Gray Television Group, Inc.

WHEREAS, by Order dated March 9, 2011, the Court denied in part SESAC's motion to dismiss the First Amended Class Action Complaint;

WHEREAS, by Order dated March 3, 2014, the Court held that "SESAC's motion for summary judgment is denied as to all three counts, save that the Court narrows the § 1 claim in two ways: The Court rejects, as a matter of law, plaintiffs' (1) per se theory of § 1 liability; and (2) claim of an agreement to restrain trade among all 20,000–plus SESAC affiliates, as opposed to among only those affiliates who were party to a supplemental affiliation agreement with SESAC";

WHEREAS, the Named Plaintiffs' motion for class certification was filed on July 11, 2014;

WHEREAS, a jury trial is scheduled for March 30, 2015;

WHEREAS, SESAC denies any wrongdoing or that it has violated the antitrust laws and has asserted a number of defenses to liability and damages, including, among others, that it has not engaged in anticompetitive conduct, that it does not possess monopoly power in any relevant market, and that the procompetitive effects of its market presence and market practices outweigh any alleged anticompetitive effects;

WHEREAS, this action has been funded by the TMLC, a non-profit limited liability company that represents virtually all full-power, commercial television stations in the United States and its territories ("stations") in negotiations for music performing rights licenses with the American Society of Composers, Authors and Publishers ("ASCAP") and Broadcast Music, Inc. ("BMI");

WHEREAS, arm's length settlement negotiations have taken place between Weil, Gotshal & Manges LLP, which represents the Named Plaintiffs and the TMLC ("Plaintiffs'

Counsel"), and Joseph Hage Aaronson LLC and Jenner & Block LLP, which represent SESAC (collectively "SESAC's Counsel"), including in connection with, inter alia, numerous direct negotiation sessions and four mediation sessions, a number of which involved representatives of the Named Plaintiffs, the TMLC, and SESAC and/or subsets of Plaintiffs' and SESAC's Counsel, before the Honorable Kimba Wood and Magistrate Judge James C. Francis;

WHEREAS, after substantial discovery and investigation of the facts and after carefully considering applicable law, the Named Plaintiffs, the TMLC, and the Plaintiffs' Counsel have concluded that it would be in the best interests of the Named Plaintiffs and similarly situated local television stations to enter into this Settlement Agreement in order to avoid the uncertainties of this complex litigation, and to assure benefits to the local television industry; and

WHEREAS, SESAC believes it has meritorious defenses to the claims against it and does not, by entering into this Stipulation, admit or concede any liability with regard to the merits of any of those claims. It has concluded, based on its consideration of a number of factors, specifically including SESAC's continuing exposure to bearing the continuing, multimillion dollar cost of attorney's fees for both sides, that it is desirable that the Meredith Proceeding be settled on the terms set forth in this Settlement Agreement in order to end the distraction and diversion of its personnel and resources and to obtain the conclusive and complete dismissal of this action and release of all claims asserted against it so that it can focus its resources on nurturing and growing its business;

NOW, THEREFORE, without trial or final adjudication of any issue of fact or law, without this Settlement Agreement constituting any evidence against or admission by Defendant SESAC regarding any issue of fact or law, upon consent of the Named Plaintiffs, the

TMLC, and SESAC, IT IS HEREBY STIPULATED AND AGREED by and among the undersigned, on behalf of the Named Plaintiffs, the TMLC, and SESAC, that the Second Amended Class Action Complaint shall be filed, and then dismissed on the merits and with prejudice upon entry of the proposed Final Judgment and Order of Dismissal, and all released claims shall be finally and fully compromised, settled, and released, subject to the approval of the Court as required by Rule 23 of the Federal Rules of Civil Procedure, on the following terms and conditions:

2. The Monetary Settlement Consideration and the Settlement Fund.

(a) Within five (5) business days after execution of this Settlement Agreement, SESAC will deposit $58.5 million in an interest-bearing escrow account (the "Gross Settlement Fund") pursuant to instructions from Plaintiffs' Counsel.

(b) The Gross Settlement Fund shall be administered pursuant to the provisions of this Settlement Agreement and subject to the Court's continuing supervision and control, as follows:

(i) Under the supervision of Plaintiffs' Counsel, the Gross Settlement Fund shall be established as an escrow account at a bank designated by the TMLC and administered by an escrow agent designated by the TMLC.

(ii) The escrow agent shall invest the funds deposited in the Gross Settlement Fund exclusively in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including a U.S. Treasury Money Market Fund or a bank account insured by the Federal Deposit Insurance Corporation ("FDIC") up to the guaranteed FDIC limit. The escrow agent shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates.

(iii) All taxes on the income of the Gross Settlement Fund and all expenses and costs incurred in connection with the taxation of the Gross Settlement Fund (including, without limitation, expenses of tax attorneys and accountants) (collectively, "Taxes") shall timely be paid by the escrow agent out of the Gross Settlement Fund. The members of the settlement class (defined in Section 3(a) below) who have not timely and properly elected to be excluded from the settlement class ("Settlement Class Members") shall be responsible for paying any and all federal, state, and local income taxes due on any distribution made to them pursuant to this Settlement Agreement.

(c) The Gross Settlement Fund shall be used to pay (1) the reimbursement of Plaintiffs' Counsel's attorney's fees and costs in the Meredith Proceeding, as specified in Section 9 below, and (2) Taxes. After payment of the amounts described above in this Section 2(c), the balance of the funds in the Gross Settlement Fund shall be the "Net Settlement Fund," which shall be used to provide payments to all Settlement Class Members and based on a methodology submitted to and approved by the Court, as set forth in the "Plan of Allocation" defined and described in Section 11.

(d) Other than to pay Taxes or any fees associated with the maintenance of the escrow account, no distribution or payment from the Gross Settlement Fund or the Net Settlement Fund shall be made without the approval of the Court as set forth in the proposed Final Judgment and Order of Dismissal.

(e) If this Settlement Agreement terminates or Final Settlement Approval (defined in Section 6(c) below) of this Settlement Agreement is denied or does not occur, then, within five (5) business days after the Settlement Agreement has terminated or the possibility of final approval has expired (including, without limitation, the expiration of all requests for

judicial review from any decision denying approval), the amount remaining in the Gross Settlement Fund, including the principal and accrued (but not imputed) interest (less all funds necessary to pay Taxes, and any other previously incurred expenses expressly approved by the Court or under the terms of this Settlement Agreement) shall be paid, by wire transfer, to an account designated by SESAC.

(f) SESAC shall have no responsibility for, or liability with respect to, Taxes or informational and other tax returns and tax reporting forms necessary or advisable with respect to the Gross Settlement Fund and no responsibility for, or liability with regard to, the maintenance, preservation, investment, use, allocation, adjustment, distribution, and/or disbursement of any amount in the Gross Settlement Fund or the Net Settlement Fund.

3. Agreements Regarding Future Conduct.

(a) For the remainder of 2014 and through December 31, 2015 (the "Initial Term"), SESAC will continue to license all owners of full-power local commercial television stations in the United States and its territories (including Puerto Rico) that obtained licenses from SESAC during the period January 1, 2008 to the date on which preliminary approval is granted, including those owned and operated by the ABC and CBS television networks as well as NBCUniversal Media, LLC, and excluding the local television stations that are owned and operated by the Univision and Telefutura (now known as UniMas) networks (collectively, the members of the "Settlement Class"), at the same license fees applicable as of the date hereof. Subject only to (i) the claims preserved by SESAC as set forth in Exhibit A hereof (and as further discussed in Section 13 below), and (ii) any claims by a SESAC affiliate relating to existing direct licenses with a Settlement Class Member, SESAC and its affiliates will not seek, with respect to the license periods ending December 31, 2015, additional license fees from the Settlement Class Members, whether in the form of requested executions of Web Site

Agreements, Digital Multiplex Agreements, or otherwise. For the avoidance of doubt, the license fees subject to this Settlement Agreement do not include license fees for the right to publicly perform music in the network feeds of the ABC, CBS, and NBC television networks that are broadcast by stations affiliated with and/or owned by the ABC and CBS television networks as well as NBCUniversal Media, LLC.

(b) The sums paid to SESAC by the Settlement Class Members for the period 2008-2015 (whether individually or in the aggregate, and whether prior to or as a result of this Settlement), as well as the terms of the Default PPL (as defined in Section 3(f)(ii) below), are agreed to be non-precedential and cannot be used as evidence of reasonable fees or license terms in any succeeding negotiations or arbitration between the "Parties." The term "Parties" for purposes of this Section 3 shall be construed to mean either the stations represented collectively by the TMLC or such individual stations or station groups as may in the future elect to negotiate individually with SESAC. For the avoidance of doubt, nothing herein shall preclude any Settlement Class Member from electing to negotiate individually with SESAC for, among other things, a blanket license or a per-program license, including as part of a broader negotiation with the ABC or CBS television networks as well as NBCUniversal Media.

(c) Beginning as of January 1, 2016 and continuing through December 31, 2035, unless otherwise agreed to by the Parties, SESAC will offer all Settlement Class Members, in addition to a blanket license, a per-program license, the terms for which shall be established either by agreement reached between SESAC and the TMLC or in arbitration, in accordance with Sections 3(f)-3(j), and 3(l) below.

(d) SESAC shall treat Settlement Class Members as licensed pursuant to the terms of this Settlement Agreement provided that they pay the license fees called for hereunder.

(e) SESAC shall not sue or threaten to sue any such Settlement Class Member for copyright infringement so long as they remain licensed pursuant to the terms of this Settlement Agreement and pay the license fees due under such licenses.

(f) Not later than April 1, 2015, the TMLC and SESAC will commence good-faith negotiations over industry-wide blanket and per-program license fees and terms, including those applicable to any multiplex channels, websites, and other means of digital distribution (collectively, the "License Fees and Terms"), for the four-year period beginning January 1, 2016 and ending December 31, 2019. In the event that the TMLC and SESAC are not able to reach agreement on License Fees and Terms by December 31, 2015, effective January 1, 2016, License Fees and Terms will be set as follows:

(i) Beginning January 1, 2016, and continuing until License Fees and Terms for the period 2016 through 2019 have been finalized, base annual industry-wide blanket license fees (including those applicable to multiplex channels, websites, and other means of digital distribution), will be set on an interim basis in the same amount that SESAC is charging stations under license fees in place as of the date of execution of this Settlement Agreement. Such interim fees shall remain in place until either an agreement on final fees has been reached between the Parties or final fees have been established in an arbitration between the Parties conducted in accordance with this Settlement Agreement. Such interim license fees will be subject to retroactive adjustment to January 1, 2016. Such interim license fees are agreed to be non-precedential and cannot be used as evidence of reasonable fees in any negotiations or arbitration between the Parties.

(ii) Unless otherwise agreed to by the TMLC and SESAC, beginning January 1, 2016, and continuing until License Fees and Terms for the period 2016 through 2019

have been finalized, the terms of the per-program license will be those determined by the arbitrators in the arbitration captioned SESAC, Inc. v. Television Music License Comm., No. 13 133 01583 05 (Am. Arbitration Assoc.) (the "2006 Arbitration"), including any terms determined by the arbitrators as a result of post-award briefing ("Default PPL"), plus such additional terms as are determined by the Parties to be appropriate to the operation of the Default PPL that the arbitrators in the 2006 Arbitration were not called upon to determine (the "Additional Terms"). The Default PPL shall remain in place until either an agreement on final per-program license terms for the period 2016 through 2019 has been reached between the Parties or an arbitration to determine such terms in accordance with this Settlement Agreement has been concluded. Such interim terms will not be subject to retroactive adjustment, other than to be finalized in light of the final industry-wide blanket license fees determined by agreement of the Parties or in arbitration. For the sake of clarity, the fees payable by stations electing the Default PPL will be determined based upon those stations' allocated interim or final blanket license fees as applied to the governing Default PPL terms. Any interim blanket fees forming the basis for Default PPL payments will be subject to retroactive adjustment to January 1, 2016 no differently than would be the case as to stations operating under a blanket license.

(g) If the duty of ASCAP or BMI to have license fees and terms set through a rate court mechanism is terminated and binding arbitration is not required in its place, then, following its obligation (failing negotiated agreement) to participate in arbitration for the 2016 through 2019 period, SESAC will be entitled to elect not to participate in further arbitrations apart from any arbitration that may be already underway. If SESAC makes this election, then notwithstanding the limitations set forth in Section 13 below, Settlement Class Members and the TMLC shall be free to bring a lawsuit or counterclaim asserting that SESAC is violating the

antitrust or competition laws of any jurisdiction ("Antitrust Laws"). The commencement of such lawsuit or assertion of such a counterclaim either by the TMLC or by Settlement Class Members (in one or more proceedings) collectively representing fifteen (15) percent or more of the industry as measured by license fees paid to SESAC for the calendar year 2013 will relieve SESAC of the duty to offer a per-program license pursuant to Section 3(c) above, and to effect certain changes in its affiliate agreements pursuant to Section 3(m) below, all without prejudice to any claim that such actions violate the Antitrust Laws. Nothing, however, will prevent SESAC from choosing to continue to offer a per-program license or to continue to effect certain changes to its affiliate agreements, should it decide to do so in its sole discretion. If Settlement Class Members collectively representing less than fifteen (15) percent of the industry as measured by license fees paid to SESAC for the calendar year 2013 bring a lawsuit or counterclaim asserting that SESAC is violating the Antitrust Laws (an "Antitrust Claim"), then SESAC shall be relieved of its duty to offer a per-program license pursuant to Section 3(c) above and to effect certain changes to its affiliate agreements pursuant to Section 3(m) below only as to the Settlement Class Members asserting such Antitrust Claim. For purposes of this Section 3(g), any Antitrust Claim asserted by one or more Settlement Class Member that is instigated, coordinated, controlled, directed, funded, or reimbursed by the TMLC or by any other Settlement Class Member, directly or indirectly, shall conclusively be deemed to be asserted by the TMLC and/or each and all of those Settlement Class Members instigating, coordinating, controlling, directing, funding, or reimbursing, such Antitrust Claim. Further, for purposes of this Section 3(g), SESAC shall notify the affected Settlement Class Members at least ninety (90) days in advance of when any election would be effective.

(h) In the event that the TMLC and SESAC are not able, by October 1, 2015, to reach agreement on License Fees and Terms for the four-year period commencing January 1, 2016, either party may submit any unresolved issues to binding arbitration, provided that, within a sixty (60) day period prior to commencement of any such arbitration, the TMLC and SESAC shall have agreed upon procedures to govern such arbitration, including the number of arbitrators to be appointed. Unless otherwise agreed to by the TMLC and SESAC, irrespective of when such arbitration may commence, the discovery record shall remain open until July 15, 2016 and no hearings shall be conducted prior to thirty (30) days following that date. The Parties agree to conclude the arbitration, with an award rendered, by no later than December 31, 2016.

(i) No later than sixty (60) days in advance of the commencement of any of the subsequent arbitrations contemplated by Section 3(j)(iii) below, the TMLC and SESAC shall agree upon the procedures to govern each such arbitration, including the number of arbitrators to be appointed.

(j) For each of the four succeeding four-year periods following 2019, specifically, 2020 through 2023, 2024 through 2027, 2028 through 2031, and 2032 through 2035 (with each such period starting on January 1 of the beginning year and ending on December 31 of the ending year), absent agreement between the Parties concerning License Fees and Terms, or other disputes within the agreement to arbitrate set forth in Section 3(o), and subject to the termination provision of Section 14:

(i) The License Fees and Terms governing the last year of the expiring license period shall continue on an interim basis such that any Settlement Class Member that continues to make payments of its allocable share of industry-wide fees (under either a blanket, per-program, or other applicable license) shall be treated by SESAC and its affiliates as

fully licensed and SESAC and its affiliates shall not sue or threaten to sue any such Settlement Class Member for copyright infringement; provided that the foregoing does not limit any claims by a SESAC affiliate relating to then-existing direct licenses with a Settlement Class Member;

(ii) The interim fees payable under Section 3(j)(i) above shall be retroactively adjustable to the beginning of the new license term based on the results of either negotiations between the TMLC and SESAC or binding arbitration.

(iii) The Parties shall pursue good-faith negotiations beginning not later than December 15th of 2018, 2022, 2026 and 2030 over License Fees and Terms for the succeeding license period. If, by the following March 31st, agreement has not been reached, or if, pursuant to Section 3(n) hereof, the Parties have another dispute falling within the agreed-upon scope of arbitration that has arisen since the last preceding arbitration and has not been resolved by negotiation, then either party, as its exclusive dispute resolution remedy, may elect to pursue binding arbitration, which arbitration shall, unless otherwise agreed to by the TMLC and SESAC, be completed, and an award rendered within six (6) months of the date that the arbitration panel is constituted.

(k) For the avoidance of doubt, for all periods from January 1, 2016 through December 31, 2035, the License Fees and Terms to be established either by agreement between SESAC and the TMLC or in binding arbitration pursuant to this Settlement Agreement shall include, on a through-to-the-audience basis, public performances of SESAC repertory music in programming broadcast on any of the Settlement Class Members' local television station channels (specifically including any digital multicast channels), streamed on station-affiliated websites, or delivered as part of programming supplied by Settlement Class Members via mobile, wireless and any other digital platforms, so long as each entity involved in the

transmission or retransmission of such programming other than the licensed Settlement Class Member has an economic relationship with the licensed Settlement Class Member.

(l) If any members of the Settlement Class elect not to be licensed pursuant to this Settlement Agreement, then total industry-wide blanket license fees (and, if separate from the blanket license, industry-wide fees for any multiplex channels, websites, and other means of digital distribution) to be established as provided herein will be reduced by the amount that would have been allocated to those members of the Settlement Class in accordance with Sections 3(l), 11 and 12(a)(iii) below.

(m) For each year commencing January 1, 2016, the TMLC will be responsible for allocating among the Settlement Class Members the base industry-wide blanket license fees (and, if separate from the blanket license, industry-wide fees for any multiplex channels, websites, and other means of digital distribution) payable to SESAC. For each license period, the methodology for this allocation will be established either by agreement reached between SESAC and the TMLC or in arbitration in accordance with the terms of this Settlement Agreement. For the interim period from January 1, 2016 to the date on which an arbitration award is rendered, this allocation will be based on a methodology determined by the TMLC. This interim fee allocation will be non-precedential and will be subject to retroactive adjustment to January 1, 2016.

(n) Beginning upon execution and continuing until December 31, 2035, SESAC shall not enter into or extend any agreements with any of its publisher or writer affiliates that:

(i) Expressly prohibit any affiliate from issuing a public performance rights license directly to a Settlement Class Member or network or program producer (or agent thereof), or

(ii) Have the effect of interfering with the ability of any affiliate to issue a public performance rights license directly to a Settlement Class Member or program producer as a result of, including but not limited to by, imposing penalties on the affiliate for issuing a direct license, requiring that proceeds of any direct licenses be forfeited to SESAC (except as provided in Section 3(m)(iii)), making the affiliate refer requests to renew existing direct licenses, or for new direct licenses, to SESAC in the first instance, or permitting the affiliate to issue renewals, or new direct licenses, only if SESAC did not reach agreement with the affiliate, and then only at a price equal to that for which SESAC would offer such a license.

(iii) To the extent SESAC advances monies to its publisher or writer affiliates in the form of a guarantee, advance, or otherwise, SESAC shall be permitted to enter into agreements with such affiliates requiring that a portion of the proceeds of any sales of direct licenses by those affiliates not to exceed eighty (80) percent be directed to SESAC for its benefit up until said guarantees, advances or the like have been recouped.

(o) SESAC and the Settlement Class Members agree to submit to arbitration, at such times as are otherwise agreed to herein, any disputes or claims arising under this Settlement Agreement. The arbitrators, in their discretion, may award attorney's fees and disbursements associated with such disputes or claims to the party that prevails with respect to each such dispute or claim, if the arbitrators determine that such an award is reasonable, taking into account the circumstances, but the arbitrators may not award attorney's fees and disbursements incurred by either party in connection with arbitration of License Fees and Terms

as contemplated herein. Notwithstanding the foregoing, nothing in this Section 3(o) shall preclude Settlement Class Members, the TMLC, or SESAC from seeking injunctive or other equitable relief in court arising out of asserted violations of the terms of this Agreement, pending ultimate determination by the arbitrators of whether there have been any violations of the terms of this Agreement.

4. Second Amended Complaint.

(a) The Second Amended Class Action Complaint in the Meredith Proceeding, a proposed version for filing in this action having been attached hereto as Exhibit B, ("Second Amended Complaint"), is identical to the First Amended Class Action Complaint except for the following:

(i) Named Plaintiff Gray Television Group, Inc. ("Gray") is substituted for Hoak Media of Dakota, LLC, Hoak Media of Nebraska, LLC, and Hoak Media, LLC ("Hoak"), on the basis that, since the filing of the First Amended Class Action Complaint, Gray has acquired Hoak Media of Dakota, LLC and Hoak Media of Nebraska, LLC, as well as certain assets of Hoak Media, LLC, and is now the owner and successor in interest of all music performance licensing rights that were previously held by Hoak, including any licenses with SESAC;

(ii) The definition of the Settlement Class includes all stations owned and operated by the ABC and CBS television networks as well as NBCUniversal Media, LLC, on the basis that they were subjected to the same alleged anti-competitive conduct as all other members of the Settlement Class, and

(iii) The definition of the Settlement Class is clarified to carve out stations that are owned and operated by the Univision and Telefutura (now known as UniMas) networks on the basis that, at their request, such stations are separately licensed by SESAC, they

have never been among the stations on whose behalf the TMLC has negotiated or arbitrated, nor have they been among the stations allocated SESAC license fees by the TMLC.

5. Motion for Leave To File Second Amended Complaint, Certification of Settlement Class and Preliminary Approval of Settlement.

(a) No later than October 15, 2014, Plaintiffs' Counsel shall submit to the Court a motion for preliminary approval of this Settlement Agreement, and the settlement contemplated hereby, including, inter alia, leave to file the Second Amended Complaint and certification of the Settlement Class.

(b) A copy of a proposed Preliminary Approval Order granting leave to file the Second Amended Complaint, certifying the Settlement Class, and granting preliminary approval of this Settlement Agreement and the settlement contemplated hereby, which Plaintiffs' Counsel shall submit to the Court for its approval in connection with the motion described in Section 5(a) above, is attached hereto as Exhibit C.

6. Final Settlement Approval and Motion for Entry of Final Judgment and Order of Dismissal.

(a) If the Court enters a Preliminary Approval Order, then, after notice to the Settlement Class (as described below in Section 10), and after the expiration of the deadline to timely and properly opt out from the Settlement Class, the Named Plaintiffs shall submit to the Court a motion for final approval of the Settlement Agreement and a final judgment against SESAC, including, inter alia, an order of dismissal ("Final Judgment and Order of Dismissal").

(b) A copy of a proposed Final Judgment and Order of Dismissal, which shall be submitted to the Court for its approval in connection with the motion described in Section 6(a) above, is attached hereto as Exhibit D.

(c) The settlement contemplated by this Settlement Agreement shall become final ("Final Settlement Approval") on the date that: (i) the Court has entered the Final Judgment

and Order of Dismissal, approving this Settlement Agreement, the Plan of Allocation, and any request for attorney's fees and expenses, and dismissing the Action as against SESAC with prejudice as to all Settlement Class Members; and (ii) the time for appeal or to seek permission to appeal from the Court's approval of this Settlement Agreement and entry of the Final Judgment and Order of Dismissal has expired or, if appealed, approval of this Settlement Agreement and the Final Judgment and Order of Dismissal has been affirmed in its entirety by the court of last resort to which such appeal has been taken and such affirmance is no longer subject to further appeal or review. During the time period described in clause (ii) of this Section 6(c), Plaintiffs' Counsel may at their discretion seek authority from the Court to pay all or part of an approved award for attorney's fees and expenses from the Gross Settlement Fund and SESAC agrees not to take any position regarding any such request.

7. Best Efforts to Effectuate This Settlement.

The Named Plaintiffs, the TMLC, and SESAC agree to undertake their best efforts, including all steps and efforts contemplated by this Settlement Agreement and any other steps and efforts that may be necessary or appropriate, by order of the Court or otherwise, to obtain approval of this Settlement Agreement and the settlement contemplated hereby, and shall do nothing inconsistent therewith.

8. No Reversion.

SESAC shall have no rights of reversion with respect to the Settlement Fund, other than as set forth in Section 12 below with respect to the Supplemental Agreement and Opt Outs. Pursuant to the Plan of Allocation, the Net Settlement fund will be distributed in its entirety to the Settlement Class Members. No funds will be remaining for any cy pres distribution or otherwise.

9. Attorney's Fees and Expenses.

Plaintiffs' Counsel may seek an order from the Court awarding attorney's fees and associated expenses incurred by the TMLC from the Gross Settlement Fund. SESAC agrees not to object to the payment of such an award from the Gross Settlement Fund in an amount not to exceed $16 million.

10. Settlement Class Notice.

(a) In connection with the motion described in Section 5 above, Plaintiffs' Counsel shall submit to the Court for its approval under Rule 23 of the Federal Rules of Civil Procedure the proposed notice that will be provided to the Settlement Class concerning this Settlement Agreement, a proposed version having been attached hereto as Exhibit E ("Settlement Class Notice"). In connection with the Settlement Class Notice, SESAC has agreed to and has provided the TMLC, on a confidential basis, with an up-to-date list of the mailing addresses of each member of the Settlement Class. The best notice practicable in accordance with the requirements of Rule 23 can be made by the TMLC disseminating the Settlement Class Notice via direct regular mail and email (if known) to each member of the Settlement Class and publication notice via the TMLC's website.

(b) All costs, fees, or expenses associated with Settlement Class Notice shall be borne by the TMLC.

11. Plan of Allocation.

(a) In connection with the motion described in Section 5 above, Plaintiffs' Counsel shall submit to the Court for its approval under Rule 23 of the Federal Rules of Civil Procedure the Plan of Allocation, described in Sections 2(c) and 8 above. In connection with the Plan of Allocation, SESAC has provided the TMLC, on a confidential basis, with an up-to-date list of the annual license fees billed or to be billed to each member of the Settlement Class (or, as

appropriate, ascribed to a licensee's local television broadcast operations for those stations who are licensed by SESAC as part of a broader negotiation with the ABC or CBS television networks or with NBCUniversal Media) for the period 2008 through 2014.

(b) The claims administrator shall be the TMLC, which, under the supervision of Plaintiffs' Counsel, shall (1) administer and calculate the monetary payments to be awarded to each Settlement Class Member, and (2) after final approval of this Settlement Agreement and entry by the Court of an order approving disbursement of the Net Settlement Fund to Settlement Class Members according to the Plan of Allocation, shall oversee distribution of the Net Settlement Fund to Settlement Class Members, consistent with Section 2 above.

12. Opt Outs.

(a) Any member of the Settlement Class shall have the right to opt out of the Settlement Class by sending a written request for exclusion from the Settlement Class to the address listed in the Settlement Class Notice, postmarked no later than a deadline to be set by the Court and set forth in the Settlement Class Notice.

(i) Exclusion requests must include (1) the Settlement Class Member's name, address, telephone number, and call letters of those stations affected by the exclusion request, including any changes in call letters since 2008, (2) all trade names or business names and addresses that the Settlement Class Member has used since 2008, as well as any parents, subsidiaries or affiliates who are also requesting to be excluded from the class, and (3) a statement saying that the Settlement Class Member wants to be excluded from the settlement class in Meredith et al. v. SESAC et al., Case No. 1:09 Civ. 09177-PAE (S.D.N.Y.).

(ii) No request for exclusion will be valid unless all of the information described above is included. If a timely and valid request for exclusion is made by a member of the Settlement Class, then no payment shall be made with respect to any account(s) of such

member of the Settlement Class. All Settlement Class Members shall be bound by all determinations and judgments concerning the Settlement Agreement and the settlement contemplated hereby.

(iii) To the extent that any members of the Settlement Class opt out of the Settlement, the $58.5 million principal amount in the Gross Settlement Fund shall be reduced by the amount that was proposed to be allocated to those members of the Settlement Class according to the Plan of Allocation submitted to the Court. Such amounts shall be returned to SESAC, together with accrued (but not imputed) interest in the interest-bearing escrow account, if any.

(b) SESAC shall have the right to terminate the Settlement Agreement upon the occurrence of a condition relating to members of the Settlement Class who have timely exercised their rights to be excluded from the Settlement Class ("Opt Outs"), as set forth in a separate agreement, dated October 14, 2014 ("Supplemental Agreement"), executed between Plaintiffs' Counsel and SESAC's Counsel, and prior to the entry of the Final Judgment and Order of Dismissal. Upon such termination, SESAC will be entitled to return of the Gross Settlement Fund, together with accrued (but not imputed) interest in the interest-bearing escrow account, if any, less any payments for Taxes or any fees associated with the maintenance of the escrow account. Termination will prevent the entry of the Final Judgment and Order of Dismissal. The provisions of the Supplemental Agreement are incorporated by reference as though fully set forth herein, if the criteria specified in the Supplemental Agreement are met. The Supplemental Agreement and its terms and information contained therein shall be kept confidential and shall not be filed with the Court. Upon request by the Court, the Named

Plaintiffs, the TMLC, and SESAC agree that the Supplemental Agreement shall be submitted to the Court *in camera* unless ordered to file, in which case it shall be filed under seal.

13. Releases.

(a) The Settlement Class Members and the TMLC will release SESAC and its affiliates from all claims asserted in the Second Amended Complaint in the Meredith Proceeding and all disputes or claims that Settlement Class Members could have asserted against SESAC and its affiliates at any time through the date of execution hereof, except for (1) disputes with or claims against SESAC that do not arise under the Antitrust Laws for amounts due, owing or unpaid under existing licenses, and (2) resolution of claims by SESAC otherwise preserved by Section 13(b) below involving SESAC's entitlement to license fees from Settlement Class Members that SESAC asserts have not obtained the requisite performance broadcast licenses from SESAC as of execution. Subject to the provisions of Section 3(g) above, the Settlement Class Members and the TMLC covenant not to claim in any arbitration or litigation, for the duration of the Settlement Agreement, that SESAC and its affiliates are violating the Antitrust Laws to the extent SESAC and its affiliates conduct their business in accordance with the obligations imposed upon them by the Settlement Agreement.

(b) SESAC will release the Settlement Class Members and the TMLC from all disputes or claims that SESAC could have asserted against the Settlement Class Members or the TMLC at any time through the effective date of the Settlement Agreement, except for (1) disputes or claims against Settlement Class Members that do not arise under the Antitrust Laws for amounts due, owing or unpaid under existing licenses or (2) the claims set forth in Exhibit A attached hereto as against members of the Settlement Class believed by SESAC not to have obtained the requisite performance broadcast licenses as of execution. Any amounts in excess of $1.25 million recovered by SESAC for the period ending December 31, 2015 from the successful

assertion of claims set forth in Exhibit A, net of all attorney's fees and expenses incurred by SESAC in obtaining such recovery, shall be offset against amounts otherwise due SESAC from the local television industry for the years 2014 through 2015 under its existing license fee arrangements. SESAC shall notify the TMLC within five (5) business days of any such recovery and any amounts in excess of $1.25 million so recovered, net of all attorney's fees and expenses incurred by SESAC in obtaining such recovery, shall be credited against amounts otherwise due SESAC, based on the Plan of Allocation.

(c) For the avoidance of doubt, nothing in this Section shall prohibit the Settlement Class Members and the TMLC from bringing any claims at any time for violations of the Antitrust Laws against other entities, including but not limited to those in which SESAC now has, or in the future may have, an ownership stake or other financial interest, or with which SESAC now has, or may in the future have, a licensing or other business relationship ("Third-Party Claims"), but will prohibit the Settlement Class Members and the TMLC from asserting claims of wrongdoing by SESAC under the Antitrust Laws predicated on the complained of course of conduct that were or could have been asserted in the Second Amended Complaint in the Meredith Proceeding in connection with the assertion or prosecution of such Third Party Claims and from funding any other person or entity asserting such claims.

14. Termination or Disapproval.

If the Settlement Agreement terminates pursuant to Section 2(f) above or Final Settlement Approval of this Settlement Agreement does not occur pursuant to Section 6(c) above, then this Settlement Agreement terminates and becomes null and void and shall be without prejudice to the status quo ante rights, positions and privileges of the Named Plaintiffs and SESAC. In such case, the Named Plaintiffs and SESAC shall immediately and jointly move the Court to vacate the Preliminary Approval Order and the Final Judgment and Order of

Dismissal to the extent either is then in effect, with the object that the operative complaint in the action shall be the First Amended Class Action Complaint filed on March 18, 2010, and the action shall proceed forthwith based on the timing set forth in the case schedule in place before this Settlement Agreement was entered into.

15. This Settlement Is Not an Admission.

This Settlement Agreement is not intended to, does not, and shall not be construed to constitute any admission or evidence of any fault or liability whatsoever by SESAC with respect to any matter, including but not limited to any of the matters in dispute between the Parties or alleged in the Meredith Proceeding or settled by this Settlement Agreement. Nor shall it be construed as or deemed to be evidence of, or a concession or an admission by SESAC, or to give rise to any sort of inference or presumption of the truth of any fact alleged, or the validity of any claim asserted in, any of the three complaints filed by the Named Plaintiffs in the Meredith Proceeding. The Named Plaintiffs, the TMLC, and SESAC hereto agree that this Settlement Agreement (including, without limitation, its exhibits), and any and all negotiations, documents and discussions associated with it, shall be without prejudice to the rights, positions or privileges of any Party, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way, whether in the Meredith Proceeding or in any other action or proceeding, except for purposes of demonstrating, describing, implementing or enforcing the terms and conditions of this Settlement Agreement, the Preliminary Approval Order and/or the Final Judgment and Order of Dismissal.

16. Binding Effect.

This Settlement Agreement shall be binding upon, and inure to the benefit of, the Named Plaintiffs and all Settlement Class Members, the TMLC, and SESAC, as well as their respective successors and assigns.

17. **Integrated Agreement.**

This Settlement Agreement (including its exhibits and the Supplemental Agreement), contains an entire, complete, and integrated statement of each and every term and condition agreed to by and among the Named Plaintiffs, the TMLC, and SESAC and is not subject to any term or condition not provided for herein. This Settlement Agreement shall not be amended, changed or otherwise modified in any respect except by a writing executed by duly authorized representatives of the TMLC and SESAC; provided that the foregoing shall not prevent the arbitration-related deadlines in Section 3 from being modified by an oral agreement or writing reflecting a mutual understanding. In entering into this Settlement Agreement, neither the Named Plaintiffs, the TMLC, nor SESAC has made or relied on any fact, matter, promise, statement, warranty or representation not specifically set forth herein. There shall be no waiver of any term or condition absent an express writing to that effect by the party to be charged with that waiver (including, for non-natural persons, by an authorized representative thereof). No waiver of any term or condition in this Settlement Agreement by the Named Plaintiffs, the TMLC, or SESAC shall be construed as a waiver of a subsequent breach or failure of the same term or condition, or waiver of any other term or condition of this Settlement Agreement.

18. **Headings.**

The headings used in this Settlement Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

19. **Authorization to Enter Settlement Agreement.**

Each of the undersigned representatives of each of the Named Plaintiffs, the TMLC, and SESAC represents that he/she is fully authorized to enter into, and to execute, this Settlement Agreement on behalf of that party. Each of the Named Plaintiffs, the TMLC, and

SESAC agrees that, in return for the agreements herein, it is receiving good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged.

20. Signature.

The Named Plaintiffs, the TMLC, and SESAC may sign this Settlement Agreement, in counterparts, and the signature of counterparts shall have the same effect as if the same instrument had been signed. This Settlement Agreement shall not be deemed signed until it has been signed by Plaintiffs' Counsel and SESAC's Counsel.

21. Governing Law.

This Settlement Agreement and any dispute arising out of or relating to it, including matters relating to the validity, construction, interpretation, enforceability and/or performance of any of the terms or provisions of this Settlement Agreement or of any Party's rights or obligations under this Settlement Agreement, shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its conflict of laws principles.

22. Provision of Notice.

All notices under this Settlement Agreement shall be in writing. Except as otherwise specifically provided herein, each such notice shall be given by (1) hand delivery, (2) electronic mail, or (3) Federal Express or similar overnight courier, addressed to the applicable address set forth on the signature pages hereof, or to such other address or person as the applicable Person may designate.

IN WITNESS WHEREOF, each of the signatories has read and understood this Settlement Agreement, has executed it, and represents that he/she is authorized to execute this Settlement Agreement on behalf of the clients he/she represents, who or which has/have agreed to be bound by its terms upon execution and has/have entered into this Settlement Agreement.

Dated: October 14, 2014

By: ______________________________

STEVEN A. REISS
R. BRUCE RICH
BENJAMIN E. MARKS
ERIC S. HOCHSTADT
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153
Tel: 212-310-8000

CARRIE MAHAN ANDERSON
WEIL, GOTSHAL & MANGES LLP
1300 Eye Street, N.W.
Washington, D.C. 20005
Tel: 202-682-7000

Counsel for Named Plaintiffs and Television Music License Committee, LLC

By: ______________________________

GREGORY P. JOSEPH
PETER R. JERDEE
JOSEPH HAGE AARONSON LLC
485 Lexington Avenue
New York, New York 10017
Tel: 212-407-1200

Counsel for Defendant SESAC LLC

EXHIBIT A

Carve Out for SESAC Released Claims

1. Fox Television Stations, Inc. a/k/a Fox Television Stations Group

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

MEREDITH CORPORATION, THE E.W. SCRIPPS COMPANY, SCRIPPS MEDIA, INC., and GRAY TELEVISION GROUP, INC.,	
individually and on behalf of all others similarly situated,	Case No. 09 Civ. 9177 (PAE)
Plaintiffs,	**[PROPOSED] SECOND AMENDED CLASS ACTION COMPLAINT**
v.	
	JURY TRIAL DEMANDED
SESAC, LLC and JOHN DOES 1-50,	
Defendants.	

Plaintiffs Meredith Corporation, The E.W. Scripps Company, Scripps Media, Inc., and Gray Television Group, Inc. (collectively "Plaintiffs"), on behalf of themselves and all others similarly situated, by and through their attorneys, allege upon information and belief as follows:

I. NATURE OF THE ACTION

1. Plaintiffs are owners of local commercial television broadcast stations ("local stations"). Defendant SESAC, LLC ("SESAC") is a for-profit performing rights organization that licenses rights under U.S. copyright law to publicly perform the musical compositions of its affiliated composers and music publishers ("SESAC Rightsholders"). By this action, Plaintiffs seek, on their own behalf as well as on behalf of a class of similarly situated local stations ("Class Members"), to restrain

and prevent SESAC from perpetuating the unlawful exercise of the monopoly power SESAC has amassed, unilaterally and collectively in conspiracy with and among SESAC Rightsholders (collectively, the "SESAC Cartel"), over the licensing to Plaintiffs and other Class Members of the music performance rights they need to broadcast their scheduled programming and commercial announcements. Plaintiffs also seek to be compensated for damages sustained as a result of the SESAC Cartel's unlawful practices.

II. FACTUAL ALLEGATIONS

A. LOCAL STATIONS ARE RESPONSIBLE FOR SECURING MUSIC PERFORMANCE RIGHTS FOR THE MUSIC IN THE VAST MAJORITY OF THEIR PROGRAMMING SCHEDULES, INCLUDING FOR A SIGNIFICANT AMOUNT OF EMBEDDED MUSIC THEY DID NOT SELECT, BUT ARE LOCKED INTO BROADCASTING

2. Plaintiffs and other Class Members broadcast a wide variety of programming to local television audiences, with programming schedules generally airing 24 hours a day, seven days a week. Music is included in nearly all television programming in one way or another – as theme music at the start of the program, as part of transitions in and out of commercials, in the commercials themselves, or as background accompaniment to the dramatic, comedic, talk, news or other programming formats. The music used in programming on local television is nearly always copyrighted. With limited exceptions, broadcasts of copyrighted music are "public performances" for which local stations must acquire licenses from, and pay royalties to, the copyright owners.

3. A portion of a local station's broadcast hours is devoted to programming produced by the local station itself ("locally produced programming").

Local news programs are the most prominent example. Most of a local station's programming, however, as well as its commercial announcements and public service announcements, are produced by third parties and comes to a local station already "in the can" – with music and other creative elements already irrevocably embedded.

4. The majority of third-party programming falls into two categories. First, local stations affiliated with a broadcast network receive network programming from that network. Music performance rights in network programming supplied by the ABC, CBS, and NBC television networks to their affiliates are secured by these networks on the stations' behalf, and the licensing of such music is not at issue in this lawsuit. Other television networks, however, such as Fox and the CW Network, do not secure music performance rights for the network programming supplied to their affiliated stations. Accordingly, the stations affiliated with these networks must secure music performance rights themselves for the network programming they broadcast.

5. Second, virtually every local station broadcasts syndicated programming produced and distributed by third parties and sold market-by-market to local stations. Prominent examples of such syndicated programming include "first run" syndicated programs, such as *Entertainment Tonight* and *The Ellen DeGeneres Show*, and "off-network" re-runs of successful network programs, such as *Seinfeld* and *Two and a Half Men*. Securing the music performance rights for syndicated programs has been, as a matter of entrenched music industry practice discussed further below, typically the responsibility of the local stations rather than that of the program producer. The balance of programming provided to local stations by third parties

includes movies, sports, religious programming and paid programming or "infomercials."

6. Local stations do not control the selection of any of the creative elements contained in the third-party-produced programming or commercial announcements they broadcast. This includes the music used in the programming. Further, local stations typically are contractually prohibited from altering or removing the music or other elements selected by the original producer and embedded in third-party programming.

7. While one would expect that producers of syndicated programming would obtain all rights necessary for the broadcast of a particular program to enable them to market the program to local stations without legal encumbrances, in practice there is one glaring exception. When local stations license syndicated programming, the producers/syndicators of such programming contractually convey *all* copyright and other rights needed for broadcast *except* for the music performance rights. The contracts involved uniquely shift the obligation for securing these music rights to the local stations themselves.

8. The result of this longstanding industry practice is that composers and music publishers are insulated from competition over the value of the music performance rights embedded in syndicated programming since the producers who select the music do not bargain to obtain such rights, and the entities remitted to doing so – the local stations – lack any bargaining power as to them insofar as the music is already irrevocably embedded in the syndicated programming they have

acquired, and securing licenses is a necessity for the stations to legally broadcast programming for which they often have invested millions of dollars to obtain.

9. As a practical matter, it is not commercially feasible for local stations to obtain the necessary performance rights from producers (so-called "source licensing"). In fact, representatives of Class Members have made good-faith commercial efforts to enter into source licensing arrangements with major syndicators and producers and have been completely rebuffed.

B. PERFORMING RIGHTS ORGANIZATIONS FURTHER ELIMINATE COMPETITION BETWEEN COMPOSERS FOR MUSIC PERFORMANCE RIGHTS

10. Music performance rights for virtually all of the music broadcast by local stations are offered through licenses from three United States performing rights organizations ("PROs"): the American Society of Composers, Authors and Publishers ("ASCAP"); Broadcast Music, Inc. ("BMI"); and, SESAC.

11. PROs are licensing entities that aggregate vast numbers of copyrights from numerous different composers and music publishers and offer licenses to users, such as local television stations, affording access to the entire repertories so amassed. The repertories of the three PROs are exclusive of one another but, collectively, represent virtually every copyrighted musical composition in the United States and its territories.

12. PROs' "all-or-nothing" blanket licensing practices, which systematically eliminate competition between copyright owners to have their compositions included in broadcast programming, exacerbate their anticompetitive potential. All-or-nothing blanket licenses charge the user a pre-determined fee for access to a PRO's entire repertory of music, which neither is tied to, nor varies with,

actual music demand or usage. The fee paid will be the same – regardless of whether a station uses one composition from the repertory once or 1000 compositions every day.

13. Because the PRO repertories are exclusive of one another, the ASCAP, BMI and SESAC repertories are not substitutes for one another, and local stations, as a practical matter, must acquire licenses from *each* of these licensing organizations.

14. For a number of reasons, it is virtually impossible for a local station to scrub its entire schedule of programming of music contained in the repertories of any of the three PROs. First, as noted, much of the music broadcast by local stations has been pre-selected by third parties and is irrevocably embedded in genres of programming that are fundamental to viable broadcast operations. This includes music in commercial announcements, the chief source of revenue for local stations. In addition, for many programs, the music content of individual episodes is not available to local stations at the time of acquisition or even at the time of broadcast.

15. Second, even when the opportunity to control the music in a given production may present itself, it is not always clear in which PRO's repertory the music resides. A significant amount of music that cannot accurately be attributed to any given PRO in a timely fashion (or even at all) is contained in local station programming and commercial announcements.

16. Third, many popular programs include compositions from all three PROs. A single episode of the syndicated drama *House*, for instance, can have forty or more embedded musical compositions, including compositions from each of the three PROs. This single episode could not be lawfully broadcast without a license

for each composition – effectively requiring licenses from all three PROs. With respect to such programs, licenses from the three PROs are complements rather than substitutes.

17. Without licenses that cover each musical composition, Plaintiffs and other Class Members could not lawfully carry on their broadcast operations. To act otherwise would risk incurring potentially severe copyright infringement liability. Given the stations' significant investments in syndicated and network programming (that they may be contractually obligated to broadcast), and the necessity to broadcast commercials, the hold-up potential of the current music license system is apparent.

C. ANTITRUST CONSENT DECREES CONSTRAIN THE UNLAWFUL EXERCISE OF ASCAP'S AND BMI'S MARKET POWER

18. The history of the relationship between local stations and the PROs has been one of continued attempts to limit the anticompetitive effects of the respective PROs' monopoly power over their repertories. In the early years of their existence, ASCAP and BMI secured exclusive authority to license public performance rights from their respective rightsholders and packaged them into all-or-nothing blanket licenses, affording users access to all of the compositions in their respective repertories. Licensees could not select, and pay for, individual compositions; nor could they obtain public performance licenses directly from any composers or music publishers affiliated with ASCAP or BMI. A music user's inability or unwillingness to agree to the fees demanded by ASCAP or BMI required the user either to forego use of the music or to face the prospect of prohibitive copyright infringement litigation and potentially staggering statutory damage awards.

19. The United States Department of Justice long ago recognized the potential for anticompetitive abuse of the collective licensing authority amassed by PROs, and filed civil and criminal antitrust lawsuits against ASCAP and a civil antitrust lawsuit against BMI. As a result of these challenges, certain of the more salient competitive abuses characterizing those PROs' licensing practices have been constrained for decades by conduct-regulating consent judgments to which both ASCAP and BMI are bound (the "Consent Decrees"). To address new problems and adapt to developing technologies and other changing market conditions, the Department of Justice, with court approval, periodically has modified and updated the Consent Decrees over the past half-century.

20. The limitations imposed by the Consent Decrees on ASCAP and BMI are designed specifically to constrain the exercise of their market power resulting from: (i) the collection of vast numbers of copyrights from many different owners in one licensing entity with exclusive licensing rights; (ii) the unbridled pricing potential of the all-or-nothing blanket license; and, (iii) the unfair leverage that would stem from their ability to withhold access to all musical compositions in their repertories unless their demanded terms were met.

21. The Consent Decrees and their subsequent judicial interpretations ameliorate the anticompetitive effects of ASCAP's and BMI's market power by, among other means, mandating that those PROs:

(i) refrain from obtaining exclusive licenses from their rightsholders that would prevent music users (or those supplying programming to them) from

acquiring music performance rights on an individualized and competitive basis in direct dealings with ASCAP's and BMI's composers and music publishers;

(ii) offer broadcast licensees, such as Plaintiffs and other Class Members, economically viable alternatives to the all-or-nothing blanket license (including, but not limited to, so-called "per program" licenses discussed further in ¶ 26) to facilitate and foster competitive licensing of music performance rights;

(iii) refrain from withholding access to their repertories in the event of a fee negotiation impasse, thereby eliminating the ability of these PROs to extract supracompetitive license fees by threatening to withhold the licenses local stations need to operate their businesses; and

(iv) offer licenses to all users requesting them at rates subject to judicial review for their reasonableness, with ASCAP and BMI bearing the burden of proof in any such court proceeding.

D. SESAC's Anticompetitive Actions Include Exactly the Type of Conduct Prohibited by the Consent Decrees and Result in the Very Anticompetitive Effects That the Consent Decrees Were Designed to Prevent

22. Unlike ASCAP and BMI, SESAC is not subject to a consent decree or any similar limitation on its ability to exercise its market power. SESAC flaunts its freedom from the competitive safeguards afforded by the Consent Decrees and has clearly demonstrated its intention to take full advantage of its monopoly power by engaging in many of the very same practices that ASCAP and BMI were barred from continuing and the Consent Decrees were designed to prevent. Indeed, these anticompetitive practices are the wellspring of SESAC's recent commercial success – measured not only in terms of the number and prominence of rightsholders it has been

able to induce to defect to SESAC from ASCAP and BMI, but also in the ever-more-exorbitant license fees it has collected from local stations.

23. SESAC's practices are not necessary to create a market and offer no procompetitive effects. To the contrary, its practices are no less naked restraints of trade than were those of ASCAP and BMI prior to their regulation by the Consent Decrees. In fact, in several critical ways, SESAC's conduct is even more pernicious than the pre-Consent Decrees conduct of ASCAP and BMI.

24. First, a key weapon in SESAC's anticompetitive arsenal is its refusal to offer local stations economically viable alternatives to its all-or-nothing blanket license. SESAC's blanket license requires payment of pre-determined fees unrelated to actual usage, let alone any demonstrable value, of compositions in the SESAC repertory. The rigid and unvarying pricing structure of such a license not only forces local stations to pay for music they do not want or use, it discourages them from seeking alternative sources of music performing rights (or from asking their program suppliers to acquire such rights on their behalf). Even if such direct negotiations were successful, the result simply would be that local stations themselves (or in combination with their program suppliers) would pay twice for the same rights, as the fee format of SESAC's all-or-nothing blanket license affords *no* fee credit for those musical compositions already otherwise licensed in separate transactions with the copyright owner.

25. Second, unlike ASCAP and BMI, SESAC is not required to offer any economically viable alternative to its blanket license. Indeed, it does not do so. Both ASCAP and BMI offer a per program license. Like the blanket license, the per

program license enables the licensee to perform any and all compositions in the PRO's repertory, and to do so as many times as desired, for the entirety of the broadcast day. The per program fee level, however, is based only on those programs broadcast during the license period containing otherwise unlicensed repertory music. Thus, the per program licenses offered by ASCAP and BMI enable local stations to reduce their license fees by (i) reducing or eliminating the number of programs that contain unlicensed performances of the PRO's music and/or (ii) acquiring the license rights needed for particular locally produced programs directly from the copyright owner.

26. As discussed further below, while SESAC purports to offer a per program license alternative to its blanket license, the terms are so egregious that the offer is made in name only. Indeed, virtually every local station in the United States currently takes SESAC's blanket license, including many that previously took a per program license from SESAC when, for a brief period, independent arbitrators adjudicated its terms.

27. Given this fee structure, it is unsurprising that SESAC has been able to raise the price for its blanket license to Plaintiffs and other Class Members – even when their overall consumption of SESAC-licensed music has decreased. Such a result flies in the face of basic economic principles of supply and demand and is further evidence of SESAC exercising its market power.

28. Third, SESAC has enhanced the competition-foreclosing power of its blanket license by serving, *de facto* or *de jure*, as the exclusive licensing agent for its Rightsholders for many compositions in its repertory. SESAC has imposed a variety of terms in contracts with SESAC Rightsholders designed to limit the utility and

availability of direct licensing as a competitive alternative to SESAC's blanket license. For instance, SESAC Rightsholders have been required to first refer any direct licensing request to SESAC, to limit any direct license to 12 months duration, and to charge a rate equal to or greater than SESAC's equivalent rate. SESAC has sought to further discourage direct licensing by imposing contract conditions that reduce the SESAC Rightsholder's income as a consequence of direct licensing, including by amounts equivalent to SESAC's standard licensing rate. These conditions have effectively allowed SESAC to significantly foreclose the option of direct licensing by ensuring that any direct licenses can be offered on terms no more favorable than the terms offered by SESAC.

29. Fourth, unconstrained by any requirement that it issue music users licenses promptly upon request and at "reasonable" fees subject to judicial review, SESAC has threatened to withhold access to its entire repertory as a means to extract supracompetitive fees from local stations. This has had the desired effect (for SESAC) of forcing local stations to sign onto SESAC's blanket license at the price levels demanded by SESAC.

30. Fifth, unlike ASCAP and BMI, membership in SESAC is by invitation only. Recognizing that local stations have invested in and are "locked into" music selected by third parties, SESAC has strategically raided ASCAP and BMI to entice (through the prospect of supracompetitive returns) composers whose compositions either: (i) are embedded in established syndicated and unlicensed network programming to which Plaintiffs have made substantial and irreversible economic commitments; (ii) are widely incorporated in Plaintiffs' locally produced programs; or

(iii) are included in enough commercials that, collectively, would be essentially impossible for Plaintiffs to avoid. For instance, SESAC has contracted with composers whose compositions are included in leading first-run syndicated talk shows (*e.g.*, *The Ellen DeGeneres Show*, *Dr. Phil*, *Dr. Oz*), magazine programs (*e.g.*, *Entertainment Tonight*), game shows (*e.g.*, *Wheel of Fortune* and *Jeopardy*), as well as off-network syndicated programming (*e.g.*, *Seinfeld*, *Two and a Half Men*, *Will & Grace*). Local stations spend tens of millions of dollars to obtain such programming. This investment will be lost if they are unable to obtain performance rights from SESAC.

31. SESAC also has supplemented its core membership with numerous other, less prominent composers and publishers whose compositions occasionally appear in other programs or in commercials. SESAC, thus, has prevented a local station from eliminating its need for a SESAC license in the rare circumstance when the station does not broadcast any programs that regularly contain compositions in the SESAC Repertory.

32. Sixth, SESAC furthers its unlawful practices by unfairly refusing to disclose accurately the full contents of its repertory. Thus, local stations have no practical way to avoid using SESAC music: even when they know a program's music content before they commit to broadcasting it, they cannot reasonably ascertain with sufficient confidence which compositions are within the SESAC repertory. In short, to operate their businesses, Plaintiffs are *compelled* to deal with SESAC – and can do so only on SESAC's terms.

33. Finally, the coordinated conduct of SESAC and SESAC Rightsholders is a critical component in the success of SESAC's anticompetitive

scheme. Even were a station potentially able to "program around" any given individual rightsholder demanding supracompetitive fees, and even were a station able to manage the risk of accidentally infringing the composition of a single composer or music publisher, SESAC's aggregation of compositions from hundreds of different sources into a single repertory – the contents of which are not accurately and completely disclosed – presents a commercially unmanageable risk of inadvertent infringement for local stations.

E. SESAC'S SCHEME TO RESTRAIN TRADE AND ELIMINATE PRICE COMPETITION IN THE LICENSING OF MUSIC PERFORMANCE RIGHTS HAS HAD ACTUAL INJURIOUS EFFECTS

34. SESAC exploits its market power by extracting supracompetitive license fees from Plaintiffs and other Class Members. These fees not only are greatly in excess of what its individual SESAC Rightsholders could obtain if they had to compete with each other to get their music included in television programs in the first place, but also are inflated above what local stations (or their program suppliers) would pay if they could negotiate directly with SESAC Rightsholders for the specific music they actually need and use – or even what they pay for similar uses to BMI or ASCAP. Indeed, it is the expectation of receiving these supracompetitive fees that attracts composers and music publishers to accept SESAC's invitation to leave ASCAP and BMI (and the Consent Decrees' restrictions on their conduct) to join the SESAC Cartel.

35. The capitulation of all or nearly all local stations to SESAC's egregious and inflexible licensing fee demands underscores SESAC's market power. While SESAC's repertory is significantly smaller than that of ASCAP or BMI, the rights to musical compositions licensed by SESAC are not available from ASCAP or BMI. SESAC's strategic acquisitions of key television composers and compositions,

its effective refusal to offer anything other than all-or-nothing licenses, its hide-the-ball tactics regarding the contents of its repertory, and its ability to withhold its repertory from local stations have enabled SESAC to secure from Plaintiffs and other Class Members licenses on anticompetitive terms and at supracompetitive fees that are unlawful.

36. SESAC previously had been willing to negotiate fees on an industry-wide basis with the Television Music License Committee ("TMLC"), an industry association that negotiates with ASCAP and BMI on behalf of local television broadcasters and recommends to local television stations the licenses it successfully negotiates. On two prior occasions, when SESAC and the TMLC were unable to reach agreement, SESAC agreed to empower independent arbitrators to set the fees for the local television industry. SESAC now, however, makes its fee demands directly on Plaintiffs and other Class Members on what amounts to a take-it-or-leave-it basis.

37. In the months preceding the expiration of the January 1, 2005 – December 31, 2007 license period, the fees and terms of which were set by arbitration, the TMLC attempted to negotiate the terms of a new industry-wide license with SESAC that it could recommend to local television stations. These efforts were fruitless, and following the termination of its negotiations with the TMLC, SESAC sent to local television stations, throughout the United States and its territories, form license agreements with substantial and unjustified automatic annual increases. These automatic increases guarantee SESAC year-to-year revenue growth, regardless of changes in the use of its repertory or market conditions. When many Class Members, including Plaintiffs, objected and attempted to negotiate on price with SESAC, SESAC

refused to negotiate fees and often responded by sending letters threatening copyright infringement litigation if the stations failed to enter into agreements to pay the fees demanded.

38. SESAC typically declined to provide "interim" licensing (necessary for the station to avoid the risk of copyright infringement), except on a short-term basis. Even these interim licenses typically required advance payment of what amounted to the full supracompetitive blanket license fee demanded.

39. SESAC's imposition of supracompetitive rates often was accompanied by intimidation tactics designed to leverage the commercial necessity of its repertory. For example, during so-called "negotiations," SESAC often would ignore station owners' communications and delay confirmation of extensions of interim licenses until only days before the expiration of existing agreements. Such tactics heightened the pressure on local stations to accept SESAC's demands or face a commercially unreasonable risk of prohibitive infringement litigation.

40. SESAC also has refused to offer local stations an economically viable per program license or any other viable alternative to its all-or-nothing blanket license. Between April 1, 2005 and December 31, 2007, SESAC offered stations a per program license. Pursuant to an agreement between SESAC and the TMLC, the terms of the license were set by an independent panel of arbitrators following a lengthy arbitration proceeding. More than 250 local stations chose to operate under this alternative per program license, including local stations owned by Plaintiffs, to better control the fees owed to SESAC.

41. Following the expiration of the 2005-2007 license period (and the arbitrators' temporary authority to set fees and terms), SESAC changed the terms of the per program license it purported to offer. These changes effectively eliminated local stations' ability to reduce the license fees owed to SESAC by decreasing their use of SESAC music or obtaining at least some of the rights to perform affiliated compositions in direct license transactions.

42. Per program license fees are determined, in large part, on the basis of which programs actually contain otherwise unlicensed performances of the PRO's music. The music embedded in a program is determined by reference to a list of the music cues contained in the program ("cue sheet") prepared by the program producer. For programming produced by third parties, local stations do not always have access to cue sheets and per program fees are determined with reference to cue sheet information maintained by the PRO. In some instances, neither the PRO nor the station has access to a cue sheet. For example, there are no cue sheets for commercials. Thus, per program licenses typically contain a default assumption about the music content of programs in the absence of a cue sheet.

43. For the per program license offered by SESAC between 2005 and 2007, the panel of arbitrators set a default presumption that, except for a set list of programs recognized as regularly containing SESAC music, only five percent of third-party produced programming for which neither SESAC nor the station had a cue sheet would be deemed to contain SESAC music. Following the expiration of the arbitrators' authority to set the terms of the SESAC per program license, SESAC increased this default presumption *tenfold* – to fifty percent – way beyond any reasonable expectation

based on SESAC's share of compositions. Given the number of programs for which neither local stations nor SESAC have cue sheets, this change resulted in a significant spike in fees that eradicated the opportunity that stations had to reduce their fees by operating under a per program, rather than a blanket, license – regardless of the steps they took to clear rights to music they could identify as part of the SESAC repertory.

44. Further, local stations have no effective means to dispute whether a program contained SESAC music – leaving SESAC as the ultimate arbiter of what fees the per program license would generate.

45. The combination of these and other revisions resulted in a SESAC per program license that made it nearly impossible for local stations to lower their fees due to SESAC under its blanket license, even when they reduced the level of SESAC music they used or were able to license some of the music directly. While hundreds of stations, including some of the stations owned by Plaintiffs, currently operate under the ASCAP and BMI per program licenses, which must be offered under the Consent Decrees, very few stations (if any) currently use the SESAC per program license, given its economically unreasonable terms.

46. For example, seven of Plaintiff Meredith Corporation's ("Meredith") twelve stations took a per program license from SESAC during the 2005-2007 license period. Following the expiration of that regulated period, Meredith attempted to negotiate a viable per program license with SESAC. Such a license would have been particularly useful for Meredith, as many of its stations reduced the amount of SESAC music they were using (mostly by reducing the amount of SESAC music used in local programming). SESAC, nevertheless, refused to offer a viable per

program license. Indeed, Meredith's station KPHO was unable to save money under SESAC's revised per program offer – even though it was able to identify only *one* program with attributable SESAC music. Ultimately, Meredith was forced to capitulate to SESAC's demands and purchase a blanket license for all its stations, including the seven stations that took a per program license from SESAC during the 2005-2007 license period.

47. Similarly, half of the local stations owned and operated by Plaintiff The E. W. Scripps Company and its subsidiaries (collectively, "Scripps") took a per program license from SESAC during the arbitration-regulated period. Attempts to convince SESAC to continue to offer its stations a viable per program alternative failed. Like Meredith's stations, Scripps' stations also reduced the amount of local programming using SESAC music but, nevertheless, were unable to lower their SESAC fees under the per program license terms dictated by SESAC. Thus, Scripps, like Meredith, ultimately was forced to capitulate to SESAC's demands and purchase a blanket license for all of its stations.

48. SESAC has not limited its exercise of monopoly power to the primary broadcast signal transmitted by television stations. Instead, the SESAC Cartel is extending its reach into new technologies, such as station websites and digital multicasting, imposing supracompetitive pricing that bears little or no relationship to the overall use or value of SESAC-licensed music in the relevant context.

49. There are no procompetitive justifications for SESAC's conduct. SESAC's blanket licenses do not contribute to, nor are they necessary for, the creation of a market for the licensing of music performance rights. Indeed, SESAC provides *no*

services or transactional efficiencies that cannot be provided by ASCAP or BMI, whose Consent Decrees and consequent judicial supervision specifically ameliorate the otherwise anticompetitive effects flowing from the collective nature of PRO activities. SESAC has neither increased the quantity or quality of music available to users and consumers, nor created any net efficiencies from which consumers may benefit.

50. Defendants' violations of the antitrust laws have caused and continue to cause injury to competition for music performance licenses to Plaintiffs, the other Class Members, and to the public generally. The public ultimately pays the price for SESAC's anticompetitive behavior. Plaintiffs and the other Class Members are forced to pay supracompetitive fees to SESAC with resources that otherwise could be devoted to improving the quality of the programming they offer, expanding the range of their programming, or developing the innovative new channels for programming delivery increasingly demanded by consumers.

III. JURISDICTION AND VENUE

51. This action arises under Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2 and Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26, to enjoin Defendants' violations of the antitrust laws, which have caused and continue to cause injury to competition and consumers.

52. Defendants' acts, as described herein, affect interstate commerce in the licensing of non-dramatic performance rights in copyrighted musical compositions across the United States.

53. This Court has subject matter jurisdiction over the federal antitrust law claims alleged herein under 15 U.S.C. §§ 15 and 26 and 28 U.S.C. §§ 1331, 1337, 2201 and 2202.

54. Venue is proper before this Court under the provisions of 15 U.S.C. § 22 and 28 U.S.C. § 1391 because Defendants have resided in, transacted business in, or were found in this District, and because a substantial part of the events giving rise to the violations alleged occurred in this District, and a substantial portion of the affected interstate trade and commerce described in this Complaint, has been carried out in this District.

55. This Court has personal jurisdiction over Defendants because, *inter alia*, Defendants: (i) have transacted business throughout the United States, including in this District; (ii) have substantial contacts within the United States, including in this District; and/or (iii) were engaged in an illegal antitrust conspiracy that was directed at and had the intended effect of causing injury to persons residing in, located in, or doing business throughout the United States, including in this District.

IV. PARTIES

A. Plaintiffs

56. Meredith is a corporation organized and existing under the laws of the State of Iowa, with its principal place of business located in Des Moines, Iowa. Meredith is engaged, *inter alia*, in the operation of local commercial television stations, which broadcast network, syndicated, and locally-produced television programming, as well as commercials and public service announcements to television viewers in Arizona, Connecticut, Georgia, Kansas, Michigan, Missouri, Nevada, South Carolina,

Tennessee, Oregon and Washington. Meredith has been licensed by SESAC to publicly perform musical compositions and, at least for the period commencing January 1, 2008, has paid more for the licensed rights than it would have in the absence of SESAC's antitrust violations.

57. The E.W. Scripps Company ("E.W. Scripps") is a corporation organized and existing under the laws of the State of Ohio, with its principal place of business located in Cincinnati, Ohio. Plaintiffs Scripps Media, Inc. ("Scripps Media"), a directly wholly-owned subsidiary of E.W. Scripps, is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located in Cincinnati, Ohio. E. W. Scripps and Scripps Media are engaged, *inter alia*, in the operation of local commercial television stations, which broadcast network, syndicated, and locally-produced television programming, as well as commercials and public service announcements to television viewers in Arizona, Florida, Kansas, Maryland, Michigan, Missouri, Ohio, and Oklahoma. E. W. Scripps' and Scripps Media's stations have been licensed by SESAC to publicly perform musical compositions. At least for the period commencing January 1, 2008, E. W. Scripps and Scripps Media paid more for the licensed rights than they would have in the absence of SESAC's antitrust violations.

58. Gray Television Group, Inc., a subsidiary of Gray Television, Inc., is a corporation organized and existing under the laws of the State of Georgia with its principal place of business located in Atlanta, Georgia. Gray Television Group, Inc. and Gray Television, Inc. are engaged, *inter alia*, in the operation of local commercial television stations across over 30 local television markets in the United States,

broadcasting content including news and syndicated programs. On June 13, 2014, Gray Television Group, Inc. acquired Hoak Media of Dakota, LLC and Hoak Media of Nebraska, LLC, as well as the assets of Hoak Media, LLC except for the FCC license and transmission equipment of one station (collectively "Hoak"). Pursuant to the acquisition, Gray Television Group, Inc. assumed and has otherwise taken over all of those Hoak entities' contracts, including the performance rights licenses with SESAC, LLC. Those Hoak stations broadcast network, syndicated, and locally-produced television programming, as well as commercials and public service announcements to television viewers in Louisiana, Nebraska, North Dakota, and South Dakota. Those Hoak stations have been licensed by SESAC to publicly perform musical compositions and, at least for the period commencing January 1, 2008, those Hoak stations have paid more for the licensed rights than they would have in the absence of SESAC's antitrust violations.

B. Defendants

59. Defendant SESAC is a for-profit limited liability company organized and existing under the laws of the State of Delaware. According to its website, SESAC maintains its headquarters at 55 Music Square East, Nashville, Tennessee. SESAC has executive offices in New York, New York, as well as offices in Los Angeles, California, Atlanta, Georgia and Miami, Florida. SESAC also has an office in London, England.

60. SESAC is engaged in the business of licensing public performance rights in the copyrighted musical compositions of its affiliated composers and music publishers to music users in a broad array of industries. SESAC operates by: (i) obtaining rights from selected composers and publishers to license public

performances of their copyrighted compositions; (ii) issuing blanket licenses to users of its repertory and collecting license fees from them; (iii) distributing royalties to its affiliated composers and publishers; and (iv) distributing profits to its owners.

61. The true names and capacities, whether individual, corporate, or otherwise, of Defendants JOHN DOES 1 through 50, inclusive, currently are unknown to Plaintiffs, and therefore, Plaintiffs sue those Defendants by such fictitious names. The DOE Defendants are co-conspirators with SESAC and have facilitated, adhered to, participated in, and/or communicated with others regarding the antitrust conspiracy alleged herein. The DOE Defendants include, among others, composers and music publishers whose identities are unknown at the present time because SESAC has refused to disclose the entirety of its current repertory. Plaintiffs may seek leave to insert the names and capacities of these fictitiously named Defendants together with charging allegations, when obtained, if not already set forth herein.

V. RELEVANT MARKET, MARKET SHARE AND MARKET POWER

62. As described above, local stations are locked into broadcasting programming for which they must obtain performance rights for embedded music. Licenses from neither ASCAP nor BMI would provide such rights and as such, neither PRO is a substitute for SESAC. Further, it is virtually impossible for local stations to obtain through either direct or source licensing the necessary rights for the entirety of a local station's broadcast schedule. Only in conjunction with a viable per program license, which SESAC has altered (and can even eliminate) at its whim, would direct or source licensing of part of a broadcast schedule be potential substitutes. And, as

explained above, SESAC has transformed its per program license into an illusory "option" that really is no option at all.

63. SESAC's targeted solicitation of composers has resulted in its repertory of compositions being common in television programming and commercials. For this and the other reasons enumerated above, local stations simply cannot avoid SESAC music. As a result, every or nearly every local television station in the country has succumbed to SESAC's market power and paid for its supracompetitively priced blanket license.

64. Therefore, the relevant antitrust product market in this case is the performance rights to the copyrighted material in the SESAC repertory, which repertory changes throughout the Class Period ("SESAC Repertory Performance Rights Market"). Because SESAC's anticompetitive practices have effectively eliminated direct and source licensing as potential alternatives, SESAC's share of the SESAC Repertory Performance Rights Market essentially is 100 percent. If SESAC were to increase license fees in a significant and non-transitory fashion – which it has done – local stations, such as Plaintiffs, would nevertheless be forced to accept the price demanded by SESAC – which they have. This is testimony to the monopoly power created, exercised, and abused by the SESAC Cartel, a power achieved not by business acumen, objective historical circumstances, or superior products, but instead by the unlawful practices described herein.

65. The relevant geographic market is the United States and its territories.

VI. ANTICOMPETITIVE EFFECTS OF DEFENDANTS' PRACTICES

66. The purpose and effect of Defendants' conduct is to provide the SESAC Cartel with the market power to force Class Members, including Plaintiffs, to accede to SESAC's demands and pay its supracompetitive fees. Unlike the case with the remaining PROs, there is: (i) no judicially mandated right of access to SESAC's repertory; (ii) no mechanism available for enforcement of judicially determined "reasonable" rates for SESAC-licensed music; (iii) no economically feasible alternative license to facilitate the direct or source licensing of individual SESAC compositions; and (iv) no limitation on SESAC's securing exclusive license arrangements with its members.

67. SESAC Cartel members reap the rewards of these unlawful arrangements by sharing in SESAC's monopoly rents – or the proceeds of the supracompetitive blanket license fees SESAC extracts from Class Members. SESAC Rightsholders are rewarded by supracompetitive royalties, and SESAC's owners are rewarded by supracompetitive profits (SESAC is the only for-profit PRO). Accordingly, SESAC Cartel members are remunerated based not on the value of any individual composition, nor on the prices that their individual compositions would command in a competitive marketplace, nor even on the prices that their compositions would command under the restrictions imposed on ASCAP and BMI. Instead, their compensation is all that can be obtained by SESAC's unlawful licensing system – unfettered by the "restrictions" of competition.

VII. CLASS ACTION ALLEGATIONS

68. Plaintiffs bring this action against Defendants under Rule 23(a), (b)(2) and (b)(3) on behalf of all members of the following Class (collectively, the "Class"):

> All owners of full-power local commercial television stations in the United States and its territories (including Puerto Rico) that obtained licenses for music performing rights from SESAC during the period from January 1, 2008 to date (the "Class Period"), including those owned and operated by the ABC and CBS television networks or NBCUniversal Media, LLC, but excluding local television stations that are owned and operated by the Univision and Telefutura (now known as UniMas) networks.

69. Plaintiffs believe there are more than 250 owners of local commercial television stations in the Class. Collectively, members of the Class own well over 1000 local television stations. Members of the Class are sufficiently numerous and geographically dispersed throughout the United States that joinder of all such members is impracticable.

70. Questions of law and fact common to the Class are:

(a) Whether Defendants engaged in an unlawful contract, combination or conspiracy to fix, raise, maintain or stabilize prices;

(b) The identity of participants in the alleged unlawful contract, combination or conspiracy;

(c) Whether the alleged unlawful contract, combination, or conspiracy violated Section 1 of the Sherman Act;

(d) The duration of the unlawful contract, combination, or conspiracy alleged in this Complaint and the nature and character of the

acts performed by Defendants in furtherance of the unlawful contract, combination, or conspiracy;

(e) Whether Defendants' monopolistic practices violated Section 2 of the Sherman Act;

(f) Whether Defendants' conduct amounts to copyright misuse;

(g) Whether the conduct of the Defendants, as alleged in this Complaint, caused injury to the business or property of Plaintiffs and other members of the Class;

(h) Whether Plaintiffs and other members of the Class are entitled to an injunction to enjoin the unlawful conduct of the Defendants, as alleged in this Complaint;

(i) The effect of the alleged unlawful contract, combination, conspiracy, or monopolistic practices on prices for music licenses Defendants sold to members of the Class during the Class Period; and

(j) The appropriate measure of damages sustained.

71. The questions of law and fact common to the members of the Class predominate over any questions affecting only individual members, including legal and factual issues relating to liability, damages and injunctive relief.

72. By engaging in the unlawful conduct and practices alleged in the Complaint, Defendants have acted on grounds that apply generally to Plaintiffs and all members of the Class. Final injunctive relief or corresponding declaratory relief, therefore, is appropriate respecting the Class as a whole.

73. Plaintiffs' claims are typical of the claims of all members of the Class and Plaintiffs will fairly and adequately protect the interests of the Class. Plaintiffs, local stations and direct licensees of music performing rights from SESAC have been injured by the same unlawful and anticompetitive conduct alleged in the Complaint. Plaintiffs' interests are consistent with, and not antagonistic to, those of the other members of the Class.

74. Plaintiffs are represented by counsel who are competent and experienced in the prosecution of antitrust and class action litigation.

75. A class action is superior to other methods for the fair and efficient adjudication of this controversy. Treatment as a class action will permit a large number of similarly situated local television stations to adjudicate their common claims in a single forum simultaneously, effectively, and without the duplication of effort and expense that numerous individual actions would engender. Class treatment will also permit the adjudication of relatively small claims by many members of the Class that otherwise could not afford to litigate antitrust claims such as are asserted in this Complaint. This class action presents no difficulties in management that would preclude maintenance as a class action.

76. The Class is readily definable and is one for which records likely exist in SESAC's files.

VIII. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF (AGAINST ALL DEFENDANTS): UNLAWFUL AGREEMENT IN RESTRAINT OF TRADE (SHERMAN ACT, SECTION 1, 15 U.S.C. § 1)

77. Plaintiffs incorporate and reallege each and every allegation set forth in Paragraphs 1 through 76 as though repeated and realleged here in full.

78. SESAC, its affiliated composers, authors and music publishers, including the DOE Defendants, have continuously engaged in an unlawful contract, combination or conspiracy to unreasonably restrain interstate trade and commerce in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

79. The contract, combination or conspiracy has consisted of continuing agreements to fix, peg, raise, stabilize, effect and tamper with market prices for licenses for copyrighted musical compositions in the SESAC Repertory Performance Rights Market in violation of Section 1 of the Sherman Act.

80. The aforesaid Sherman Act Section 1 violations have had the following anticompetitive effects in the SESAC Repertory Performance Rights Market:

(a) Price competition between and among SESAC Rightsholders in the licensing of performance rights in copyrighted musical competitions has been eliminated or suppressed;

(b) Anticompetitive price structures for music performance rights have been established and maintained;

(c) Plaintiffs and members of the Class have been deprived of the benefits of free competition in the determination of prices, royalty rates and fees;

(d) Plaintiffs and members of the Class have been effectively denied an opportunity to license one or more SESAC compositions on any viable basis other than through a blanket license covering all the copyrighted musical compositions in SESAC's repertory;

(e) Plaintiffs and members of the Class have been effectively denied an opportunity to license one or more SESAC compositions on any basis other than one requiring them to forego free choice in licensing performance rights in copyrighted musical compositions of SESAC's affiliated composers, authors and music publishers, and compelling them to accept and pay for performance rights they neither use nor want in order to obtain the rights they actually need;

(f) Plaintiffs and members of the Class effectively have been denied an opportunity to license one or more SESAC compositions on any basis other than that requiring supracompetitive and arbitrarily determined fees bearing no relation to actual usage;

(g) Plaintiffs and members of the Class have been forced to pay excessive license royalties they otherwise would not have paid in the absence of Defendants' anticompetitive conduct;

(h) Actual and potential competition in licensing public performance rights in the compositions of SESAC's affiliated composers, authors and music publishers has been adversely affected, excluded and prevented; and

(i) Competition in the form of alternatives to the SESAC blanket license has been adversely affected, excluded and prevented.

81. Defendants' foregoing actions constitute *per se* unlawful price-fixing agreements. Alternatively, Defendants' foregoing actions constitute unreasonable restraints of trade.

82. Defendants threaten to, and will, continue the aforesaid violations of Section 1 of the Sherman Act, causing injury and damage to competition, unless the injunctive relief sought herein is granted.

SECOND CLAIM FOR RELIEF (AGAINST SESAC ONLY): MONOPOLIZATION (SESAC REPERTORY PERFORMANCE RIGHTS MARKET) (SHERMAN ACT, SECTION 2, 15 U.S.C. § 2)

83. Plaintiffs incorporate and reallege each and every allegation set forth in Paragraphs 1 through 82 as though repeated and realleged here in full.

84. SESAC has unlawfully obtained and maintained power over the price of the license fees and the power to exclude license competition in the SESAC Repertory Performance Rights Market.

85. SESAC has exercised monopoly power over Plaintiffs and members of the Class that have had no choice other than to take blanket licenses from SESAC on terms dictated by SESAC and distorted by the unlawful activities alleged herein.

86. SESAC has willfully maintained monopoly power in the SESAC Repertory Performance Rights Market through overt exclusionary acts, such as: (i) preventing select SESAC-affiliated composers from entering into direct license agreements with music users; (ii) tying together all musical compositions, including

both unwanted and desired compositions and both feature and non-feature music, into an all-or-nothing blanket license; (iii) refusing to offer Plaintiffs and members of the Class a viable alternative form of license to its all-or-nothing blanket license; (iv) refusing to offer users fair and reasonable interim licenses pending resolution of negotiations; and (v) refusing to negotiate in good faith, which have restrained and impeded the growth of its existing or potential competitors and competitive licensing arrangements. This conduct has violated and continues to violate Section 2 of the Sherman Act, 15 U.S.C. § 2.

87. Such violations and the effects thereof are continuing and will continue unless the injunctive relief sought herein is granted.

THIRD CLAIM FOR RELIEF (AGAINST ALL DEFENDANTS): CONSPIRACY TO MONOPOLIZE (SHERMAN ACT, SECTION 2, 15 U.S.C. § 2)

88. Plaintiffs incorporate and reallege each and every allegation set forth in Paragraphs 1 through 87 as though repeated and realleged here in full.

89. SESAC possesses monopoly power in the SESAC Repertory Performance Rights Market.

90. Unlike ASCAP and BMI, SESAC only permits composers, authors and music publishers to become SESAC members by invitation. In this way, SESAC is able to control the composition of its membership, limiting it to those composers, authors and music publishers that maximize its leverage over SESAC customers.

91. In selecting potential members, SESAC has actively courted composers, authors and music publishers known to have content embedded in popular television content.

92. SESAC has induced these composers, authors and music publishers to join SESAC by promising increased revenues, incentives, revenue guarantees, and upfront payments, over and above those offered by ASCAP and BMI. SESAC's ability to offer such inducements is predicated on its ability to charge license fees at unreasonable and supracompetitive rates.

93. SESAC's ability to charge supracompetitive prices, unconstrained by any consent decree, is notorious among rightsholders, as is SESAC's willingness to pass along some of its supracompetitive gains to its members in the form of increased license payments. As a practical matter, SESAC is known to allow its members to obtain effective royalty rates for their works over and above those available from the judicially-supervised PROs. SESAC members join SESAC knowing of, and intending to profit from, the anticompetitive practices of the SESAC Cartel.

94. SESAC Rightsholders have contributed to the SESAC Cartel by, among other things, agreeing not to offer direct licenses to their copyrighted works at rates below those offered by SESAC, and by agreeing to accept lower royalties from SESAC as a penalty for offering direct licenses.

95. Defendants have a specific intent to monopolize the SESAC Repertory Performance Rights Market, in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2.

96. SESAC, its affiliated composers, authors and music publishers, including the DOE Defendants, have conspired to monopolize the SESAC Repertory Performance Rights Market. By virtue of the exclusionary and anticompetitive actions of Defendants, as well as their agents and co-conspirators, Defendants have engaged in anticompetitive conduct that has furthered their conspiracy to monopolize the SESAC Repertory Performance Rights Market.

97. Such violations and the effects thereof are continuing and will continue unless the injunctive relief sought herein is granted.

IX. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and the members of the Class, pray for relief as follows:

A. The Court determine that this action may be maintained as a class action under Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure;

B. The Court adjudge and decree that:

1. Defendants have contracted, combined and conspired to restrain interstate trade and commerce in the SESAC Repertory Performance Rights Market in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1;

2. Defendant SESAC has acquired, willfully maintained, and abused monopoly power through exclusionary acts, in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, in the SESAC Repertory Performance Rights Market;

3. Defendants have conspired for SESAC to acquire, willfully maintain, and abuse monopoly power through exclusionary acts, in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, in the SESAC Repertory Performance Rights Market;

4. By violating the antitrust laws as alleged herein, Defendants and all other members of the SESAC Cartel have misused the copyrights licensed by SESAC for anticompetitive and unlawful purposes, the adverse effects of such misuse are continuing, and such copyrights should be declared unenforceable until such time as adequate relief is entered to remedy the violations alleged, and the effects of the violations are dissipated;

5. Defendants and all other members of the SESAC Cartel, successors, assigns, parents, subsidiaries, affiliates and transferees, and their respective officers, directors, agents and employees, and all other persons acting or claiming to act on behalf of Defendants and the other members of the SESAC Cartel, or in concert with them, be permanently enjoined and restrained from, directly or indirectly continuing to impose the unlawful price-fixing agreements and other unlawful conduct detailed in this Complaint, and from engaging in any other combination, conspiracy, contract, agreement, understanding or concert of action having a similar purpose or effect and from adopting or following any practice, plan, program or device having a similar purpose or effect;

6. Defendants and all other members of the SESAC Cartel, successors, assigns, parents, subsidiaries, affiliates and transferees, and their respective officers, directors, agents and employees, and all other persons acting or claiming to act on behalf of Defendants and the other members of the SESAC Cartel, or in concert with them, be permanently enjoined and restrained from instituting, or threatening to institute, copyright infringement actions directed against the use by Plaintiffs, and members of the Class, of copyrighted musical compositions licensed by SESAC, until the effects of the anticompetitive conduct described herein have been dissipated.

C. The Court order Defendants to pay Plaintiffs and the Class three-fold the amount of damages the Court determines that each has sustained by reason of the violations of the Sherman Act herein described;

D. The Court award Plaintiffs the costs and disbursements of this action, including attorneys' fees, and pre-judgment and post-judgment interest as permitted by law;

E. The Court grant such other relief as may be necessary or appropriate to dissipate fully the effects of Defendants' unlawful activities as alleged herein, and to permit and restore free and open competitive conditions in the marketplace; and

F. The Court grant such other and further relief as may be necessary and appropriate.

Dated: New York, NY
October 14, 2014

Respectfully submitted,

By : [signature]

STEVEN A. REISS
R. BRUCE RICH
BENJAMIN E. MARKS
ERIC S. HOCHSTADT
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

CARRIE M. ANDERSON
WEIL, GOTSHAL & MANGES LLP
1300 Eye Street, N.W.
Washington, D.C. 20005
(202) 682-7000

Counsel for Plaintiffs

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

MEREDITH CORPORATION, et al.	:	
v.	:	Case No. 09 Civ. 9177 (PAE)
SESAC, LLC, et al.	:	

[PROPOSED] PRELIMINARY APPROVAL ORDER

WHEREAS, the Court has considered the Settlement Agreement, including its Exhibits, dated October 14, 2014, among the Named Plaintiffs, third party Television Music License Committee, LLC ("TMLC"), and Defendant SESAC, LLC ("SESAC"), which sets forth the terms and conditions for a proposed class action settlement and resolution of this lawsuit;

WHEREAS, the Court has considered the Settlement Agreement, the Motion for Preliminary Approval, the Memorandum of Law filed in support thereof, and all other papers submitted in connection therewith; and

NOW, THEREFORE, IT IS HEREBY ORDERED AND DECREED as follows:

1. This Preliminary Approval Order incorporates by reference the definitions in the Settlement Agreement, and all terms that are not defined herein shall have the same meanings as set forth in the Settlement Agreement.
2. The Court has subject matter and personal jurisdiction over the Named Plaintiffs, all members of the Settlement Class provisionally certified below, SESAC, and the TMLC.
3. The Court grants leave to file the proposed Second Amended Class Action Complaint, attached as Exhibit B to the Settlement Agreement. The Second Amended Class Action Complaint shall be deemed filed as of the date of this Preliminary Approval Order.

4. The Court preliminarily approves the Settlement Agreement, including the Plan of Allocation contained therein, as within the range of a fair, reasonable, and adequate settlement within the meaning of Federal Rule of Civil Procedure 23 and applicable law, and consistent with due process.

5. Based on and pursuant to the class action criteria of Federal Rule of Civil Procedure 23, the Court provisionally certifies, for settlement purposes only, a Settlement Class consisting of:

   All owners of full-power local commercial television stations in the United States and its territories (including Puerto Rico) that obtained licenses from Defendant during the period from January 1, 2008 to the date of this Preliminary Approval Order, including those owned and operated by the ABC and CBS television networks as well as NBCUniversal Media, LLC, but excluding local television stations that are owned and operated by the Univision and Telefutura (now known as UniMas) networks.

6. In the event of termination of the Settlement Agreement, the Named Plaintiffs and SESAC shall return to the status quo ante.

7. The Court finds and concludes that the Named Plaintiffs will fairly and adequately represent and protect the interests of the Settlement Class, and appoints them to serve as the representatives of the Settlement Class. Based on and pursuant to the criteria of Federal Rule of Civil Procedure 23(g), the Court appoints the law firm of Weil, Gotshal & Manges LLP to serve as Class Counsel.

8. The Court approves the proposed Settlement Class Notice, attached to the Settlement Agreement as Exhibit E, and the plan for disseminating the Settlement Class Notice, as set

forth in the Settlement Agreement and described in the Memorandum of Law, based on individual notice via direct regular mail and email sent by the TMLC and publication notice via the TMLC website within five (5) days of the entry of this Preliminary Approval Order. The Court concludes that such notice: (a) is the best notice that is practicable under the circumstances, and is reasonably calculated to reach the members of the Settlement Class that would be bound by the Settlement Agreement and to apprise them of this lawsuit, the terms and conditions of the Settlement Agreement, their right to opt out and be excluded from the Settlement Class, and their right to object to the Settlement Agreement; and (b) meets the requirements of Federal Rule of Civil Procedure 23 and due process.

9. Any member of the Settlement Class that does not wish to participate in the Settlement Class shall have until thirty-five (35) days after the TMLC disseminates the Settlement Class Notice to submit a request to be excluded from the Settlement Class, subject to the other requirements explained in the Settlement Class Notice. Any member of the Settlement Class that does not submit a request for exclusion shall have until thirty-five (35) days after the TMLC disseminates the Settlement Class Notice to submit an objection to the Settlement Agreement, the Plan of Allocation, or Class Counsel's request for attorney's fees and expenses, subject to the other requirements explained in the Settlement Class Notice.

10. No later than twenty (20) days after the date of this Preliminary Approval Order, Class Counsel shall file any motion for attorney's fees and expenses.

11. No later than fourteen (14) days after the time to submit a request to be excluded from the Settlement Class or to submit an objection, all motions and supporting papers shall be filed seeking the Court's final approval of the Settlement Agreement, the Plan of Allocation, and any request for attorney's fees and expenses.

12. Class Counsel will provide notice of any motions described in Paragraphs 10 and 11 of this Preliminary Approval Order to members of the Settlement Class by causing all such motions and supporting papers to be posted on the TMLC's website contemporaneously with their public filing with the Court.

13. The Court will hold a final approval hearing at __ o'clock on _________, 201_, at the Courthouse for the United States District Court for the Southern District of New York, 40 Foley Square, New York, NY 10007. At that final approval hearing, the Court will conduct an inquiry as it deems appropriate into the fairness, reasonableness, and adequacy of the Settlement Agreement, address any objections to it, and determine whether the Settlement Agreement and the Plan of Allocation should be finally approved, whether final judgment should be entered thereon, and whether to approve any motion for attorney's fees or expenses.

IT IS SO ORDERED.

DATED: ______________________ ____________________________________

THE HONORABLE PAUL A. ENGELMAYER

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

EXHIBIT D

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

MEREDITH CORPORATION, et al.	:	
	:	
	:	
v.	:	Case No. 09 Civ. 9177 (PAE)
	:	
SESAC, LLC, et al.	:	

[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL

WHEREAS, the Court has considered the Settlement Agreement, including its Exhibits, dated October 14, 2014, among the Named Plaintiffs, third party Television Music License Committee, LLC ("TMLC"), and Defendant SESAC, LLC ("SESAC"), which sets forth the terms and conditions for a proposed class action settlement and resolution of this lawsuit;

WHEREAS, the Court has held a fairness hearing on [INSERT DATE], with notice of the hearing having been given in accordance with this Court's Order dated [INSERT DATE]; and

WHEREAS, the Court has considered the Motion for Final Approval and supporting Memorandum of Law, and all other submissions and arguments in support thereof;

NOW, THEREFORE, IT IS HEREBY ORDERED AND DECREED as follows:

1. This Final Judgment and Order of Dismissal incorporates by reference the definitions in the Settlement Agreement filed with the Court on October 15, 2014, and all terms that are not defined herein shall have the same meanings as set forth in the Settlement Agreement.

2. The Court has subject matter and personal jurisdiction over the Named Plaintiffs, all members of the Settlement Class provisionally certified below, SESAC, and the TMLC.

3. The Settlement Class provisionally certified by Order dated [INSERT DATE] is hereby certified as a settlement class pursuant to Rule 23 of the Federal Rules of Civil Procedure and consists of:

> All owners of full-power local commercial television stations in the United States and its territories (including Puerto Rico) that obtained licenses from Defendant during the period from January 1, 2008 to the date of this Preliminary Approval Order, including those owned and operated by the ABC and CBS television networks as well as NBCUniversal Media, LLC, but excluding local television stations that are owned and operated by the Univision and Telefutura (now known as UniMas) networks.

4. The Court has appointed, by Order dated [INSERT DATE], the Meredith Corporation, the E.W. Scripps Company, Scripps Media, Inc., and Gray Television Group, Inc. as the representative Named Plaintiffs for the Settlement Class.

5. The Court has appointed, by Order dated [INSERT DATE], Weil, Gotshal & Manges LLP as class counsel for the Settlement Class.

6. The Court finds and concludes that the Settlement Class Notice (attached at Exhibit E to the Settlement Agreement), was disseminated to the Settlement Class in accordance with the terms set forth in the Settlement Agreement and described in the Memorandum of Law in Support of Plaintiffs' Motion for Preliminary Approval of Settlement, and was in compliance with the Court's Order of [INSERT DATE]. The Court further finds and concludes that the Settlement Class Notice was the best notice practicable and satisfied Rule 23 of the Federal Rules of Civil Procedure, the requirements of due process, and any other applicable law. The

Court also finds that the Settlement Class Notice provided individual notice to all members of the Settlement Class who or which could be identified through reasonable effort.

7. The Court finds that the Settlement Agreement is the product of arm's length settlement negotiations between Named Plaintiffs and the TMLC, by their counsel, and SESAC, by its counsel.

8. This settlement, as described in the Settlement Agreement, is hereby finally approved. In view of, inter alia, SESAC's agreements regarding future conduct, as well as the monetary settlement consideration to the Settlement Class, provided by the Settlement Agreement, and the Court's finding that said settlement was the product of arm's-length negotiations, the Court finds that said settlement, is fair, reasonable, and adequate as to all members of the Settlement Class within the meaning of Rule 23 of the Federal Rules of Civil Procedure.

9. The Parties are directed to proceed with said settlement pursuant to the terms and conditions of the Settlement Agreement.

10. The Court dismisses, on the merits and with prejudice, all counts in the Second Amended Class Action Complaint in favor of SESAC and with prejudice against all Settlement Class Members. A list of those members of the Settlement Class who or which timely and properly filed requests for exclusion from the Settlement Class as permitted by the Court is attached hereto. The stations appearing on the list attached hereto shall have no right to receive any payments from the Settlement Fund. Any member of the Settlement Class who or which does not appear on the list attached hereto did not timely and properly file a valid request for exclusion from the Settlement Class as permitted by the Court, and is barred and permanently

enjoined from asserting otherwise, and is subject to the terms and conditions of the Settlement Agreement, including its releases and this Final Judgment and Order of Dismissal.

11. Upon entry of this Final Judgment and Order of Dismissal, the Settlement Class Members and the TMLC unconditionally, fully, and finally release and forever discharge SESAC and its affiliates from all released claims as specified in Section 13 of the Settlement Agreement.

12. Upon entry of this Final Judgment and Order of Dismissal, SESAC unconditionally, fully, and finally releases and forever discharges Settlement Class Members and the TMLC from all released claims as specified in Section 13 of the Settlement Agreement.

13. The Plan of Allocation, attached to the Settlement Agreement as Exhibit F, is hereby approved. Within sixty (60) days of Final Settlement Approval, the TMLC, supervised by Plaintiffs' Counsel, shall distribute the Net Settlement Fund according to the Plan of Allocation.

14. Attorney's fees and associated costs incurred by the TMLC of $_______________ is awarded. Within sixty (60) days of Final Settlement Approval, or an earlier date approved by the Court pursuant to Section 6(c) of the Settlement Agreement, the TMLC shall distribute any outstanding payables due for these fees and costs.

15. Consummation of this settlement shall proceed as described in the Settlement Agreement.

IT IS SO ORDERED.

DATED: ______________________ ____________________________________

THE HONORABLE PAUL A. ENGELMAYER

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

EXHIBIT E

Proposed Class Notice – October 15, 2014

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

If Your Television Station Obtained A License for Music Performing Rights from SESAC

You Could Benefit from a Class Action Settlement

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit involving licenses for music performance rights between full-power commercial television stations and SESAC.
- In the lawsuit, three television station groups claim that SESAC has used anticompetitive licensing practices to monopolize the market for performance rights to the musical works in the SESAC repertory. They also claim that SESAC and its top affiliated composers and music publishers conspired to prevent competition by agreeing to license their musical works to stations through SESAC only.
- Under the settlement, SESAC agrees to abide by core conduct restrictions similar to those that limit the two other U.S. performance rights organizations, ASCAP and BMI, in their dealings with stations. Also, for stations that want to be represented by the Television Music License Committee, LLC ("TMLC"), the settlement provides for negotiation (or binding arbitration if no deal is reached) between the TMLC and SESAC of an industry-wide through-to-the-viewer license beginning in 2016 and extending through 2035 (with five, four-year license periods) for your station's primary channel(s), multicast channel(s), website and/or other digital platforms operated by your station. In addition, the settlement will result in payments to current owners of stations, after deduction for attorney's fees and other litigation costs, as compensation for the allegedly inflated license fees paid to SESAC.
- SESAC denies that it has engaged in any wrongful conduct and violated the antitrust laws and has asserted a number of defenses to liability and damages.
- If you own any full-power commercial television stations in the United States or its territories (including Puerto Rico) that obtained licenses (SESAC calls them primary channel, digital multiplex and website) for music performance rights from SESAC since January 1, 2008, except for stations that are owned and operated by the Univision and Telefutura (now known as UniMas) networks, you are a settlement class member and can benefit from this class action settlement.
- **Your legal rights are affected whether you act or do not act. Please read this notice carefully.**

These rights and options—and the deadlines to exercise them—are explained in this Notice.	
Your station does not have to take any action now to participate in the settlement.	*see* Question 5
Your station can exclude itself from the settlement in order to preserve its right to sue SESAC separately about the claims in this case. But your station will not benefit from the settlement if it does so.	*see* Question 7
You can voice objections to the settlement by writing to the Court and the lawyers representing the parties and/or by attending a Court hearing.	*see* Questions 9, 11

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. What is this lawsuit about?
2. What is the settlement?

WHO IS IN THE SETTLEMENT CLASS

3. Is my station a part of the settlement?
4. What is my station giving up by staying in the settlement class?
5. Do I need to do anything to receive a benefit from the settlement?
6. What happens if my station does nothing at all?

EXCLUDING YOUR STATION FROM THE SETTLEMENT

7. How do I exclude my station from the settlement class?
8. If I do not exclude my station, can it sue SESAC for the same alleged conduct later?

OBJECTING TO THE SETTLEMENT

9. How do I tell the Court if I do not like the settlement?

THE COURT'S FAIRNESS HEARING

10. When and where will the Court decide whether to approve the settlement?
11. Can I come and speak at the hearing?

THE LAWYERS REPRESENTING YOUR STATION

12. Does my station have a lawyer in this case?

ADDITIONAL INFORMATION

13. How does my station get more information about the settlement or this lawsuit?

BASIC INFORMATION

1. What is this lawsuit about?

SESAC, LLC ("SESAC"), a performance rights organization, has been sued by the Meredith Corporation, E.W. Scripps Company, Scripps Media, Inc., Hoak Media, LLC, Hoak Media of Nebraska, LLC, and Hoak Media of Dakota, LLC. The Hoak entities have been acquired and substituted as plaintiffs by Gray Television Group, Inc. These plaintiffs are referred to collectively as the "Named Plaintiffs." This class action lawsuit was filed in the United States District Court for the Southern District of New York. It is called *Meredith Corp., et al. v. SESAC LLC*, No. 09 Civ. 9177 (PAE) (S.D.N.Y.).

Summary of Named Plaintiffs' Claims

The Named Plaintiffs obtained licenses from SESAC for the right to use the musical compositions of SESAC's affiliated composers and music publishers in the programs they broadcast to viewers. The Named Plaintiffs claim that SESAC's licensing practices violated federal antitrust laws by:

1) aggregating all of the copyrights of its affiliated composers and music publishers in a single blanket license that is jointly priced at an artificially inflated level;

2) failing to offer a viable per-program or other form of alternative license to the blanket license;

3) preventing its key affiliates with music in television programming from engaging in direct and source licensing, such that stations could access their works only through a SESAC blanket license; and

4) failing to disclose the full contents of the music in its repertory.

The Named Plaintiffs also claim that SESAC and all of its top affiliated composers and music publishers conspired to prevent television stations from being able to buy licenses for the copyrighted works contained in SESAC's repertory directly from them. SESAC denies that it has violated the antitrust laws.

Plaintiffs seek money damages due to artificially inflated license fees they allege to have paid to SESAC. Plaintiffs also seek injunctive relief to stop SESAC from engaging in the challenged business practices.

History of the Litigation

On March 9, 2011, Judge Naomi Buchwald, at the time the presiding District Judge, denied SESAC's motion to dismiss the case. On March 3, 2014, Judge Paul A. Engelmayer, the District Judge currently presiding over this case, denied SESAC's motion for summary judgment, but narrowed the scope of the conspiracy claims to SESAC and its top affiliated composers and music publishers. A jury trial against SESAC was scheduled to begin on March 30, 2015.

On June 11, 2014, the Named Plaintiffs filed a motion to certify a class of stations on whose behalf the lawsuit would be litigated. In a class action, one or more people or businesses, called

class representatives, sue on behalf of others who have similar claims. All of those who have claims similar to the class representatives are a class (also known as class members), except for those who exclude themselves or opt out (*see* Question 7). Here, the Meredith, Scripps, and Gray station groups are the class representatives, and you have been contacted because you may be a settlement class member (*see* Question 3).

2. What is the settlement?

The Named Plaintiffs have now agreed to settle the lawsuit. The TMLC, an organization funded by voluntary contributions from stations that represents local stations in their dealings with ASCAP and BMI and, before 2008, represented local stations in their dealings with SESAC, is also a party to the settlement. The TMLC has funded the legal expenses of this lawsuit.

The Court has not decided in favor of either side, but it will now decide whether the settlement is fair, reasonable, and adequate. The attorneys for the Named Plaintiffs and the TMLC have investigated the facts and applicable law regarding the claims in the case and SESAC's defenses. The parties engaged in lengthy negotiations before reaching this settlement. The Named Plaintiffs, TMLC, and their attorneys, who have been appointed by the Court as counsel for the Settlement Class, believe that the settlement is best for everyone who is affected by this litigation. The parties have agreed to resolve this case by settlement to avoid the time, expense, and uncertainty associated with resolving this case by a jury trial set for March 30, 2015.

Summary of the Terms of the Settlement

As part of the settlement, SESAC has agreed to the following restrictions in its dealings with all stations in the settlement class and its affiliated publishers and composers, which, subject to some possible contingencies, will remain in effect until 2036:

1) SESAC agrees to offer all such stations both a blanket license and a viable per program license (either in the form established by a panel of arbitrators for the 2005-2007 license period or as agreed upon by SESAC and TMLC or determined in future arbitration);

2) SESAC agrees not to threaten such stations with copyright infringement claims while license negotiations are pending, provided they pay fees due under then-existing licenses;

3) SESAC agrees to enter into binding arbitration in the event that the TMLC and SESAC are unable to reach agreement on industry-wide license fees and/or terms for each of the four-year license periods beginning January 1, 2016 until December 31, 2035; and

4) SESAC agrees not to prohibit or interfere with the ability of its composer and publisher affiliates to enter into direct licenses with all such stations or networks or program producers.

SESAC also has paid $58.5 million into a settlement fund. Approximately $42.5 million (73%) of this will be distributed to television stations for the alleged artificially inflated license fees they paid to SESAC since 2008 as a result of the alleged anti-competitive conduct. Subject to the Court's approval, the remainder of the fund will be used for the reimbursement of attorney's fees and associated costs incurred by the TMLC (*see* Questions 10, 12).

WHO IS IN THE SETTLEMENT CLASS

3. Is my station a part of the settlement?

Your station is a settlement class member if it:

- is a full-power commercial television station in the United States or its territories (e.g., Puerto Rico), including those owned and operated by the ABC and CBS television networks as well as NBCUniversal Media, LLC;
- obtained licenses (one or more of primary channel, digital multiplex and website) for music performing rights from SESAC at any time from January 1, 2008 to date; and
- is not owned and operated by the Univision or Telefutura (now known as UniMas) networks.

Your station is **not** a settlement class member if your station is owned and operated by the Univision or Telefutura (now known as UniMas) networks.

4. What is my station giving up by staying in the settlement class?

If the settlement becomes final, your station will be bound by it and will not have the right to sue SESAC about any of the issues in this lawsuit. The specific claims your station would be giving up against SESAC are described in the release provision (at Section 13) of the settlement agreement. In general terms, your station would be realizing or giving up its right to sue SESAC for the antitrust claims that have been, or could have been, brought against SESAC by the Named Plaintiffs in this lawsuit (*see* Question 1). If you do not exclude your station from the settlement class (*see* Question 7), you will be releasing SESAC for those claims.

Your station will only benefit from this settlement if it remains in the settlement class.

5. Do I need to do anything to receive a benefit from the settlement?

If your station is in the settlement class, you do not need to do anything for your station to receive money from the settlement fund. Subject to approval by the Court, the settlement fund will be allocated among current owners of stations in the settlement class using a methodology that fairly compensates each station for its alleged overpayment of SESAC license fees based on each station's share of payments made or to be made to SESAC from 2008 through 2014. That allocation plan is posted on the TMLC's website at www.tvmlc.com/sesac/update/trial. You do not need to submit a claim or your station's licensing fees paid to SESAC because, as part of the settlement, SESAC has provided that information on a confidential basis to the TMLC. You also do not need to do anything to benefit from the restriction on SESAC's conduct (*see* Question 1). If you want the TMLC to represent your station for licensing purposes, your station will need to elect to be represented by the TMLC. The TMLC will disseminate such information on the progress of negotiations as it has done for licensing negotiations with ASCAP and BMI.

6. What happens if my station does nothing at all?

If your station is a settlement class member (*see* Question 3) and does nothing, it will remain in the settlement. As a settlement class member, your station will qualify to receive a payment from the settlement fund pursuant to the allocation plan (*see* Question 5), and it will give up its right to sue SESAC about the issues in this lawsuit at a later date.

EXCLUDING YOUR STATION FROM THE SETTLEMENT

If your television station does not want to be a member of the settlement class, and wants to keep any right to sue SESAC separately about the issues in this lawsuit, then your station must take certain steps. The steps required to exclude your station (also known as "opting out") from the class are explained below.

7. How does my station exclude itself from the settlement class?

To exclude your station from the settlement class, you must send a letter to class counsel that includes the following:

- The name, address, telephone number, and call letters, for each station you own and seek to exclude, including any changes in call letters since 2008, of your station(s);

- All trade names or business names and addresses that your station has used since 2008, as well as any parents, subsidiaries or affiliates who are also requesting to be excluded from the class; and

- A statement saying that your television station wants to be excluded from the settlement class in *Meredith Corp., et al. v. SESAC LLC*, No. 09 Civ. 9177 (PAE) (S.D.N.Y.).

You must mail your exclusion request, postmarked **no later than** [INSERT DATE 35 DAYS AFTER THE NOTICE IS GOING TO BE SENT], to the following address:

Weil, Gotshal & Manges LLP
Attn: Eric S. Hochstadt
767 Fifth Avenue
New York, NY 10153

8. If my station does not opt out, can it sue SESAC for the same alleged conduct later?

No. If your station does not opt out or exclude itself from the settlement class, it gives up the right to sue SESAC about the issues in this lawsuit at a later date and will be bound by the release provisions of the settlement agreement (*see* Questions 4, 6). Your station must exclude itself from the class in order to sue SESAC separately. But your station will not receive any payments from the settlement fund if it does so.

OBJECTING TO THE SETTLEMENT

9. How do I tell the Court if I do not like the settlement?

If your station is a member of the settlement class, it can object to all or part of the settlement, class counsel's request for fees and expenses (*see* Question 12), or both. To object, you must submit a letter that includes the following:

- The name, address, telephone number, and call letters of your station(s);

- A statement saying that you object to the settlement in *Meredith Corp., et al. v. SESAC LLC*, No. 09 Civ. 9177 (PAE) (S.D.N.Y.);
- The reasons your station objects to the settlement; and
- Your signature.

You must submit your objection to the Court, and send a copy to class counsel and SESAC's counsel, **no later than** [INSERT DATE 35 DAYS AFTER THE NOTICE IS GOING TO BE SENT], by delivering it by hand or sending it by mail to each of the following addresses:

Court	Class Counsel	Defendants' Counsel
Clerk of the Court United States District Court Southern District of New York 40 Foley Square New York, NY 10007	Weil, Gotshal & Manges LLP Attn: Eric S. Hochstadt 767 Fifth Avenue New York, NY 10153	Joseph Hage Aaronson LLC Attn: Peter R. Jerdee 485 Lexington Avenue New York, NY 10017

THE COURT'S FAIRNESS HEARING

10. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at [INSERT TIME] on [INSERT DATE], at the U.S. District Court for the Southern District of New York, located at 40 Foley Square, New York, NY 10007. The hearing may be moved to a different date or time without additional notice, so you must check www.tvmlc.com/sesac/update/trial for updates.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court also will consider the reasonableness of the plan for allocating payments from the settlement fund to stations in the settlement class (*see* Question 5). Finally, the Court will consider the request by class counsel for reimbursement of attorney's fees and expenses. If there are objections, the Court will consider them at that time. After the hearing, the Court will decide whether to approve the settlement. The Court's decision may be appealed by any member of the settlement class that has not opted out of the settlement class.

11. Can I come and speak at the hearing?

Yes. You may appear on behalf of your station at the hearing, either on your own or through an attorney you hire, to present any evidence or argument that the Court decides is proper and relevant.

THE LAWYERS REPRESENTING YOUR STATION

12. Does my station have a lawyer in this case?

The Court has appointed the lawyers from Weil, Gotshal & Manges LLP listed below as class counsel in this case:

Steven A. Reiss
R. Bruce Rich
Benjamin E. Marks
Eric S. Hochstadt
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

Carrie Mahan Anderson
Weil, Gotshal & Manges LLP
1300 Eye St NW #900
Washington, DC 20005

Class counsel will represent your station and other members of the settlement class. Your station will not be charged for the lawyers' services. Class counsel will submit a request for reimbursement of attorney's fees and associated costs incurred by the TMLC of no more than $16 million, (27%) of the settlement fund. If you want your station to be represented by its own lawyer, you may hire one at your own expense.

ADDITIONAL INFORMATION

13. How does my station get more information about the settlement or this lawsuit?

More details about this settlement are available in the settlement agreement and the motion for preliminary approval of the settlement. More details about this litigation are available in the First Amended Class Action Complaint and the Court's motion to dismiss and summary judgment rulings. These and other documents relevant to this litigation are available on the Television Music License Committee's website at www.tvmlc.com/sesac/update/trial.

You may also write class counsel with questions (at the address in Question 12).

Finally, you may check publicly available filings in the court docket in this case (*see* Question 1).

EXHIBIT F

[PROPOSED] Plan of Allocation

The Net Settlement Fund[1], including any accrued (but not imputed) interest, will be allocated by the TMLC among Settlement Class Members on a *pro rata* basis according to the below calculation:

1. The first step will be to determine the total license fees, including for primary channels, multiplex channels, web site services, and other means of digital distribution, paid by each individual station owned by any Settlement Class Member to SESAC from 2008 to 2013 and paid or payable to SESAC for 2014.[2]

2. The second step will be to determine each station's *pro rata* share of the total license fees, including for primary channels, multiplex channels, web site services, and other means of digital distribution, paid to SESAC from 2008 to 2013 and paid or payable to SESAC for 2014.

The TMLC will distribute the *pro rata* shares of each station to the Settlement Class Members that currently owns that station. The timing and manner of that distribution shall be according to the terms of the Settlement Agreement, the Final Judgment and Order of Dismissal, and any other Court rulings.

If any amounts remain in the Net Settlement Fund in excess of 1% of the Fund, then that residual will be part of a second distribution made on a *pro rata* basis as set forth in this Plan of Allocation. Otherwise, any amounts remaining in the Net Settlement Fund will stay with the TMLC.

---

[1] Capitalized terms shall have the same meaning as defined in the Settlement Agreement.

[2] SESAC has provided the TMLC, on a confidential basis, with an up-to-date list of the annual license fees billed to each member of the Settlement Class (or, as appropriate, ascribed to a licensee's local television broadcast operations for those stations who are licensed by SESAC as part of a broader negotiation with the ABC or CBS television networks or with NBCUniversal Media) for the period 2008 through 2013 and billed or to be billed for 2014.