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

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

: DECLARATION OF R. BRUCE

v. : **RICH IN SUPPORT OF**

: CLASS COUNSEL'S MOTION
SESAC, LLC, et al. : FOR AWARD OF ATTORNEY'S

: FEES AND EXPENSES

I, R. Bruce Rich, hereby declare, pursuant to 28 U.S.C. § 1746, as follows:

- 1. I am a member of the law firm Weil, Gotshal & Manges LLP ("Weil"), Class Counsel in the above-captioned action. I submit this Declaration in support of Class Counsel's Motion for Award of Attorney's Fees and Expenses. The Motion seeks an award of \$16 million from the \$58.5 million settlement fund as reimbursement for \$11.8 million in billed attorney's fees and \$4.2 million in accrued expenses in connection with this litigation.
- 2. I have worked at Weil for over 40 years, and have personally represented the Television Music License Committee, LLC ("TMLC") since 1978. Weil has represented the TMLC (and its predecessors) and the local television industry in numerous high-profile matters, including: a private antitrust case against the American Society of Composers, Authors and Publishers ("ASCAP") and Broadcast Music, Inc. ("BMI"), see Buffalo Broadcasting Co. v. ASCAP, 744 F.2d 917 (2d Cir. 1984); numerous rate court proceedings against ASCAP and BMI, see, e.g., WPIX, Inc., et al. v. BMI, No. 09-10366-LLS (S.D.N.Y.), Duhamel Broad. Enterprises, et al. v. ASCAP, No. 11-9311-DLC (S.D.N.Y.), United States v. ASCAP: Application of Post-Newsweek Stations, Inc., et al., 41 Civ. 13-95 (WCC) (S.D.N.Y.), United States v. ASCAP: Application of Buffalo Broadcasting Co., et al., Civ. No. 13-95 (WCC) (S.D.N.Y.); fee

arbitrations with SESAC in 2002 and 2006, see, e.g., SESAC, Inc. v. Television Music License Committee, No. 13-133-01583-05 (American Arbitration Association); and the ongoing review by the Department of Justice Antitrust Division ("DOJ") of the ASCAP and BMI consent decrees, see generally http://www.justice.gov/atr/cases/ascap-bmi-decree-review.html. Weil also has represented numerous other music users in antitrust and rate court litigation with ASCAP and BMI, as well as in connection with the interpretation and/or modification of the ASCAP and BMI antitrust consent decrees. See, e.g., National Cable Television Association, Inc. v. BMI, 772 F. Supp. 614 (D.D.C. 1991); BMI. v. DMX Inc., 683 F.3d 32 (2d. Cir. 2012); United States v. BMI, 275 F.3d 168 (2d Cir. 2001) (Applications of AEI Music Network, Inc. and Muzak LLC); ASCAP v. Showtime/The Movie Channel, Inc., 912 F.2d 562 (2d Cir. 1990); United States v. ASCAP: Application of Muzak, LLC, 309 F. Supp. 2d 566 (S.D.N.Y. 2004); United States v. ASCAP: Application of Turner Broadcasting System, Inc., 782 F. Supp. 778 (S.D.N.Y. 1991), aff'd per curiam, 956 F.2d 21 (2d Cir. 1992).

- 3. Weil represented the TMLC in its efforts to petition the DOJ to bring an enforcement action against SESAC arising out of its licensing practices in respect to local television broadcasters. When the DOJ declined to take enforcement action against SESAC, Weil was retained by the Plaintiffs and the TMLC to file a private class action lawsuit against SESAC on behalf of local television stations, to be financed by the TMLC.
- 4. In light of the TMLC's nonprofit status, its reliance on voluntary contributions for funding, and Weil's longstanding relationship with the TMLC and the local television industry, Weil agreed to certain fee accommodations in relation to this representation. In return, it was agreed that, if a favorable result were achieved, including a favorable settlement, Weil would be entitled to additional compensation, in an amount to be agreed upon.

- 5. The agreed-upon fee accommodations have taken the form of a sizable discount from our firm's normal billing rates, as well as a billing rate structure frozen at 2009 levels. This means, for example, that the TMLC was billed the same rate for a first year associate's work in 2014 as it was billed in 2009.
- 6. Under this discounted fee arrangement, Weil has billed a total of \$12,889,098 in fees and expenses² for this matter from January 1, 2009 through September 30, 2014 (\$11,891,750 in fees and \$997,348 in expenses).³ Had this engagement been billed at full (and current) rates, legal fees and expenses on this matter would have totaled approximately \$17,416,000 from January 1, 2009 through September 30, 2014. Pursuant to the understanding between the TMLC and Weil, the TMLC has agreed to pay Weil an additional \$1 million as compensation for its legal fees and expenses above and beyond the sums billed and remaining to be billed pursuant to the discount arrangement.
- 7. In addition to billing the TMLC at discounted rates, during the course of the litigation, the TMLC's cash flow circumstances have resulted in Weil carrying as much as \$8,775,000 in billed legal fees and expenses interest-free. We currently are carrying \$7,818,297 (\$7,268,083 in fees and \$550,214 in expenses).

¹ Weil's attorney's fees for this matter have ranged from a low of \$230 (for a first-year associate) to a high of \$903 per hour (for the most senior partner) (the latter reduced to \$808 per hour over the course of the discount arrangement).

² Disbursements were for necessary litigation-related expenses, such as document review by contract attorneys, court reporters, printing services, and travel to collect documents and take or defend depositions.

³ Weil has billed for approximately 30,360 hours of legal work (6,306 by partners or counsel, 15,851 by associates, 3,871 by staff attorneys employed by Weil, 3,497 by paralegals, and 835 by litigation support personnel). Also, Weil has written off approximately \$891,587 in legal fees (2,062 billable hours) and \$54,409 in expenses as part of the attorney billing review process for tasks or expenses that warranted such reductions.

8. If the Court would find it informative, Weil can provide additional information on an *in camera* basis about its fee arrangement and billings to the TMLC (including copies of invoices with time entries).

I declare under penalty of perjury that the foregoing is true and correct.

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Dated: New York, New York November 20, 2014

R. Bruce Rich