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UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

SOUL'D OUT PRODUCTIONS, LLC,
an Oregon limited liability company,

Plaintiff,

v.

**ANSCHUTZ ENTERTAINMENT
GROUP, INC.** (a Colorado corporation);
THE ANSCHUTZ CORPORATION
(a Delaware corporation);
GOLDENVOICE, LLC
(a California company);
AEG PRESENTS, LLC
(a Delaware company);
COACHELLA MUSIC FESTIVAL, LLC
(a Delaware company),

Defendants.

Case No. 3:18-cv-00598-MO

**SECOND AMENDED COMPLAINT
FOR VIOLATIONS OF FEDERAL
AND STATE ANTITRUST STATUTES
AND STATE LAW UNFAIR
COMPETITION, AND TORTIOUS
INTERFERENCE**

DEMAND FOR JURY TRIAL

For its Second Amended Complaint, Plaintiff Soul'd Out Productions, LLC ("Plaintiff") states and alleges as follows:

NATURE OF THE CASE

1. This is an action alleging antitrust, unfair competition, and tortious interference arising from the deliberate use of contractual agreements to engage in anticompetitive behavior and to create an illegal monopoly in the market for live music festivals as well as hard-ticket concert performances.

2. Defendants Anschutz Entertainment Group, Inc., The Anschutz Corporation, Goldenvoice, LLC, AEG Presents, LLC, Coachella Music Festival, LLC, (collectively "AEG") collectively are the second largest concert promoter in the United States. They also operate one of the largest, open-air music festivals in the world—a festival that takes place annually in Indio, Southern California known as the Coachella Valley Music and Arts Festival ("Coachella"). The festival lasts for two weekends each April, and involves performances by numerous music artists.

3. As one of the largest music festivals in the world, Coachella is a sought after performance opportunity for many rising artists. For example, Coachella's 2017 revenues were record setting: The festival was attended by 250,000 people and grossed \$114.6 million. Coachella's ticket prices ranged between \$429 and \$999 for the 2018 festival.

4. Coachella features musical artists from several genres of music, as well as art installations and sculptures. Coachella invites these artists to perform at the festival, but only on strict condition that they agree to certain terms. One of those terms (the "Radius Clause") restricts the ability of artists to perform or advertise other performances besides Coachella.

5. The Radius Clause in Coachella's contracts is as follows:

Exclusivity: Coachella shall be the 1st 2018 North American Festival announcement.

Artist shall not perform:

- a) On any North American Festival from December 15, 2017 until May 1, 2018.
- b) In Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, Ventura or San Diego Counties from December 15, 2017 until May 1, 2018.

Artist shall not advertise, publicize or leak*:

- a) Any performance in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, Ventura or San Diego Counties from the date of this offer until May 7, 2018
- b) Any Festival** or Themed Event*** in the states of California, Nevada, Oregon, Washington or Arizona from December 15, 2017 until May 7, 2018
- c) Any Festival** or Themed Event*** in the US (not included in B above) until after the Coachella announcement (this does not apply to SXSW in Austin, Ultra in Miami or Jazzfest)
- d) Any tour dates in the states of California, Arizona, Washington and Oregon until January 10, 2018 or when festival is announced, whichever is sooner
- e) Casino dates in Las Vegas are approved, festivals are prohibited

*This includes record company, promoter, ticket company, artist website, social media or internet releases

**Festival is defined as any engagement with 4 or more artists

***Themed Event is defined as a titled, sponsored or promotional show with 3 or more artists

6. Attached as Exhibit 1 is a portion of an email received from AEG's counsel.

7. Under the plain language of the Radius Clause, for a period of nearly five months surrounding the Coachella festival, artists performing at Coachella may not perform at any other music festival in all of North America, whether big or small, indoors or outdoors, or at single or multiple venues.

8. Moreover, even for festivals or themed events that take place outside that time period, where the festivals or themed events are in California, Oregon, Washington, Arizona or Nevada, Coachella's Radius Clause requires that artists not advertise their performances at such other festivals or themed events during the five month period.

9. The Radius Clause also prohibits any announcements of *any* tour dates (not just festivals or themed events) in California, Oregon, Washington, and Arizona before January 10, 2018 or when the Coachella festival is announced.

10. These additional restrictions place further constraints on the ability of artists to book other festivals even outside of the temporal scope of the Radius Clause, the ability for

events on the West Coast to book talent, and the ability for the consuming public to enjoy public performances of these artists.

11. Furthermore, Coachella’s Radius Clause has been negotiated by AEG with competing promoters, constituting an unlawful horizontal restraint on trade.

12. Radius clauses such as the one in AEG’s agreements are expressly forbidden by California law and are illegal as unreasonable in Oregon. Moreover, the scope of Coachella’s Radius Clause is an unreasonable restraint on the market(s) for artists, promoters, ticket companies, and venue owners.

13. Not only is the clause overly broad and unreasonable, itself a violation of federal and state laws, but AEG uses that Radius Clause to anticompetitively and unlawfully benefit itself in markets outside of Coachella’s market. Specifically, Coachella effectively locks these artists out of other markets, including the market for hard-ticket concert dates and other events in the Pacific Northwest, and then allows those artists back into the market only if they perform at AEG venues or in concerts promoted by AEG.

14. As further detailed herein, Plaintiff Soul’d Out Productions is a concert promoter based in Portland, Oregon, which promotes concerts throughout Oregon and Washington. In addition to its year-round concert promotion activities, it also presents what it calls the Soul’d Out Music Festival in Portland, Oregon. Unlike traditional music festivals, the Soul’d Out Music Festival is a multi-venue, indoor event that hosts simultaneous concerts in eleven different clubs and theaters around Portland. No four artists appear at a single concert at any one of these separate venues. Attendance in many of these venues numbers in the hundreds, as opposed to, in the case of large festivals like Coachella, the hundreds of thousands. Artists participating in the Soul’d Out Music Festival represent a narrow set of genres—primarily those associated with “soul music” such as jazz, reggae, hip hop, funk, and blues.

15. The Soul'd Out Music Festival promotes local, independent venues and it draws a predominantly regional audience from Oregon and Washington. The Soul'd Out Music Festival has grossed under \$2 million in its history, and in 2017, tickets ranged from \$25-95.

16. Though Soul'd Out Productions operates more than 1000 miles away from Coachella, its business activities have been substantially inhibited by AEG's anticompetitive behavior. For example, numerous artists have been pressured by Coachella not to perform at the Soul'd Out Music Festival, and the artists have cited the unlawful Radius Clause in their contracts with Coachella as the sole reason that they cannot do so.

17. Meanwhile, AEG has let those artists perform within the scope of the radius at other events managed, owned, controlled, or promoted by AEG. Thus, AEG has also engaged in illegal tying between its concert venues. It selectively waives the Radius Clause where artists perform at other venues where AEG receives financial remuneration or other benefits for such performances, but declines to allow such waivers where there is no benefit to AEG.

18. By way of this lawsuit, Soul'd Out Productions seeks: (a) an injunction enjoining Defendants from further enforcement of the Radius Clause and from taking any other action preventing artists from participating in or performing at the Soul'd Out Music Festival; (b) an award of treble damages as a result of AEG's antitrust violations and anticompetitive behavior; and (c) an award of costs, attorneys' fees and, additionally under O.R.S. 646.770(1), necessary and reasonable investigative costs and expert witness fees.

THE PARTIES

19. Plaintiff Soul'd Out Productions, LLC, is a limited liability company duly organized and existing under the laws of the State of Oregon, with its principal place of business in Portland, Oregon. Soul'd Out Productions is in the business of, among other things, the marketing, promotion, and hosting of live music concerts.

20. Defendant The Anschutz Corporation (“Anschutz”) is a corporation duly organized and existing under the laws of the State of Delaware, with an address at 555 17th Street, Suite 2400, Denver, Colorado 80202.

21. Defendant Anschutz Entertainment Group, Inc. (“AEG”) is a corporation duly organized and existing under the laws of the State of Colorado, with an address at 555 17th Street, Suite 2400, Denver, Colorado 80202. Anschutz Entertainment Group, Inc. operates as a subsidiary of Anschutz.

22. Defendant AEG Presents, LLC, is a limited liability company duly organized and existing under the laws of the State of Delaware, with an address at 800 West Olympic Boulevard, Suite 305, Los Angeles, California 90015. AEG Presents, LLC was formerly known as AEG Live, LLC, and operates as a subsidiary of Anschutz. It is the member of Goldenvoice.

23. Defendant Goldenvoice, LLC (“Goldenvoice”), is a limited liability company duly organized and existing under the laws of the State of California, with an address at 800 West Olympic Boulevard, Suite 305, Los Angeles, California 90015. Goldenvoice produces the Coachella Valley Music and Arts Festival. Goldenvoice operates as a subsidiary of Anschutz. It is the member of Coachella Music Festival, LLC.

24. Defendant Coachella Music Festival, LLC, is a limited liability company duly organized and existing under the laws of the State of Delaware, with an address at 800 West Olympic Boulevard, Suite 305, Los Angeles, California 90015. Coachella Music Festival, LLC operates as a subsidiary of Anschutz.

25. Defendants are in the business of, among other things, producing, marketing, and promoting live entertainment events in clubs, theaters, arenas, festivals, and stadiums throughout and beyond the United States.

JURISDICTION AND VENUE

26. This Court has original subject-matter jurisdiction pursuant to 15 U.S.C § 15 and 28 U.S.C. § 1331 because this action arises, in part, under Section 1 of the Sherman Act, 15 U.S.C. § 1.

27. This Court also has subject-matter jurisdiction pursuant to 28 U.S.C. § 1332 because the amount in controversy exceeds \$75,000, and the Plaintiff is from a state different than all of the Defendants.

28. This Court has jurisdiction over Soul'd Out Productions' related state and common law claims because these claims are joined with substantial and related claims under federal antitrust law, and pursuant to the doctrine of supplemental jurisdiction, 28 U.S.C. § 1367.

29. This Court has personal jurisdiction over all Defendants because the Defendants have purposefully directed their conduct at this forum with respect to the Radius Clause in their contractual agreements. Plaintiff's claims all arise out of that conduct, and the exercise of jurisdiction over the Defendants is reasonable. For example, the agreement issued by Defendants expressly prohibits artists from advertising, publicizing, or leaking any festival or themed event in the State of Oregon.

30. Venue is proper in this District pursuant to 28 U.S.C. §1391(b)(2) because a substantial part of the events or omissions giving rise to Plaintiff's claims occurred within this judicial district.

FACTS COMMON TO ALL CLAIMS OF RELIEF

A. The Live Music Industry

31. Changes in technology have made it easier for the public to copy and share music. This has had a significant effect on record sales. As a result, for many musical artists, live concert performances have become their primary way of earning money. *See generally*, Julie Holland Mortimer, et al., "Supply responses to digital distribution: Recorded music and live performances," *Information Economics & Policy*, March 2012, Vol.24(1), pp. 3-14.

1. The Concert Tour Market

32. For efficiency, most artists book their live performances as a concert tour, hitting multiple cities using efficient routing between cities. A concert tour reduces travel and other costs for the artist.

33. In each city, the artist (through its agent) typically works with a concert promoter. The concert promoter enters into a contract with the artist to promote the concert in that local area. That often includes booking an appropriate venue, arranging ticket sales, and doing marketing for the concert.

34. Concert promoters compete with each other for business. Thus, multiple concert promoters will often seek to become the promoter for a specific act that will be on tour within the surrounding geographic region. The promoters compete with each other based on their skills as promoters, their connections to and ability to book local venues, their marketing ability, the fees they charge, and fees that would be incurred for the venue, ticket sales, and other expenses. Artists are interested in the greatest financial reward for their performance in that city, though often choose a promoter based on past experience with that promoter.

35. Promoters who own or operate concert venues or who have special arrangements with concert venues have an advantage in securing artists to perform at those venues.

36. There are a limited number of venues in each geographic area that are appropriate for a given artist. For example, in Portland, there are only two arenas capable of hosting a show for more than 5,000 people. There are only two venues that have approximately 3,000 seat capacity. There are only two venues that have between 1000 and 2500 seats. There are approximately three venues with 500-1000 seats. And there are approximately six viable concert venues in Portland with an under 500 seat capacity. An artist who anticipates selling a certain number of seats is limited by the limited number of venues with that capacity.

37. Because of the limited choices of venues, promoters that own, operate, or have special arrangements with particular venues have an advantage in booking artists.

38. Once a promoter has a foothold with a particular artist or the artist's agent, that promoter has a significant advantage in obtaining the rights to promote further concerts with that artist, and concerts with other artists represented by that agent. That is because there is already a relationship established between the artist/agent on the one hand and the concert promoter on the other. The agent and artist can then avoid search and transaction costs of finding and hiring new promoters for each visit, allowing for a cost savings that can be leveraged for an anticompetitive advantage. Thus, a concert promoter that uses anticompetitive means to obtain the rights to promote a performance by one artist gains an unfair advantage in terms of future relations with that artist and other artists represented by the same agent by leveraging the costly search of finding a new promoter to their advantage.

39. In general, concert promoters are not genre-specific. Instead, concert promoters seek to enter into contracts with artists across the music spectrum.¹ Concert promoters in Portland, Oregon, for example, will as readily book rock concerts as hip-hop, R&B, Latin, soul, funk, dance, electronic, country, Christian, world music concerts, and other forms of music.

40. Concert tickets are often referred to in the industry as "hard-ticket sales"—the ticket is associated with a particular artist performing that concert. Customers who buy hard tickets to attend live music concerts tend to be interested in seeing specific artists perform live.

2. The Concert Festival Market

41. Another type of live music performance is the open-air concert festival.

42. Traditional music festivals, such as Lollapalooza, Bonnaroo, and Coachella, are large open-air events hosted over a few days or weeks in a single outdoor venue. Typically, these large, outdoor festivals feature artists that span a variety of music genres.

43. Festivals offer their customers a different experience from single concerts. Many festivals try to provide a festival or carnival-like vacation experience for their clients. These

¹ One exception is classical music, which tends to operate a separate market, funded by municipalities or other institutions, and frequently performed in specialized venues.

large festivals provide a weekend's worth of entertainment, beyond just music. Many festivals have multiple stages, with music performed on each of the stages. Many festivals have art installations. Festivals also try to ensure that festival-goers get to enjoy a large selection of food and beverage options from a diverse selection of restaurants, breweries, wineries, food trucks, and other providers. This experience can be thought of as a bundle of individual concerts to which the consumer purchases access with so many performances the consumer cannot possibly see them all, as well as the other experiences referenced herein.

44. Typically, these large, outdoor festivals feature artists that span a variety of music genres. Many festivals do not announce the line-up of artists who will perform at the festival in advance of tickets going on sale. And festivals such as Coachella sell out all tickets before any artists are announced. Thus, the customer for a concert festival typically does not purchase tickets to see a particular artist, or necessarily even a particular genre of music. Rather, the typical festival-goer purchases tickets for the right to enjoy the festival experience.

45. The cost of admittance at one these festivals is often hundreds of dollars, and once customers are inside, they pay captive prices for food, beverage, or other add-ons. By the time transportation and lodging are added on, the cost of attending a weekend festival can easily run into thousands of dollars, attractive to those who have that kind of discretionary income.

46. The market for festivals tends to be nationwide. A study performed by TicketMaster showed that the average festival attendee travels twice as long as the average concert-goer.² Money magazine reported that "On average, people travel 903 miles to get to a U.S. festival."³ Large festivals such as Coachella attract both a local and national clientele. In the case of Coachella, it attracts a large contingent of customers from the southern California market. But Coachella and other large, open-air festivals also compete nation-wide for customers. Numerous travel agencies book festival experiences, including transportation from

² <https://insider.ticketmaster.com/concert-road-trips/>

³ <http://time.com/money/4294043/cost-of-coachella/>

the airport to the festival site and lodging options. Local hotels fill up quickly. According to Money magazine, hotel room rates near Coachella rose 70% during that festival.

47. Coachella itself has an exclusive arrangement with Valley Music Travel, which Coachella advertises on its website as follows:

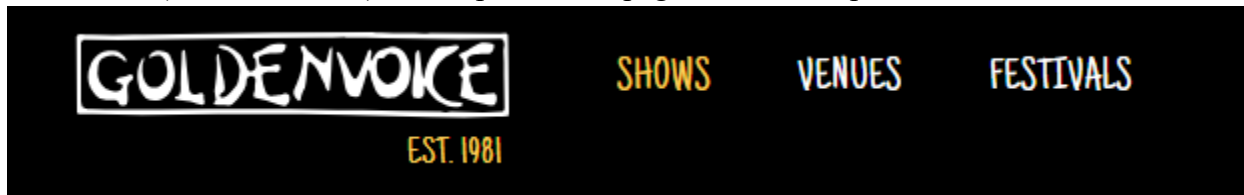
As the exclusive provider of Hotel Travel Packages, premium on-site lodging options, and seamless shuttle service, Valley Music Travel is here to enhance your Coachella experience and handle the logistics for out of town and local attendees alike.

48. To attract a national audience, Coachella and the other large, open-air festivals advertise nationally and seek to attract festival-goers from across the country. These festivals are sometimes referred to as “destination festivals.” Tens of thousands of people travel to Coachella and similar festivals each year, camping or lodging at hotels in the area.

49. These large festivals compete with each other. Customers interested in a festival experience, and who have the discretionary income and are willing to spend thousands of dollars on attending a festival, will select which festival experience they will attend from the available options.

50. Festival tickets are often called “soft ticket” events, reflecting the fact that the ticket is not linked to the right to see particular artists, but rather admission to the event.

51. Soft ticket festivals do not generally compete with hard-ticket concerts. Defendant Goldenvoice’s own website distinguishes between “shows” (hard-ticket sales) and “festivals,” (soft ticket sales) with separate web pages for these separate markets:



52. Similarly, artist agencies generally have separate personnel and departments that handle soft ticket festival bookings and hard-ticket bookings.

B. Soul'd Out Productions

53. Plaintiff Soul'd Out Productions, LLC was co-founded in 2008 by Mr. Nicholas Harris and Mr. Haytham Abdulhadi.

54. Soul'd Out Productions is a concert promoter based in Portland, Oregon, which promotes concerts throughout Washington and Oregon (collectively, herein, the “Pacific Northwest”), including in Seattle, Spokane, Portland, Eugene, and Bend. It has promoted or sought to promote performances in a number of venues in the Pacific Northwest.

55. Soul'd Out Productions promotes concerts in a variety of music genres, throughout the year. It competes with other concert promoters in the Pacific Northwest for the opportunity to promote concerts by touring artists.

56. Since 2010, Soul'd Out Productions also has hosted annually the Soul'd Out Music Festival, a multi-venue live music event in Portland, Oregon featuring a narrow set of genres, primarily those associated with “soul music” such as jazz, reggae, hip-hop, funk, and blues.

57. Soul'd Out Productions solicits renowned artists to the Soul'd Out Music Festival, and the participation of prominent artists as headliners is key to the festival's success. For example, in 2013, the American singer-songwriter commonly known as Prince served as the headliner for the festival.

58. The Soul'd Out Music Festival is not a single-venue outdoor music festival and does not participate in the open festival market. Instead, the Soul'd Out Music Festival hosts simultaneous hard-ticket concerts across several indoor venues, and it presents artists from a narrow set of genres. It promotes this concert series as a “festival” in order to co-market the artists and increase awareness. But it is a “festival” in the same sense as a film festival—it is a series of individually, hard-ticketed performances at different venues throughout a given period of time—not a “festival” in the sense of the carnival atmosphere or the market for same.

59. Thus, the Soul'd Out Music Festival does not compete directly with Coachella. It does not have a nationwide draw. It is not a destination event. The cost of attendance is a fraction of Coachella's and other outdoor festivals. Coachella is not directly impacted by Soul'd Out Music Festival because there is little if any interchangeability between the market for these products, and there is no identifiable cross-elasticity of demand between these products.

60. Rather, the Soul'd Out Music Festival attracts a regional audience within driving distance of Portland, Oregon (mostly Washington and Oregon residents) who largely purchase hard tickets for individual concerts in the \$25 to \$99 price range because of their interest in seeing particular artists perform. The Soul'd Out Music Festival, like the other concerts promoted year round by Soul'd Out Productions, is in the market of hard-ticket concert promoters in Washington and Oregon.

C. AEG and its affiliates

61. Defendants (collectively "AEG") comprise the second largest presenter of live music and entertainment events in the world, and wield substantial power in the music concert markets in the Pacific Northwest as part of their substantial market power around the world.

62. AEG is owned by Philip Anschutz, one of the wealthiest men in the world. He is estimated to be personally worth over \$11 billion, and is listed on the Forbes list as the 38th wealthiest person in the United States. He is one of the 100 largest landowners in the United States. His wealth comes from large investments in petroleum and railroads, and he has expanded his influence into sports, newspapers, movies, theaters, arenas, and music.

63. To that end, AEG owns numerous concert venues, including Staples Center in Los Angeles, The O2 Arena in London, the StubHub Center in Carson, the PlayStation Theater in New York, the Mercedes-Benz Arena in Berlin, and the Barclaycard Arena in Hamburg. Meanwhile, AEG operates the Wembley Arena in Wembley, U.K., Sprint Center in Kansas City, the Target Center in Minneapolis, The Colosseum at Caesars Palace in Las Vegas, the Oakland–

Alameda County Coliseum and Oracle Arena in Oakland, the Valley View Casino Center in San Diego, the BBVA Compass Stadium in Houston, and the Verizon Theatre in Grand Prairie.

64. AEG is also in a growth mode, having just acquired PromoWest Productions, described by it as the largest full-service entertainment company in the Mid-West.

65. AEG also owns Concerts West, which it advertises on its website as “one of the world’s largest producers and promoters of live tours and events globally for rock and pop superstars including: Céline Dion, The Rolling Stones, Katy Perry, Roger Waters & Justin Bieber.”

66. AEG also owns Messina Touring Group, which it advertises on its website as “synonymous with the biggest names in country music including: Kenny Chesney, George Strait, Taylor Swift, Eric Church, Jake Owen, Hunter Hayes and pop artist Ed Sheeran.”

67. Thus, AEG is the exclusive concert promoter for a number of artists. Concert promoters in individual geographic markets (such as the Pacific Northwest) cannot compete for those acts because of AEG’s exclusive arrangements with them.

68. AEG also owns (and includes) Goldenvoice, one of the largest concert promoters in the country.

69. AEG also operates a ticketing company called AXS (a competitor of TicketMaster), which handles ticketing for concert performances.

70. As part of its national presence, AEG is an active concert promoter in the same geographic market as Soul’d Out Productions. For example, AEG owns and operates two music venues in Seattle: the Showbox and Showbox Sodo. It previously operated the Moda Center in Portland, Oregon. It uses its ticketing company, AXS, for ticketing at its venues and concerts it promotes in Seattle and Portland. And it promotes concerts throughout the Pacific Northwest, including at the following venues:

Seattle

- Showbox
- Showbox Sodo
- Key Arena
- WAMU
- Paramount Theater
- Benaroya Hall
- Moore Theater
- Neumos

Spokane, WA

- Knitting Factory

Portland, OR

- Moda Center
- Veterans Memorial Coliseum
- Crystal Ballroom
- Roseland Theater
- Edgefield (Troutdale, OR)
- Wonder Ballroom
- Revolution Hall
- Star Theater

Eugene

- Matthew Knight Arena
- Hult Center
- Cuthbert Amphitheater

Bend

- Les Schwab Amphitheater

71. AEG also participates in the open air festival market. AEG owns, operates, or promotes at least 25 festivals in the United States.

72. One of those festivals is the Coachella Valley Music and Arts Festival, held annually since 1999, with the exception of the year 2000.

73. Coachella is held at the Empire Polo Club in Indio, California. Indio is in Southern California, approximately 130 miles east by southeast of Los Angeles. It is more than 1000 miles from Portland, Oregon and more than 33 hours travel by automobile.

74. Coachella is hosted each April on two consecutive three-day weekends, and the multi-stage event features artists from many genres of music, including rock, indie, hip-hop, and electronic dance music. In 2018, Coachella took place April 13-15 and April 20-22. In 2018, approximately 180 different artists played at Coachella.

75. Coachella has grown to become one of the largest music festivals in the world, and is a sought-after performance venue for rising and established artists. According to concert industry data, Coachella has sold out each year since at least 2006. On average, Coachella results in gross annual profits of \$49,036,183. Coachella has repeatedly increased its entrance fee, and continues to sell out. In 2018, Coachella raised its basic entrance fee from \$399 to \$429. That represents a more than 250% increase from a decade ago, when a two-day pass cost just \$165 per person.

76. Tickets to Coachella's 2018 festival went on sale June 2, 2017 and sold out within hours. At the time of these sales, AEG had not yet announced its line-up of artists. In fact, it is typical that Coachella sells out before announcing its slate of artists. For the 2018 festival, the concert line-up was announced on January 3, 2018, more than seven months after the festival sold out.

77. The substantial revenue gives Coachella market power in hiring artists, and the ability to force those artists to sign a clause that is against their own best interests.

D. The Coachella Radius Clause and its Anticompetitive Effects

78. As part of its standard agreement with artists, AEG requires all or substantially all artists who perform at Coachella to execute an agreement containing the Radius Clause, which the artists sign in exchange for the privilege of performing at Coachella.

79. The purpose and intended effect of this clause is to foreclose artists from performing in the geographic area encompassed by it; to prevent promoters from creating competitive events; to preclude other venues from staging festivals and themed events for an unreasonable period of time; and to control the concert promotion market even outside of the impact on the market for open air music festivals.

80. Upon information and belief, Defendants have extended this radius over time. For example, prior years' versions of the Radius Clause did not extend to Oregon and Washington.

81. By means of this clause, AEG prohibits artists who perform at Coachella from performing at any other "festival" (defined as 4 or more artists) or "themed event" within the United States, Canada and Mexico for a period of four and one-half months. This clause reaches far beyond the open air festival market in which Coachella competes.

82. The Radius Clause further restricts artists (and by extension their promoters, record companies, or ticket companies) from advertising, publicizing or leaking any performance at such a "festival" or "themed event." And even for "festivals" and "themed events" occurring outside the temporal scope of the clause, if the "festival" or "themed event" takes place in California, Oregon, Washington, Arizona, or Nevada, the artists (or by extension their promoters, record companies, or ticket companies) are not allowed to advertise their performance at such "festival" or "themed event" during the approximately five-month temporal scope of the clause. Again, these sections of the Radius Clause reach far beyond the open air festival market, and impact other concert events that do not compete for customers in the same market as Coachella.

83. Artists are even constrained in booking regular tour dates (hard-ticket sales) on the West Coast (a range stretching approximately 1300 miles) if they agree to perform at Coachella. Such a clause has a substantial chilling effect on the limited market(s) for artists, promoters, agents, festivals, and music venues within the territory covered by the Radius Clause.

84. There are a limited number of artists who are on tour in any given year. Coachella books approximately 180 of them. By restricting artists who perform at Coachella from performing at other festivals, AEG is reducing the supply of artists, which increases the costs for other festivals, limits consumer choice, and reduces artist, promoter, venue, and agent income. In the past several years, numerous festivals have shut down, including but not limited to:

- Langerado, a festival that took place in the spring, within the temporal and geographic scope of the Coachella Radius Clause, which shut down because of “sluggish ticket sales,”
- Monolith, a festival that took place in the spring, within the temporal and geographic scope of the Coachella Radius Clause
- Sasquatch!, a festival that lasted for seventeen years in Washington State. The organizers announced that it would not be returning after 2018 after a significant drop in attendance and revenue. Sasquatch occurred on Memorial Day Weekend in late May, and was thus affected by clause (b) of the Coachella Radius Clause, which restricted artists from advertising any festival performance until after May 7.

85. For example, an independent study performed in 2012 and published in 2014 (the “Hiller Study”)⁴ concluded that radius clauses in music festival agreements are used as an anticompetitive practice. The study analyzed the effects of radius clauses in the agreements used

⁴ Scott Hiller, “Exclusive Dealing and its Effects: The Impact of Large Music Festivals on Local Music Venues,” *Review of Industrial Organization*, 45(2), 2014, 153-175. This paper is attached hereto as Exhibit 2 and incorporated herein by reference.

by the four major music festivals in the United States, one of which was Coachella. It found that radius clauses have the possible effect of diminishing the ability of smaller firms affected by the contracts to attract enough popular bands to fill their schedule, perhaps leading to shut down.

86. The effects of radius clauses were also noted in a 2017 article in LA Weekly titled, “How the Music Industry Uses a Pervasive Secret Weapon to Keep Bands From Freely Touring.” The article notes, “Radius clauses also present challenges for independent festivals that can’t offer the cachet of playing an internationally known event or the six- and seven-figure paychecks now paid by some mega-festivals. While these restrictions force smaller festivals to get creative in terms of lineup curation, the impact can be stifling.”

87. The article quoted one festival promoter who noted that radius clauses forced his festival to go in different directions than they wanted: “As we tried to book bigger artists and more bands as opposed to DJs, it was challenging because they were all playing the bigger festivals, who would block them from playing other fests.” This evidences a drop in quality at festivals as a result of the radius clauses from festivals like Coachella that have substantial power by means of their power over artists who seek to perform at them.

88. Radius clauses also have an anticompetitive effect far beyond the market for concert festivals.

89. For example, the Hiller Study concluded that the exclusive dealing that the major American music festivals engage in has a negative effect on the local music venues in the affected cities, either through foreclosure, dampening competition, or increased barriers to entry.

90. The Hiller Study found that, by attracting artists to their events with larger payouts and bigger crowds, the major festivals such as Coachella lock the artist into a short-term exclusive deal preventing further concerts in an unduly broad geographic area, depriving consumers of the benefit of local enjoyment of this mode of entertainment. One effect of the radius clause is to drive up demand by forcing consumers to buy tickets to Coachella if they want

to enjoy their favorite band in the near future. Due to the typically brief nature of a concert tour, other venues will likely have trouble booking those acts again in the same year.

91. Specifically, the Hiller Study concluded that the greatest anticompetitive impact from all of the four large music festivals comes from Coachella.

92. There is a cause and effect relationship between a drop in concert venues and hard-ticket sales. An increased supply in performance artists will cause an increased supply in ticket sales and greater demand for hard-ticket concert venues. A decreased supply in performance artists will cause a decreased supply in hard-ticket sales and a lesser demand for hard-ticket concert venues. The Hiller Study's conclusion of a correlation between radius clauses and a drop in music venues within their geographic scope makes economic sense because the radius clause removes artists from the market, reducing supply for hard tickets, and reducing demand for the venues.

93. A similar effect was noted in a 2016 magazine article:

There's also the effect that big festivals can have on nearby music scenes. With contractual clauses that bar acts from playing within a given distance of the venue for a certain period before and after the event—some of them encompass more than 100 miles and several months—big festivals have a way of sucking dry the concert calendars in cities, especially smaller ones, inside the radius.

94. The 2017 LA Weekly article noted that “for smaller bands that depend on touring revenue, agreeing to a radius clause means being elbowed out of markets for long periods of time and grinding harder to make ends meet.” The article quoted one agent as saying that “Smaller to mid-tier acts are one of the toughest things, because they need to be able to tour and make money out on the road . . . If they can't play markets that are within reasonable drives, they are literally having to travel 500 miles every night, which is dangerous and expensive.” In the case of Coachella, that distance is substantially greater, and effectively chases the artist away from the West Coast for several months per year, with a prohibitively expensive cost to return.

95. The same article noted that “while agents and deep-pocketed festivals work it out among themselves, independent venues often take the biggest hit.” The article quoted one

promoter and venue owner that said, “Radius clauses hurt all independent promoters and in the end the artist, because instead of marketing their name, they are co-branding on a festival.” The article said that he “has lost hundreds of bookings because of festival radius clauses.”

96. Beyond merely using the anticompetitive practice of an overly broad radius clause, AEG engages in additional forms of anticompetitive behavior, such as selective waiver of the Radius Clause and tying. Specifically, AEG allows exceptions to the Radius Clause where artists seek to perform at other venues owned, operated, or controlled by AEG, or in which AEG earns a portion of the profits from such events. But AEG enforces the Radius Clause selectively against their artificially-defined “festival” and “themed event” engagements, as well as hard-ticket concert promoters that have no association with AEG.

97. For example, each of the following artists performed at Coachella, signed the Radius Clause, but then advertised or performed within the scope of the Radius Clause at facilities owned or operated, or at concerts or other events promoted by AEG:

Artist	Date	Location
Odesza	April 21, 2018	“Day Club Palm Springs,” Palm Springs, CA
	March 29, 2018	WaMu Theater, Seattle, WA ⁵
	March 30, 2018	WaMu Theater, Seattle, WA
	March 31, 2018	WaMu Theater, Seattle, WA
St. Vincent	April 11, 2018	Orpheum Theater, Los Angeles, CA
War on Drugs	April 14, 2018	Observatory North, San Diego, CA
	April 19, 2018	Fox Theater, Pomona, CA

⁵ According to AEG’s AXS website, these concerts at the WaMu Theater were advertised on December 7, 2017, before the Coachella lineup was announced. <https://www.axs.com/odesza-announce-additional-2018-a-moment-apart-tour-dates-126140>; *see also* <https://www.theguardian.com/music/2018/jan/03/coachella-2018-lineup-announced-beyonce-eminem-the-weeknd>.

Portugal The Man	April 12, 2018	Fox Theater, Pomona, CA
	April 21, 2018	Santa Barbara Bowl, Santa Barbara, CA
David Byrne	April 12, 2018	Civic Center, San Diego, CA
	April 17, 2018	Civic Center, San Diego, CA
Alt-J	April 16, 2018	Santa Barbara Bowl, Santa Barbara, CA
	April 19, 2018	Humphrey's, San Diego, CA
Fleet Foxes	April 12, 2018	Warner Grand Theatre, San Pedro, CA
	April 15, 2018	Humphrey's, San Diego, CA
	April 17, 2018	Fox Theater, Pomona, CA
Chromeo	April 10, 2018	Humphrey's, San Diego, CA
	April 11, 2018	El Rey, Los Angeles, CA
Migos	April 16, 2018	Observatory, Santa Ana, CA
King Krule	April 20, 2018	Observatory, Santa Ana, CA
Tank & the Bangas	April 17, 2018	Fonda Theater, Los Angeles, CA

98. This is a mere sampling. The practice is prevalent and has been happening for years. Major media commented years ago on the fact that Jay-Z performed a concert at AEG-owned Staples Center in Los Angeles right before performing at Coachella.

99. Thus, AEG recognizes that hard-ticket concerts do not affect Coachella. Instead, AEG allows these concerts to proceed, but only if *it* is the promoter.

100. The same is true of festivals. Coachella owns the Bumbershoot festival in Seattle, in the select states listed in the Radius Clause. Bumbershoot takes place over Labor Day Weekend. The roster of performances was announced on May 1, 2018, within the until-May 7 temporal limitation under the Radius Clause for “announcing” any festival performance dates.

Notwithstanding, on May 1, 2018, *AEG itself* announced a Bumbershoot line-up that included many 2018 Coachella artists:

- SZA
- Fleet Foxes
- Portugal. The Man.
- Chromeo
- Illenium

101. Likewise, AEG owns the Arroyo Seco Weekend, a festival in Pasadena, California. During the temporal and geographic scope of the Radius Clause, *AEG itself* announced that Coachella artist Kamasi Washington would be performing.

102. AEG also expressly carves its own JazzFest festival out of the advertising limitations in the Radius Clause.

103. Thus, AEG recognizes that even having some Coachella artists perform at other open air music festivals does not affect Coachella. Instead, it promotes such other festivals, at which those artists participate, and it advertises their performances.

104. In effect, AEG is unlawfully tying artists' ability to perform at Coachella with their ability to perform outside the properly-defined festival market, but within the scope of the Radius Clause. Thus, to the extent the artists seeks to perform within the contractual radius, they must agree to do so under the control of AEG, at venues owned or promoted by AEG or at concerts or events promoted by AEG—even when they are outside of Coachella's market.

105. AEG's anticompetitive means of seeking a competitive advantage in the markets outside the festival market through its Radius Clause is well-known in the industry. For example, a piece on public radio in Southern California was titled "Coachella organizers bend rules on bands playing non-festival venues." It noted that artists are allowed to perform within the radius but concluded with the following line: "The catch? Most of those shows are either

sponsored by [AEG Defendant] Goldenvoice or happening at venues affiliated with the festival promoter.”

106. The same observation was made in the 2017 LA Weekly article, which noted that “Goldenvoice controls venues across the country, including L.A.’s El Rey Theatre, Fonda Theatre, Shrine, Roxy and Fox Theater Pomona. It’s no coincidence that these venues host the majority of ‘Localchella,’ the glut of shows that happens the week between Coachella’s two weekends.”

107. For example, as explained further below, Soul’d Out Productions sought to have Tank and the Bangas perform at the Soul’d Out Music Festival. Tank and the Bangas entered into a contract agreeing to do so. But Tank and the Bangas ultimately declined to perform at the Soul’d Out Music Festival, citing the Coachella Radius Clause as the reason why. However, Tank and the Bangas performed within the scope of the Radius Clause at a venue owned by AEG, as described in paragraph 97, above.

108. The market power of AEG over artists is reflected, in part, by the fact that all or substantially all artists are required to acquiesce to and become bound by the Radius Clause. This market power of AEG in this service and/or product market permits it to deprive the promoter market, venue market and ticket company markets of their necessary product input, i.e. the artists.

109. AEG’s practice of illegally tying artists’ performance rights between performance rights at one venue and rights in other markets has also been subject to other litigation. Earlier this year, Ozzy Osbourne filed a class action lawsuit against AEG affiliates alleging antitrust violations for clauses that AEG puts in its performance contracts with artists. In that case, AEG, which owns both the O2 arena in London and the Staples Center in Los Angeles, required as a condition of performance at the O2 arena that the artists perform at the Staples Center if they were to later perform in Los Angeles. After the court denied AEG’s motion to dismiss, AEG dropped the unlawful practice.

110. Finally, radius clauses such as Coachella's Radius Clause are negotiated between competing concert promoters to avoid conflicts.

111. Evidence of such negotiated limitations on the clauses may be found in the Coachella Radius Clause. For example in subsection (c), Coachella has created exceptions for three competing festivals: SXSW in Austin, Texas, Ultra in Miami, and Jazz Fest in New Orleans. Each of these is a large, nationally-renowned, multi-day or multi-week music festival that competes with Coachella.

112. Upon information and belief, SXSW and Ultra are not produced or promoted by AEG.

E. The Harm to Soul'd Out Productions Caused by AEG's Unlawful Actions

113. On September 27, 2017, Tank and the Bangas, an American funk and soul musical group based in New Orleans, confirmed a performance at the Soul'd Out Music Festival on April 18, 2018.

114. Tank and the Bangas were to perform a hard-ticket performance at the Crystal Ballroom, a performance venue in Portland, Oregon.

115. Soul'd Out Productions anticipated selling out the Tank and the Bangas performance, and earning profits of up to tens of thousands of dollars for the show.

116. Tank and the Bangas were also scheduled to perform at Coachella on April 13, 2018 and April 20, 2018. Tank and the Bangas were required to agree to the Radius Clause as a condition of their scheduled performance at Coachella.

117. As of September 27, 2017, when Tank and the Bangas confirmed their attendance at the Soul'd Out Music Festival, the 2018 Coachella festival had already sold out.

118. On January 29, 2018, Tank and the Bangas advised Soul'd Out Productions that they would no longer be able to perform, and cited the artists' agreement with Coachella as the reason for withdrawal.

119. Specifically, Tank and the Bangas notified Soul'd Out Productions that it was instructed by AEG to cancel its engagement at the Soul'd Out Music Festival.

120. Meanwhile, AEG allowed Tank and the Bangas to perform other hard-ticket concerts that were in the scope of the Radius Clause where those performances were promoted by AEG.

121. For example, after Tank and the Bangas anticipatorily repudiated their contract with Soul'd Out Productions, they performed within the scope of the Radius Clause at a venue owned by AEG.

122. Soul'd Out Productions was not able to mitigate its losses by booking an alternative act to Tank and the Bangas performance for that time slot at the Crystal Ballroom.

123. AEG knew or should have known that the Radius Clause would prevent or foreclose Soul'd Out Productions and others from promoting festivals and/or themed events.

124. Similarly, Soul'd Out Productions negotiated a performance by American R&B singer-songwriter, SZA, to participate in the Soul'd Out Music Festival. SZA was to perform at an 8,000 seat arena venue in Portland, Oregon.

125. Soul'd Out Productions anticipated selling out the SZA performance, and earning profits of at least fifty thousand dollars for the show.

126. As a hard-ticket event, the Soul'd Out Music Festival benefits from consumer attraction to a headliner, like SZA, and then may buy other tickets to smaller shows because of that interest. Without the headliner, there is a potential loss of sales to any complementary performances.

127. A booking agent was ready to accept Soul'd Out Productions' offer for SZA to perform—but stated that she could not perform because AEG refused to waive the Radius Clause.

128. On November 14, 2017, Soul'd Out Productions contacted Defendant Goldenvoice, requesting a waiver of the radius provision to allow SZA to perform at the Soul'd Out Music Festival.

129. In a response on November 15, 2017, Defendant Goldenvoice responded that it refused to waive the Radius Clause to allow SZA to perform at the Soul'd Out Music Festival.

130. At the time of Soul'd Out Productions' request for a waiver of the Radius Clause, tickets for the 2018 Coachella festival had already been sold out for several months.

131. SZA performed at Coachella on April 13, 2018 and April 20, 2018.

132. Meanwhile, on May 1, 2017, *AEG itself* announced that SZA would be performing at Bumbershoot, a festival in Seattle owned by AEG. This was within the temporal, geographic, and subject matter scope of the Radius Clause.

133. Soul'd Out Productions was not able to mitigate its losses by booking any arena performance for the Soul'd Out Music Festival.

134. Another artist, Daniel Caesar, also declined to perform at the Soul'd Out Music Festival, citing the Coachella Radius Clause.

135. As a result of Coachella's unlawful, anticompetitive, and monopolistic practices, Soul'd Out Productions was unable to secure these artists for performances at the Soul'd Out Music Festival, resulting in financial damages to Soul'd Out Productions.

136. Through its anticompetitive acts, AEG has caused Soul'd Out Productions reputational harm by means of having to change the lineup of its festival calendar by removing Tank and the Bangas from the roster.

137. In view of the anticompetitive effects of AEG's activities, as detailed above, Soul'd Out Productions commences this action to enjoin AEG from entering or enforcing contracts containing the Radius Clause or a similar clause.

138. These unlawful agreements unfairly leverage AEG's dominance in the outdoor festival market to distort and deter competition throughout North America and in unrelated

markets. The harm to competition from the Radius Clause is profound, immediate, and irreparable—and must be enjoined.

139. Soul'd Out Productions further seeks damages for the harm it has suffered, trebled, as well as fees and costs associated with investigating and bringing this action.

FIRST CLAIM FOR RELIEF

(Violation of Federal Antitrust Statute, 15 U.S.C. § 1)

140. Soul'd Out Productions incorporates by reference paragraphs 1 through 139 set forth above.

141. AEG has entered into contracts and conspiracies between itself, artists, and/or their agents in restraint of trade or commerce.

142. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contain the Radius Clause that prohibits them from performing at any event with four or more artists, and any “themed event” between December 15, 2017 and May 7, 2018 in North America. AEG has improperly asserted that this covers the Soul'd Out Music Festival.

143. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from advertising, publicizing, or leaking any Festival or Themed Event (as defined in the agreements) in the states of California, Nevada, Oregon, Washington, or Arizona between December 15, 2017 and May 7, 2018.

144. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from advertising, publicizing, or leaking any tour dates in the states of California, Arizona, Washington and Oregon until January 10, 2018 or when the festival is announced, whichever is sooner.

145. Coachella intends to use a similar radius clause for future years' festivals, with a similar geographic and temporal scope.

146. Each of the challenged agreements has, had, or is likely to have substantial and unreasonable anticompetitive effects in the numerous markets, including, but not necessarily limited to:

a. Unreasonably restricting price and cost of competition among live concert promoters by limiting or preventing live concert promoters in competition with AEG from obtaining talent, competitive prices, and costs for live concerts;

b. Unreasonably restricting the ability of live concert promoters and artists to offer concerts to fans whatsoever unless subjected to AEG's unfair business practices;

c. Unreasonably limiting entry or expansion of competitors or potential competitors to the Coachella Festival in North America, including in the Pacific Northwest, in addition to the states of California, Nevada, and Arizona;

d. Depriving live concert promoters in the Pacific Northwest and their customers from the benefits of free and open competition;

e. Depriving consumers of the opportunity to hear musical artists of their choice in a live venue because of the cost of attendance and travel;

f. Depriving venues of a supply of artists;

g. Depriving agents of a source of revenue; and

h. Depriving concert promoters of the opportunity to compete by bringing artists to venues within the temporal and geographic scope of the Radius Clause.

147. Any benefits to AEG in these agreements do not outweigh the actual and likely anticompetitive effects of the agreements.

148. The agreements unreasonably restrain trade and interstate commerce in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

**COUNT 1
(ANTICOMPETITIVE ACTS IN THE PACIFIC NORTHWEST CONCERT
PROMOTER MARKET)**

149. Soul'd Out Productions incorporates by reference paragraphs 1 through 148 set forth above.

150. There is a market for hard-ticket concert promotion in Washington and Oregon, as characterized by the scope by which there is interchangeability and cross-elasticity of demand.

151. Independent concert promoters generally operate regionally, where they have familiarity with the venues, advertising opportunities, and customers for performances. For example, the majority of concert promoters that Soul'd Out Productions competes against for business are based in the Pacific Northwest.

152. There is a limited supply of artists on tour in each genre and at the levels of demand to fill smaller, medium, and especially larger music venues in each geographic market. The concert promoters in the Washington and Oregon market compete for the opportunity to promote those artists' concerts. If one promoter drops out of the market, the demand will be taken up by competitors. If one promoter enters into a contract with one artist to promote local concert dates for a given tour, that removes that artist from the supply of available artists for the other promoters in the area.

153. Similarly, there is interchangeability and cross-elasticity of demand at the customer level. Ticket revenues from Soul'd Out Productions' concerts establish that hard-ticket concert consumers in Washington and Oregon are willing to commute approximately 3-5 hours to see concerts—roughly the distance from Seattle to Portland. Hard-tickets sold for the Soul'd Out Music Festival's individual concerts are mostly purchased from customers throughout Washington and Oregon. TicketMaster's study showed that the average concert attendee travels 43 miles to see a concert, and 10% of buyers have traveled more than 100 miles to see a show.⁶

⁶ <https://insider.ticketmaster.com/concert-road-trips/>

154. The concert-going public generally has a finite budget in a given year to spend on live music concerts. A reduction in available artists will generally cause customers to reallocate their funds, including to concerts by other artists, who are available, and to ticket prices within their budgets.

155. AEG has power in the market for hard-ticket concert promotion in Washington and Oregon. That market power is part and parcel of their market power throughout the United States, as the second largest concert promoter. AEG has the power to pick up entire concert tours, effectively removing artists from the concert promoter market in each geographic market in which the artists tour, including in the Pacific Northwest. For example, AEG has contracted with numerous national traveling acts to be the concert promoter throughout the country, including in the Pacific Northwest. AEG's website proudly lists numerous acts for which it is the exclusive concert promoter nationally, including in the Pacific Northwest.

156. AEG also owns two venues in Seattle: the Showbox, an 1100 person venue and Showbox Sodo, an 1800 person venue. AEG also owns and operates Bumbershoot, a large festival in Seattle. AEG also owns its own ticketing agency, which it uses to compete for lower overhead prices on hard-ticket concerts. Numerous acts in Seattle use AEG-owned AXS for ticketing. All of this gives AEG a financial advantage in booking artists seeking to perform in Washington or Oregon.

157. AEG also uses its market power elsewhere in the country to increase its market power in Washington and Oregon. For example, AEG forces all or substantially all artists who seek to perform at Coachella to enter into the Radius Clause. This excludes those artists from performing at any events with four or more artists and any "themed events" (as defined by AEG) in the Pacific Northwest for an extended period of time. The Radius Clause also purports to limit the ability of artists to book hard-ticket concert performances in Washington and Oregon for an extended period of time. But AEG makes exceptions when artists book their performances at AEG venues, where AEG is a concert promoter, or where AEG otherwise receives financial

remuneration for those performances. By forcing all artists that perform at Coachella to enter into the unreasonable Radius Clause, AEG exerts its substantial market power in the hard-ticket concert promotion market in the Pacific Northwest.

158. AEG is abusing its market power in the Pacific Northwest and has utilized that power to distort competition.

159. Soul'd Out Productions has been damaged through the loss of profits from performances by artists who wanted to perform at the Soul'd Out Music Festival but were pressured not to by AEG.

160. Soul'd Out Productions has also been damaged in being unable to compete to promote concerts by the limited number of artists and agents scheduling tours around the Pacific Northwest around the time of Coachella.

161. Soul'd Out Productions has also been damaged in its ability to develop ongoing relationships with artists because Coachella has unlawfully positioned itself to be the first mover for rights to promote concerts with those artists in the future by unlawfully securing contracts to promote their concerts around the time of Coachella.

COUNT 2 (TYING)

162. Soul'd Out Productions incorporates by reference paragraphs 1 through 161 set forth above.

163. AEG's Radius Clause is a *per se* violation of the tying doctrine under Section 1 of the Sherman Act (15 U.S.C. § 1). The Radius Clause ties together two distinct products or services—open air music festivals and hard-ticket concert performances and “themed events” in the Pacific Northwest—and AEG has substantial economic power in the tying product market both nationally and locally (*i.e.*, in Coachella's vicinity), which allows them to coerce artists into agreeing to the Radius Clause. By imposing the Radius Clause on artists, AEG has impacted a substantial volume of commerce in the tied product markets.

164. Because of AEG’s dominance in the tying product market—open air music festivals, as reflected by its successful imposition of the Radius Clause—and its use of that agreement to tie artists to AEG venues and promotion business outside of that market—the Radius Clause and its implementation are *per se* unlawful (as that term is used in connection with tying).

165. The popularity and power of Coachella allows AEG to force tying where it does not benefit the artist or consumer, and is not beneficial to Coachella selling tickets, but may benefit AEG’s many interests elsewhere.

166. Soul’d Out Productions has shown substantial injury to competition in the tied product market.

167. AEG has market power in the market for open air festivals. Coachella is one of the largest and most famous festivals in the world. AEG has enough power in that market to force artists to agree to terms that are substantially against the artists’ best interests, including barring the artists from performing at any other festival in all of North America for an extensive period of time. AEG further restricts artists from performing at any “themed event” or performance in which four or more artists will be performing on the West Coast by limiting the periods of time in which an artist can advertise such performances. Restricting any advertising of performances effectively lengthens the period during which artists are unable to book events on the West Coast, including the Pacific Northwest. AEG further restricts artists from advertising, publicizing, or leaking any hard-ticket concerts on the West Coast for an extensive period of time, effectively prohibiting artists from hard-ticket concert sales in those states both during that period of time and beyond. AEG’s ability to enforce such restrictions affirms that Coachella has substantial market power in the open air music festival market.

168. AEG uses its power in the open air music festival market to improperly gain further power in the market for hard-ticket sales in the Pacific Northwest. It does so by tying artists’ rights to performances in the Pacific Northwest to performances at AEG venues or

AEG's concert promotion business. Effectively, if an artist performs at Coachella, that artist is required to use AEG's concert promotion business or venues if he or she wants to perform within the radius—a period that effectively lasts for months and that stretches thousands of miles beyond Coachella's local market. Because artists tour using the most economical routing, artists will be seeking to perform on the West Coast in close proximity to Coachella. By forcing artists to sign an unreasonably broad clause, AEG holds the power to allow the artists out of that clause. It does so on conditions that benefit AEG—by requiring artists at its whim to book performances through AEG or at venues owned by AEG. Thus, AEG guarantees that it has the exclusive right to book those artists within the radius.

169. In summary, an artist that performs at Coachella effectively agrees to use AEG to promote its performances in different markets (such as the Pacific Northwest hard-ticket market) within the temporal and geographic scope of the radius. The unreasonably broad Coachella Radius Clause combined with the terms in which it selectively waives the clause leads to this unlawful tying of rights in one market (open air festivals) to rights in another market (hard-ticket concert bookings in at least the Pacific Northwest).

170. AEG's practices seek to ensure that AEG gets revenue from each performance within the overly broad radius, squeezing out local concert promoters who would otherwise have the opportunity to compete to promote those concerts.

171. Additionally, AEG asserts that its definition of "festivals" and "themed events" includes events like the Soul'd Out Music Festival, which does not directly compete with Coachella in the open air music festival market, nor does it have three or four artists performing in the same venue on a single ticket. Thus, AEG is further tying artists' agreements to perform at Coachella to their performances in markets beyond Coachella's market, including markets in which Soul'd Out Productions participates.

172. There is no justification for AEG's conduct, let alone one that can meet the exacting standards of tying law. The Radius Clause does not promote goodwill or quality control

within the tying market, and it does not promote cost savings (quite the opposite) or other potentially valuable effects, such as metering or risk allocation. There is no rational reason to forbid all 180 artists who play at Coachella from performing, advertising, promoting, or leaking hard-ticket performances, particularly because Coachella sells out before its lineup is announced. Likewise, there is no rational reason to forbid all 180 artists who play at Coachella from playing any other event with four or more artists or “themed events.”

173. Soul’d Out Productions has been damaged through the loss of profits from performances by artists who wanted to perform at the Soul’d Out Music Festival but were pressured not to by AEG, relying on the Radius Clause. Soul’d Out Productions has also lost the opportunity for complementary sales.

174. Soul’d Out Productions has also been damaged in being unable to compete to promote concerts by the limited number of artists and agents scheduling tours around the Pacific Northwest around the time of Coachella.

175. Soul’d Out Productions has also been damaged in its ability to develop ongoing relationships with artists because Coachella has unlawfully positioned itself to be the first mover for rights to promote concerts with those artists in the future by unlawfully securing contracts to promote their concerts around the time of Coachella.

COUNT 3 (QUICK LOOK)

176. Soul’d Out Productions incorporates by reference paragraphs 1 through 175 set forth above.

177. AEG’s Radius Clause is facially anticompetitive. It is a naked restraint on supply of artists—a limitation on output. Based purely on a quick look, no elaborate industry analysis is required to demonstrate the anticompetitive character of the Radius Clause. As demonstrated by the Hiller Study, it is obviously anticompetitive. It results in a decrease in the quality of festivals, a decreased supply of artists for both open air festival performances and also hard-ticket sales, and the shutdown of concert venues within the scope of the radius. A radius that

covers all of North America, and which further restrains trade along the entire 1300 mile expanse of the West Coast of the United States is facially unreasonable.

178. Thus, an observer with a rudimentary understanding of economics could conclude that the Radius Clause alone, and certainly in combination with AEG's selective waiver of that clause for AEG venues and concert promotion business, have an anticompetitive effect on customers and markets. The great likelihood of anticompetitive effects can easily be ascertained from the documents and the pleaded facts alone.

179. Moreover, there is no offsetting procompetitive justification for the practice.

180. Accordingly, the Radius Clause and AEG's selective waiver therefrom are unreasonable based on a "quick look" analysis.

181. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 4
(HORIZONTAL RESTRAINT AMONG FESTIVALS)**

182. Soul'd Out Productions incorporates by reference paragraphs 1 through 181 set forth above.

183. AEG has engaged in a horizontal restraint of trade, carving up the festival market with its competitors.

184. Evidence of such negotiated limitations on the clauses may be found in the Coachella Radius Clause. For example in subsection (c), Coachella has created exceptions for three competing festivals: SXSW in Austin, Texas, Ultra in Miami, and Jazz Fest in New Orleans. Each of these is a large, nationally-renowned, multi-day or multi-week music festival that competes with Coachella.

185. Upon information and belief, SXSW and Ultra are not produced or promoted by AEG.

186. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 5
(WEST COAST MARKET)**

187. Soul'd Out Productions incorporates by reference paragraphs 1 through 186 set forth above.

188. In the alternative, AEG has market power in the market for live, popular music performances in which four or more artists are performing on the West Coast of the United States (California, Oregon, Washington, Arizona and Nevada). AEG's Radius Clause provides evidence that this area is both a product and geographic market, because the radius clause has ostensibly been drafted to cover the range in which Coachella, a rational economic actor, believes it competes. It stated in its motion to dismiss that the clause was drafted to prevent free riding from competing events.

189. AEG has market power in this identified market. AEG has utilized that power to distort competition. AEG's Radius Clause is anticompetitive and unreasonable for the reasons explained above.

190. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 6
(HUB AND SPOKE)**

191. Soul'd Out Productions incorporates by reference paragraphs 1 through 190 set forth above.

192. AEG has organized a group boycott by artists against other concert, "festival," and "themed event" promoters in a hub-and-spoke conspiracy. AEG, the hub, forces all artists to enter into the Radius Clause, which bars the artists from performing within the geographic and temporal radius defined therein. Thus, there is a series of agreements, each between an artist and AEG, effectively boycotting other concert and event promoters. Each of the artists knows about the Radius Clause and knows that each other artist is signing the Radius Clause because the fact of the Radius Clause is well known, has been in use for years, and has been written about in

numerous national publications. Moreover, artists share agents, and agents who represent one artist are aware of the terms of contracts that their past Coachella-artist-clients have been asked to sign, as well as the terms of contracts that their other current Coachella-artist-clients have been asked to sign.

193. Therefore, all Coachella artists know that all other Coachella artists are acceding to the restrictive terms of the Radius Clause. All Coachella artists agree to boycott concert promoters and events within the overly broad radius.

194. The conspiracy would fall apart if several artists did not sign the Radius Clause. An agreement to the Radius Clause is against the economic interest of each artist, as it restricts their ability to amortize expenses and generate additional revenues. Through the network of artists and their agents, other artists would learn about the refusal, and would refuse to sign the clause.

195. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

ANTITRUST INJURY

196. Soul'd Out Productions has suffered an antitrust injury. The market as a whole has been injured as a result of the Radius Clause. The harms that Soul'd Out Productions has experienced, as detailed above, will be experienced by all other hard-ticket concert and festival promoters within the scope of the Radius Clause. Specifically, they will be unable to retain talent from the limited pool of artists on tour in their geographic market during the relevant season, driving up costs, and reducing the quality of their offerings to the public.

SECOND CLAIM FOR RELIEF

(Violation of Oregon Antitrust Law)

197. Soul'd Out Productions incorporates by reference paragraphs 1 through 196 set forth above.

198. AEG has entered into contracts and conspiracies between itself, artists, and/or their agents in restraint of trade or commerce.

199. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contain the Radius Clause that prohibits them from performing at any event with four or more artists, and any “themed event” between December 15, 2017 and May 7, 2018 in North America. AEG has improperly asserted that this covers the Soul’d Out Music Festival.

200. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from advertising, publicizing, or leaking any Festival or Themed Event (as defined in the agreements) in the states of California, Nevada, Oregon, Washington, or Arizona between December 15, 2017 and May 7, 2018.

201. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from advertising, publicizing, or leaking any tour dates in the states of California, Arizona, Washington and Oregon until January 10, 2018 or when the festival is announced, whichever is sooner.

202. Coachella intends to use a similar radius clause for future years’ festivals, with a similar geographic and temporal scope.

203. Each of the challenged agreements has, had, or is likely to have substantial and unreasonable anticompetitive effects in numerous markets, including, but not necessarily limited to:

a. Unreasonably restricting price and cost of competition among live concert promoters by limiting or preventing live concert promoters in competition with AEG from obtaining talent, competitive prices, and costs for live concerts;

b. Unreasonably restricting the ability of live concert promoters and artists to offer concerts to fans whatsoever unless subjected to AEG's unfair business practices;

c. Unreasonably limiting entry or expansion of competitors or potential competitors to the Coachella Festival in North America, including in the Pacific Northwest, in addition to the states of California, Nevada, and Arizona;

d. Depriving live concert promoters in the Pacific Northwest and their customers from the benefits of free and open competition;

e. Depriving consumers of the opportunity to hear musical artists of their choice in a live venue because of the cost of attendance and travel;

f. Depriving venues of a supply of artists;

g. Depriving agents of a source of revenue; and

h. Depriving concert promoters of the opportunity to compete by bringing artists to venues within the temporal and geographic scope of the Radius Clause.

204. Any benefits to AEG in these agreements do not outweigh the actual and likely anticompetitive effects of the agreements.

205. The agreements unreasonably restrain trade in violation of Or. Rev. Stat. § 646.725. Soul'd Out Productions is entitled to injunctive relief, treble damages, interest on actual damages, reasonable attorneys' fees, fees associated with investigating AEG's wrongful acts, and costs of suit.

**COUNT 1
(ANTICOMPETITIVE ACTS IN THE PACIFIC NORTHWEST CONCERT
PROMOTER MARKET)**

206. Soul'd Out Productions incorporates by reference paragraphs 1 through 205 set forth above.

207. There is a market for hard-ticket concert promotion in Washington and Oregon, as characterized by the scope by which there is interchangeability and cross-elasticity of demand.

208. Independent concert promoters generally operate regionally, where they have familiarity with the venues, advertising opportunities, and customers for performances. For example, the majority of concert promoters that Soul'd Out Productions competes against for business are based in the Pacific Northwest.

209. There is a limited supply of artists on tour in each genre and at the levels of demand to fill smaller, medium, and especially larger music venues in each geographic market. The concert promoters in the Washington and Oregon market compete for the opportunity to promote those artists' concerts. If one promoter drops out of the market, the demand will be taken up by competitors. If one promoter enters into a contract with one artist to promote local concert dates for a given tour, that removes that artist from the supply of available artists for the other promoters in the area.

210. Similarly, there is interchangeability and cross-elasticity of demand at the customer level. Ticket revenues from Soul'd Out Productions' concerts establish that hard-ticket concert consumers in Washington and Oregon are willing to commute approximately 3-5 hours to see concerts—roughly the distance from Seattle to Portland. Hard-tickets sold for the Soul'd Out Music Festival's individual concerts are mostly purchased from customers throughout Washington and Oregon. TicketMaster's study showed that the average concert attendee travels 43 miles to see a concert, and 10% of buyers have traveled more than 100 miles to see a show.⁷

211. The concert-going public generally has a finite budget in a given year to spend on live music concerts. A reduction in available artists will generally cause customers to reallocate their funds, including to concerts by other artists, who are available, and to ticket prices within their budgets.

212. AEG has power in the market for hard-ticket concert promotion in Washington and Oregon. That market power is part and parcel of their market power throughout the United States, as the second largest concert promoter. AEG has the power to pick up entire concert

⁷ <https://insider.ticketmaster.com/concert-road-trips/>

tours, effectively removing artists from the concert promoter market in each geographic market in which the artists tour, including in the Pacific Northwest. For example, AEG has contracted with numerous national traveling acts to be the concert promoter throughout the country, including in the Pacific Northwest. AEG's website proudly lists numerous acts for which it is the exclusive concert promoter nationally, including in the Pacific Northwest.

213. AEG also owns two venues in Seattle: the Showbox, an 1100 person venue and Showbox Sodo, an 1800 person venue. AEG also owns and operates Bumbershoot, a large festival in Seattle. AEG also owns its own ticketing agency, which it uses to compete for lower overhead prices on hard-ticket concerts. Numerous acts in Seattle use AEG-owned AXS for ticketing. All of this gives AEG a financial advantage in booking artists seeking to perform in Washington or Oregon.

214. AEG also uses its market power elsewhere in the country to increase its market power in Washington and Oregon. For example, AEG forces all or substantially all artists who seek to perform at Coachella to enter into the Radius Clause. This excludes those artists from performing at any events with four or more artists and any "themed events" (as defined by AEG) in the Pacific Northwest for an extended period of time. The Radius Clause also purports to limit the ability of artists to book hard-ticket concert performances in Washington and Oregon for an extended period of time. But AEG makes exceptions when artists book their performances at AEG venues, where AEG is a concert promoter, or where AEG otherwise receives financial remuneration for those performances. By forcing all artists that perform at Coachella to enter into the unreasonable Radius Clause, AEG exerts its substantial market power in the hard-ticket concert promotion market in the Pacific Northwest.

215. AEG is abusing its market power in the Pacific Northwest and has utilized that power to distort competition.

216. Soul'd Out Productions has been damaged through the loss of profits from performances by artists who wanted to perform at the Soul'd Out Music Festival but were pressured not to by AEG.

217. Soul'd Out Productions has also been damaged in being unable to compete to promote concerts by the limited number of artists and agents scheduling tours around the Pacific Northwest around the time of Coachella.

218. Soul'd Out Productions has also been damaged in its ability to develop ongoing relationships with artists because Coachella has unlawfully positioned itself to be the first mover for rights to promote concerts with those artists in the future by unlawfully securing contracts to promote their concerts around the time of Coachella.

**COUNT 2
(TYING)**

219. Soul'd Out Productions incorporates by reference paragraphs 1 through 218 set forth above.

220. AEG's Radius Clause is a *per se* violation of Or. Rev. Stat. § 646.725. The Radius Clause ties together two distinct products or services—open air music festivals and hard-ticket concert performances and “themed events” in the Pacific Northwest—and AEG has substantial economic power in the tying product market both nationally and locally (*i.e.*, in Coachella's vicinity), which allows them to coerce artists into agreeing to the Radius Clause. By imposing the Radius Clause on artists, AEG has impacted a substantial volume of commerce in the tied product markets.

221. Because of AEG's dominance in the tying product market—open air music festivals, as reflected by its successful imposition of the Radius Clause—and its use of that agreement to tie artists to AEG venues and promotion business outside of that market—the Radius Clause and its implementation are *per se* unlawful (as that term is used in connection with tying).

222. The popularity and power of Coachella allows AEG to force tying where it does not benefit the artist or consumer, and is not beneficial to Coachella selling tickets, but may benefit AEG's many interests elsewhere.

223. Soul'd Out Productions has shown substantial injury to competition in the tied product market.

224. AEG has market power in the market for open air festivals. Coachella is one of the largest and most famous festivals in the world. AEG has enough power in that market to force artists to agree to terms that are substantially against the artists' best interests, including barring the artists from performing at any other festival in all of North America for an extensive period of time. AEG further restricts artists from performing at any "themed event" or performance in which four or more artists will be performing on the West Coast by limiting the periods of time in which an artist can advertise such performances. Restricting any advertising of performances effectively lengthens the period during which artists are unable to book events on the West Coast, including the Pacific Northwest. AEG further restricts artists from advertising, publicizing, or leaking any hard-ticket concerts on the West Coast for an extensive period of time, effectively prohibiting artists from hard-ticket concert sales in those states both during that period of time and beyond. AEG's ability to enforce such restrictions affirms that Coachella has substantial market power in the open air music festival market.

225. AEG uses its power in the open air music festival market to improperly gain further power in the market for hard-ticket sales in the Pacific Northwest. It does so by tying artists' rights to performances in the Pacific Northwest to performances at AEG venues or AEG's concert promotion business. Effectively, if an artist performs at Coachella, that artist is required to use AEG's concert promotion business or venues if he or she wants to perform within the radius—a period that effectively lasts for months and that stretches thousands of miles beyond Coachella's local market. Because artists tour using the most economical routing, artists will be seeking to perform on the West Coast in close proximity to Coachella. By forcing artists

to sign an unreasonably broad clause, AEG holds the power to allow the artists out of that clause. It does so on conditions that benefit AEG—by requiring artists at its whim to book performances through AEG or at venues owned by AEG. Thus, AEG guarantees that it has the exclusive right to book those artists within the radius.

226. In summary, an artist that performs at Coachella effectively agrees to use AEG to promote its performances in different markets (such as the Pacific Northwest hard-ticket market) within the temporal and geographic scope of the radius. The unreasonably broad Coachella Radius Clause combined with the terms in which it selectively waives the clause leads to this unlawful tying of rights in one market (open air festivals) to rights in another market (hard-ticket concert bookings in at least the Pacific Northwest).

227. AEG's practices seek to ensure that AEG gets revenue from each performance within the overly broad radius, squeezing out local concert promoters who would otherwise have the opportunity to compete to promote those concerts.

228. Additionally, AEG asserts that its definition of "festivals" and "themed events" includes events like the Soul'd Out Music Festival, which does not directly compete with Coachella in the open air music festival market, nor does it have three or four artists performing in the same venue on a single ticket. Thus, AEG is further tying artists' agreements to perform at Coachella to their performances in markets beyond Coachella's market, including markets in which Soul'd Out Productions participates.

229. There is no justification for AEG's conduct, let alone one that can meet the exacting standards of tying law. The Radius Clause does not promote goodwill or quality control within the tying market, and it does not promote cost savings (quite the opposite) or other potentially valuable effects, such as metering or risk allocation. There is no rational reason to forbid all 180 artists who play at Coachella from performing, advertising, promoting, or leaking hard-ticket performances, particularly because Coachella sells out before its lineup is announced.

Likewise, there is no rational reason to forbid all 180 artists who play at Coachella from playing any other event with four or more artists or “themed events.”

230. Soul’d Out Productions has been damaged through the loss of profits from performances by artists who wanted to perform at the Soul’d Out Music Festival but were pressured not to by AEG, relying on the Radius Clause. Soul’d Out Productions has also lost the opportunity for complementary sales.

231. Soul’d Out Productions has also been damaged in being unable to compete to promote concerts by the limited number of artists and agents scheduling tours around the Pacific Northwest around the time of Coachella.

232. Soul’d Out Productions has also been damaged in its ability to develop ongoing relationships with artists because Coachella has unlawfully positioned itself to be the first mover for rights to promote concerts with those artists in the future by unlawfully securing contracts to promote their concerts around the time of Coachella.

COUNT 3 (QUICK LOOK)

233. Soul’d Out Productions incorporates by reference paragraphs 1 through 232 set forth above.

234. AEG’s Radius Clause is facially anticompetitive. It is a naked restraint on supply of artists—a limitation on output. Based purely on a quick look, no elaborate industry analysis is required to demonstrate the anticompetitive character of the Radius Clause. As demonstrated by the Hiller Study, it is obviously anticompetitive. It results in a decrease in the quality of festivals, a decreased supply of artists for both open air festival performances and also hard-ticket sales, and the shutdown of concert venues within the scope of the radius. A radius that covers all of North America, and which further restrains trade along the entire 1300 mile expanse of the West Coast of the United States is facially unreasonable.

235. Thus, an observer with a rudimentary understanding of economics could conclude that the Radius Clause alone, and certainly in combination with AEG’s selective waiver of that

clause for AEG venues and concert promotion business, have an anticompetitive effect on customers and markets. The great likelihood of anticompetitive effects can easily be ascertained from the documents and the pleaded facts alone.

236. Moreover, there is no offsetting procompetitive justification for the practice.

237. Accordingly, the Radius Clause and AEG's selective waiver therefrom are unreasonable based on a "quick look" analysis.

238. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 4
(HORIZONTAL RESTRAINT AMONG FESTIVALS)**

239. Soul'd Out Productions incorporates by reference paragraphs 1 through 238 set forth above.

240. AEG has engaged in a horizontal restraint of trade, carving up the festival market with its competitors.

241. Evidence of such negotiated limitations on the clauses may be found in the Coachella Radius Clause. For example in subsection (c), Coachella has created exceptions for three competing festivals: SXSW in Austin, Texas, Ultra in Miami, and Jazz Fest in New Orleans. Each of these is a large, nationally-renowned, multi-day or multi-week music festival that competes with Coachella.

242. Upon information and belief, SXSW and Ultra are not produced or promoted by AEG.

243. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 5
(WEST COAST MARKET)**

244. Soul'd Out Productions incorporates by reference paragraphs 1 through 243 set forth above.

245. In the alternative, AEG has market power in the market for live, popular music performances in which four or more artists are performing on the West Coast of the United States (California, Oregon, Washington, Arizona and Nevada). AEG's Radius Clause provides evidence that this area is both a product and geographic market, because the radius clause has ostensibly been drafted to cover the range in which Coachella, a rational economic actor, believes it competes. It stated in its motion to dismiss that the clause was drafted to prevent free riding from competing events.

246. AEG has market power in this identified market. AEG has utilized that power to distort competition. AEG's Radius Clause is anticompetitive and unreasonable for the reasons explained above.

247. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 6
(HUB AND SPOKE)**

248. Soul'd Out Productions incorporates by reference paragraphs 1 through 247 set forth above.

249. AEG has organized a group boycott by artists against other concert, "festival," and "themed event" promoters in a hub-and-spoke conspiracy. AEG, the hub, forces all artists to enter into the Radius Clause, which bars the artists from performing within the geographic and temporal radius defined therein. Thus, there is a series of agreements, each between an artist and AEG, effectively boycotting other concert and event promoters. Each of the artists knows about the Radius Clause and knows that each other artist is signing the Radius Clause because the fact of the Radius Clause is well known, has been in use for years, and has been written about in numerous national publications. Moreover, artists share agents, and agents who represent one artist are aware of the terms of contracts that their past Coachella-artist-clients have been asked to sign, as well as the terms of contracts that their other current Coachella-artist-clients have been asked to sign.

250. Therefore, all Coachella artists know that all other Coachella artists are acceding to the restrictive terms of the Radius Clause. All Coachella artists agree to boycott concert promoters and events within the overly broad radius.

251. The conspiracy would fall apart if several artists did not sign the Radius Clause. An agreement to the Radius Clause is against the economic interest of each artist, as it restricts their ability to amortize expenses and generate additional revenues. Through the network of artists and their agents, other artists would learn about the refusal, and would refuse to sign the clause.

252. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

ANTITRUST INJURY

253. Soul'd Out Productions has suffered an antitrust injury. The market as a whole has been injured as a result of the Radius Clause. The harms that Soul'd Out Productions has experienced, as detailed above, will be experienced by all other hard-ticket concert and festival promoters within the scope of the Radius Clause. Specifically, they will be unable to retain talent from the limited pool of artists on tour in their geographic market during the relevant season, driving up costs, and reducing the quality of their offerings to the public.

THIRD CLAIM FOR RELIEF

(Restraint of Trade, Cal. Bus. & Prof. Code § 16720 *et seq.*)

254. Soul'd Out Productions incorporates by reference paragraphs 1 through 253 set forth above.

255. AEG has entered into contracts and conspiracies between itself, artists, and/or their agents in restraint of trade or commerce.

256. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from performing at any event with four or more artists, and any "themed event" between

December 15, 2017 and May 7, 2018 in North America. AEG has improperly asserted that this covers the Soul'd Out Music Festival.

257. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from advertising, publicizing, or leaking any Festival or Themed Event (as defined in the agreements) in the states of California, Nevada, Oregon, Washington, or Arizona between December 15, 2017 and May 7, 2018.

258. Upon information and belief, each of the performance agreements between AEG and the artists that were scheduled to play at Coachella contains the Radius Clause that prohibits them from advertising, publicizing, or leaking any tour dates in the states of California, Arizona, Washington and Oregon until January 10, 2018 or when the festival is announced, whichever is sooner.

259. Coachella intends to use a similar radius clause for future years' festivals, with a similar geographic and temporal scope.

260. Each of the challenged agreements has, had, or is likely to have substantial and unreasonable anticompetitive effects in numerous markets, including, but not necessarily limited to:

- a. Unreasonably restricting price and cost of competition among live concert promoters by limiting or preventing live concert promoters in competition with AEG from obtaining talent, competitive prices, and costs for live concerts;
- b. Unreasonably restricting the ability of live concert promoters and artists to offer concerts to fans whatsoever unless subjected to AEG's unfair business practices;
- c. Unreasonably limiting entry or expansion of competitors or potential competitors to the Coachella Festival in North America, including in the Pacific Northwest, in addition to the states of California, Nevada, and Arizona;

- d. Depriving live concert promoters in the Pacific Northwest and their customers from the benefits of free and open competition;
- e. Depriving consumers of the opportunity to hear musical artists of their choice in a live venue because of the cost of attendance and travel;
- f. Depriving venues of a supply of artists;
- g. Depriving agents of a source of revenue; and
- h. Depriving concert promoters of the opportunity to compete by bringing artists to venues within the temporal and geographic scope of the Radius Clause.

261. Any benefits to AEG in these agreements do not outweigh the actual and likely anticompetitive effects of the agreements.

262. AEG's conduct described above constitutes prohibited restraints on competition within the meaning of Cal. Bus. & Prof. Code § 16720(a) *et seq.* in that the conduct unreasonably restrains trade or commerce.

263. Pursuant to Cal. Bus. & Prof. Code § 16750, Soul'd Out Productions is entitled to injunctive relief, treble damages, interest on actual damages, reasonable attorneys' fees, and costs of suit.

**COUNT 1
(ANTICOMPETITIVE ACTS IN THE PACIFIC NORTHWEST CONCERT
PROMOTER MARKET)**

264. Soul'd Out Productions incorporates by reference paragraphs 1 through 263 set forth above.

265. There is a market for hard-ticket concert promotion in Washington and Oregon, as characterized by the scope by which there is interchangeability and cross-elasticity of demand.

266. Independent concert promoters generally operate regionally, where they have familiarity with the venues, advertising opportunities, and customers for performances. For example, the majority of concert promoters that Soul'd Out Productions competes against for business are based in the Pacific Northwest.

267. There is a limited supply of artists on tour in each genre and at the levels of demand to fill smaller, medium, and especially larger music venues in each geographic market. The concert promoters in the Washington and Oregon compete for the opportunity to promote those artists' concerts. If one promoter drops out of the market, the demand will be taken up by competitors. If one promoter enters into a contract with one artist to promote local concert dates for a given tour, that removes that artist from the supply of available artists for the other promoters in the area.

268. Similarly, there is interchangeability and cross-elasticity of demand at the customer level. Ticket revenues from Soul'd Out Productions' concerts establish that hard-ticket concert consumers in Washington and Oregon are willing to commute approximately 3-5 hours to see concerts—roughly the distance from Seattle to Portland. Hard-tickets sold for the Soul'd Out Music Festival's individual concerts are mostly purchased from customers throughout Washington and Oregon. TicketMaster's study showed that the average concert attendee travels 43 miles to see a concert, and 10% of buyers have traveled more than 100 miles to see a show.⁸

269. The concert-going public generally has a finite budget in a given year to spend on live music concerts. A reduction in available artists will generally cause customers to reallocate their funds, including to concerts by other artists, who are available, and to ticket prices within their budgets.

270. AEG has power in the market for hard-ticket concert promotion in Washington and Oregon. That market power is part and parcel of their market power throughout the United States, as the second largest concert promoter. AEG has the power to pick up entire concert tours, effectively removing artists from the concert promoter market in each geographic market in which the artists tour, including in the Pacific Northwest. For example, AEG has contracted with numerous national traveling acts to be the concert promoter throughout the country,

⁸ <https://insider.ticketmaster.com/concert-road-trips/>

including in the Pacific Northwest. AEG's website proudly lists numerous acts for which it is the exclusive concert promoter nationally, including in the Pacific Northwest.

271. AEG also owns two venues in Seattle: the Showbox, an 1100 person venue and Showbox Sodo, an 1800 person venue. AEG also owns and operates Bumbershoot, a large festival in Seattle. AEG also owns its own ticketing agency, which it uses to compete for lower overhead prices on hard-ticket concerts. Numerous acts in Seattle use AEG-owned AXS for ticketing. All of this gives AEG a financial advantage in booking artists seeking to perform in Washington or Oregon.

272. AEG also uses its market power elsewhere in the country to increase its market power in Washington and Oregon. For example, AEG forces all or substantially all artists who seek to perform at Coachella to enter into the Radius Clause. This excludes those artists from performing at any events with four or more artists and any "themed events" (as defined by AEG) in the Pacific Northwest for an extended period of time. The Radius Clause also purports to limit the ability of artists to book hard-ticket concert performances in Washington and Oregon for an extended period of time. But AEG makes exceptions when artists book their performances at AEG venues, where AEG is a concert promoter, or where AEG otherwise receives financial remuneration for those performances. By forcing all artists that perform at Coachella to enter into the unreasonable Radius Clause, AEG exerts its substantial market power in the hard-ticket concert promotion market in the Pacific Northwest.

273. AEG is abusing its market power in the Pacific Northwest and has utilized that power to distort competition.

274. Soul'd Out Productions has been damaged through the loss of profits from performances by artists who wanted to perform at the Soul'd Out Music Festival but were pressured not to by AEG.

275. Soul'd Out Productions has also been damaged in being unable to compete to promote concerts by the limited number of artists and agents scheduling tours around the Pacific Northwest around the time of Coachella.

276. Soul'd Out Productions has also been damaged in its ability to develop ongoing relationships with artists because Coachella has unlawfully positioned itself to be the first mover for rights to promote concerts with those artists in the future by unlawfully securing contracts to promote their concerts around the time of Coachella.

**COUNT 2
(TYING)**

277. Soul'd Out Productions incorporates by reference paragraphs 1 through 276 set forth above.

278. AEG's Radius Clause is a *per se* violation of Cal. Bus. & Prof. Code § 16720(a) *et seq.* The Radius Clause ties together two distinct products or services—open air music festivals and hard-ticket concert performances and “themed events” in the Pacific Northwest—and AEG has substantial economic power in the tying product market both nationally and locally (*i.e.*, in Coachella's vicinity), which allows them to coerce artists into agreeing to the Radius Clause. By imposing the Radius Clause on artists, AEG has impacted a substantial volume of commerce in the tied product markets.

279. Because of AEG's dominance in the tying product market—open air music festivals, as reflected by its successful imposition of the Radius Clause—and its use of that agreement to tie artists to AEG venues and promotion business outside of that market—the Radius Clause and its implementation are *per se* unlawful (as that term is used in connection with tying).

280. The popularity and power of Coachella allows AEG to force tying where it does not benefit the artist or consumer, and is not beneficial to Coachella selling tickets, but may benefit AEG's many interests elsewhere.

281. Soul'd Out Productions has shown substantial injury to competition in the tied product market.

282. AEG has market power in the market for open air festivals. Coachella is one of the largest and most famous festivals in the world. AEG has enough power in that market to force artists to agree to terms that are substantially against the artists' best interests, including barring the artists from performing at any other festival in all of North America for an extensive period of time. AEG further restricts artists from performing at any "themed event" or performance in which four or more artists will be performing on the West Coast by limiting the periods of time in which an artist can advertise such performances. Restricting any advertising of performances effectively lengthens the period during which artists are unable to book events on the West Coast, including the Pacific Northwest. AEG further restricts artists from advertising, publicizing, or leaking any hard-ticket concerts on the West Coast for an extensive period of time, effectively prohibiting artists from hard-ticket concert sales in those states both during that period of time and beyond. AEG's ability to enforce such restrictions affirms that Coachella has substantial market power in the open air music festival market.

283. AEG uses its power in the open air music festival market to improperly gain further power in the market for hard-ticket sales in the Pacific Northwest. It does so by tying artists' rights to performances in the Pacific Northwest to performances at AEG venues or AEG's concert promotion business. Effectively, if an artist performs at Coachella, that artist is required to use AEG's concert promotion business or venues if he or she wants to perform within the radius—a period that effectively lasts for months and that stretches thousands of miles beyond Coachella's local market. Because artists tour using the most economical routing, artists will be seeking to perform on the West Coast in close proximity to Coachella. By forcing artists to sign an unreasonably broad clause, AEG holds the power to allow the artists out of that clause. It does so on conditions that benefit AEG—by requiring artists at its whim to book performances

through AEG or at venues owned by AEG. Thus, AEG guarantees that it has the exclusive right to book those artists within the radius.

284. In summary, an artist that performs at Coachella effectively agrees to use AEG to promote its performances in different markets (such as the Pacific Northwest hard-ticket market) within the temporal and geographic scope of the radius. The unreasonably broad Coachella Radius Clause combined with the terms in which it selectively waives the clause leads to this unlawful tying of rights in one market (open air festivals) to rights in another market (hard-ticket concert bookings in at least the Pacific Northwest).

285. AEG's practices seek to ensure that AEG gets revenue from each performance within the overly broad radius, squeezing out local concert promoters who would otherwise have the opportunity to compete to promote those concerts.

286. Additionally, AEG asserts that its definition of "festivals" and "themed events" includes events like the Soul'd Out Music Festival, which does not directly compete with Coachella in the open air music festival market, nor does it have four artists performing at a single engagement on a single ticket. Thus, AEG is further tying artists' agreements to perform at Coachella to their performances in markets beyond Coachella's market, including markets in which Soul'd Out Productions participates.

287. There is no justification for AEG's conduct, let alone one that can meet the exacting standards of tying law. The Radius Clause does not promote goodwill or quality control within the tying market, and it does not promote cost savings (quite the opposite) or other potentially valuable effects, such as metering or risk allocation. There is no rational reason to forbid all 180 artists who play at Coachella from performing, advertising, promoting, or leaking hard-ticket performances, particularly because Coachella sells out before its lineup is announced. Likewise, there is no rational reason to forbid all 180 artists who play at Coachella from playing any other event with four or more artists or "themed events."

288. Soul'd Out Productions has been damaged through the loss of profits from performances by artists who wanted to perform at the Soul'd Out Music Festival but were pressured not to by AEG, relying on the Radius Clause. Soul'd Out Productions has also lost the opportunity for complementary sales.

289. Soul'd Out Productions has also been damaged in being unable to compete to promote concerts by the limited number of artists and agents scheduling tours around the Pacific Northwest around the time of Coachella.

290. Soul'd Out Productions has also been damaged in its ability to develop ongoing relationships with artists because Coachella has unlawfully positioned itself to be the first mover for rights to promote concerts with those artists in the future by unlawfully securing contracts to promote their concerts around the time of Coachella.

**COUNT 3
(QUICK LOOK)**

291. Soul'd Out Productions incorporates by reference paragraphs 1 through 290 set forth above.

292. AEG's Radius Clause is facially anticompetitive. It is a naked restraint on supply of artists—a limitation on output. Based purely on a quick look, no elaborate industry analysis is required to demonstrate the anticompetitive character of the Radius Clause. As demonstrated by the Hiller Study, it is obviously anticompetitive. It results in a decrease in the quality of festivals, a decreased supply of artists for both open air festival performances and also hard-ticket sales, and the shutdown of concert venues within the scope of the radius. A radius that covers all of North America, and which further restrains trade along the entire 1300 mile expanse of the West Coast of the United States is facially unreasonable.

293. Thus, an observer with a rudimentary understanding of economics could conclude that the Radius Clause alone, and certainly in combination with AEG's selective waiver of that clause for AEG venues and concert promotion business, have an anticompetitive effect on

customers and markets. The great likelihood of anticompetitive effects can easily be ascertained from the documents and the pleaded facts alone.

294. Moreover, there is no offsetting procompetitive justification for the practice.

295. Accordingly, the Radius Clause and AEG's selective waiver therefrom are unreasonable based on a "quick look" analysis.

296. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 4
(HORIZONTAL RESTRAINT AMONG FESTIVALS)**

297. Soul'd Out Productions incorporates by reference paragraphs 1 through 296 set forth above.

298. AEG has engaged in a horizontal restraint of trade, carving up the festival market with its competitors.

299. Evidence of such negotiated limitations on the clauses may be found in the Coachella Radius Clause. For example in subsection (c), Coachella has created exceptions for three competing festivals: SXSW in Austin, Texas, Ultra in Miami, and Jazz Fest in New Orleans. Each of these is a large, nationally-renowned, multi-day or multi-week music festival that competes with Coachella.

300. Upon information and belief, SXSW and Ultra are not produced or promoted by AEG.

301. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 5
(WEST COAST MARKET)**

302. Soul'd Out Productions incorporates by reference paragraphs 1 through 301 set forth above.

303. In the alternative, AEG has market power in the market for live, popular music performances in which four or more artists are performing on the West Coast of the United States (California, Oregon, Washington, Arizona and Nevada). AEG's Radius Clause provides evidence that this area is both a product and geographic market, because the radius clause has ostensibly been drafted to cover the range in which Coachella, a rational economic actor, believes it competes. It stated in its motion to dismiss that the clause was drafted to prevent free riding from competing events.

304. AEG has market power in this identified market. AEG has utilized that power to distort competition. AEG's radius clause is anticompetitive and unreasonable for the reasons explained above.

305. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

**COUNT 6
(HUB AND SPOKE)**

306. Soul'd Out Productions incorporates by reference paragraphs 1 through 305 set forth above.

307. AEG has organized a group boycott by artists against other concert, "festival," and "themed event" promoters in a hub-and-spoke conspiracy. AEG, the hub, forces all artists to enter into the Radius Clause, which bars the artists from performing within the geographic and temporal radius defined therein. Thus, there is a series of agreements, each between an artist and AEG, effectively boycotting other concert and event promoters. Each of the artists knows about the Radius Clause and knows that each other artist is signing the Radius Clause because the fact of the Radius Clause is well known, has been in use for years, and has been written about in numerous national publications. Moreover, artists share agents, and agents who represent one artist are aware of the terms of contracts that their past Coachella-artist-clients have been asked to sign, as well as the terms of contracts that their other current Coachella-artist-clients have been asked to sign.

308. Therefore, all Coachella artists know that all other Coachella artists are acceding to the restrictive terms of the Radius Clause. All Coachella artists agree to boycott concert promoters and events within the overly broad radius.

309. The conspiracy would fall apart if several artists did not sign the Radius Clause. An agreement to the Radius Clause is against the economic interest of each artist, as it restricts their ability to amortize expenses and generate additional revenues. Through the network of artists and their agents, other artists would learn about the refusal, and would refuse to sign the clause.

310. For the reasons stated above, Soul'd Out Productions has been injured from AEG's anticompetitive conduct.

ANTITRUST INJURY

311. Soul'd Out Productions has suffered an antitrust injury. The market as a whole has been injured as a result of the Radius Clause. The harms that Soul'd Out Productions has experienced, as detailed above, will be experienced by all other hard-ticket concert and festival promoters within the scope of the Radius Clause. Specifically, they will be unable to retain talent from the limited pool of artists on tour in their geographic market during the relevant season, driving up costs, and reducing the quality of their offerings to the public.

FOURTH CLAIM FOR RELIEF

(Intentional Interference with Prospective Economic Advantage under California Law)

312. Soul'd Out Productions incorporates by reference paragraphs 1 through 311 set forth above.

313. In or about November 2017, Soul'd Out Productions attempted to enter into contracts with artists in the music industry. Soul'd Out Productions was informed and believed that there was a strong probability of future economic benefit from those business relationships.

314. For example, Soul'd Out Productions sought to enter into an agreement with SZA. SZA's agent stated that AEG informed her that the Radius Clause precluded her from entering

into such an agreement with Soul'd Out Productions. Soul'd Out Productions sought a waiver from AEG, but AEG declined to grant such a waiver.

315. AEG was aware of the Soul'd Out Music Festival at that time.

316. AEG was aware of the prospective economic relationships between Soul'd Out Productions and third-party artists who would seek to perform at the Soul'd Out Music Festival.

317. With wrongful specific intent and improper motive, and without lawful privilege, AEG engaged in intentional, reckless, or negligent acts designed to cause the artists not to engage in business transactions with Soul'd Out Productions.

318. AEG's actions were wrongful because its enforcement of the Radius Clause is unlawful—as explained below, the clause itself is unlawful for three reasons:

319. First, the Radius Clause and its enforcement are unlawful as violations of antitrust law, as explained in respect of the First, Second, and Third causes of action, above.

320. Second, the Radius Clause is unlawful because they violate Cal. Bus. & Prof. Code § 16600, which makes it unlawful to restrict a person's rights to pursue a chosen profession.

321. Third, the Radius Clause is unlawful because it violates Oregon's common law prohibition on contractual agreements that unreasonably restrain a person's right to practice his or her trade. The Radius Clause only affords protection of AEG's interests and is broader in scope than necessary, such that the contractual agreements interfere with the interests of the public. As described above, the Radius Clause in AEG's agreements is oppressive and not reasonably necessary to protect AEG's legitimate interests.

322. AEG's actions were also wrongful because AEG has fraudulently informed artists that the Soul'd Out Music Festival is a "festival" within the meaning of the Radius Clause, whereas it is not. The Soul'd Out Music Festival does not have four artists performing at a single engagement.

323. For each of these four reasons, separately, enforcing the Radius Clause is wrongful.

324. AEG's knowing, reckless, or negligent acts that interfered with Soul'd Out Productions' prospective and actual economic relationships included, but were not limited to, falsely representing or otherwise implying to third-party artists that the artists were bound by lawful agreements with AEG restricting their right to enter into performance agreements with Soul'd Out Productions. AEG's statements were wrongful because AEG knew or should have known at the time of making such statements to the artists that the Radius Clause was void and unenforceable under state and federal law.

325. AEG's intentional or reckless acts caused Soul'd Out Productions damage and entitle Soul'd Out Productions to an award of economic damages, including actual damages, lost profits, and injunctive relief.

FIFTH CLAIM FOR RELIEF

(Intentional Interference with Contractual Relations under California Law)

326. Soul'd Out Productions incorporates by reference paragraphs 1 through 325 set forth above.

327. In or about September 2017, Soul'd Out Productions entered into a contractual relationship with third-party artists, Tank and the Bangas.

328. AEG was aware of Plaintiffs' existing economic relationships with Tank and the Bangas.

329. With wrongful and specific intent or improper motive, and without lawful privilege, AEG engaged in intentional, reckless, or negligent acts designed to interfere with the existing economic relationships between Plaintiff and Tank and the Bangas to otherwise cause said artists to breach their agreement with Plaintiff.

330. AEG's actions were wrongful because its enforcement of the Radius Clause is unlawful—as explained below, the clause itself is unlawful for three reasons:

331. First, the Radius Clause and its enforcement are unlawful as violations of antitrust law, as explained in respect of the First, Second, and Third causes of action, above.

332. Second, the Radius Clause is unlawful because it violates Cal. Bus. & Prof. Code § 16600, which makes it unlawful to restrict a person's rights to pursue a chosen profession.

333. Third, the Radius Clause is unlawful because it violates Oregon's common law prohibition on contractual agreements that unreasonably restrain a person's right to practice his or her trade. The Radius Clause only affords protection of AEG's interests and is broader in scope than necessary, such that the contractual agreements interfere with the interests of the public. As described above, the Radius Clause in AEG's agreements is oppressive and not reasonably necessary to protect AEG's legitimate interests.

334. AEG's actions were also wrongful because AEG has fraudulently informed artists that the Soul'd Out Music Festival is a "festival" within the meaning of the Radius Clause, whereas it is not. The Soul'd Out Music Festival does not have four artists performing at a single engagement.

335. For each of these four reasons, separately, enforcing the Radius Clause is wrongful.

336. AEG's knowing, reckless, or negligent acts that interfered with Soul'd Out Productions' prospective and actual economic relationships included, but were not limited to, falsely representing or otherwise implying to third-party artists that the artists were bound by lawful agreements with AEG restricting their right to enter into performance agreements with Plaintiff. AEG's statements were wrongful because AEG knew or should have known at the time of making such statements to the artists that the Radius Clause was void and unenforceable under state and federal law.

337. AEG's interference caused a breach of contract and disrupted the contractual relationship enjoyed between Soul'd Out Productions and Tank and the Bangas.

338. AEG's unjustified conduct was the moving or procuring cause of the breach of Tank and the Bangas's contract with Soul'd Out Productions.

339. AEG's conduct resulted in damages to Soul'd Out Productions including lost income and business opportunities. AEG's interfering conduct entitles Soul'd Out Productions to compensatory damages and injunctive relief.

SIXTH CLAIM FOR RELIEF

(Intentional Interference with Economic Relations under Oregon Law)

340. Soul'd Out Productions incorporates by reference paragraphs 1 through 339 set forth above.

341. Soul'd Out Productions has had professional and business relationships with artists, including Tank and the Bangas, and with other prospective performers at its Soul'd Out Music Festival.

342. AEG's actions were wrongful because its enforcement of the Radius Clause is unlawful—as explained below, the clause itself is unlawful for three reasons:

343. First, the Radius Clause and its enforcement are unlawful as violations of antitrust law, as explained in respect of the First, Second, and Third causes of action, above.

344. Second, the Radius Clause is unlawful because it violates Cal. Bus. & Prof. Code § 16600, which makes it unlawful to restrict a person's rights to pursue a chosen profession.

345. Third, the Radius Clause is unlawful because it violates Oregon's common law prohibition on contractual agreements that unreasonably restrain a person's right to practice his or her trade. The Radius Clause only affords protection of AEG's interests and is broader in scope than necessary, such that the contractual agreements interfere with the interests of the public. As described above, the Radius Clause in AEG's agreements is oppressive and not reasonably necessary to protect AEG's legitimate interests.

346. AEG's actions were also wrongful because AEG has fraudulently informed artists that the Soul'd Out Music Festival is a "festival" within the meaning of the Radius Clause,

whereas it is not. The Soul'd Out Music Festival does not have four artists performing at a single engagement.

347. For each of these four reasons, separately, enforcing the Radius Clause is wrongful.

348. AEG's knowing, reckless, or negligent acts that interfered with Soul'd Out Productions' prospective and actual economic relationships included, but were not limited to, falsely representing or otherwise implying to third-party artists that the artists were bound by lawful agreements with AEG restricting their right to enter into performance agreements with Plaintiff. AEG's statements were wrongful because AEG knew or should have known at the time of making such statements to the artists that the Radius Clause was void and unenforceable under state and federal law.

349. AEG's intentional or reckless acts caused Soul'd Out Productions damage and entitle Soul'd Out Productions to an award of economic damages, including actual damages, lost profits, and injunctive relief.

350. AEG's actions were designed to cause injury within the State of Oregon, by prohibiting artists from performing in certain events over a period of time in the State of Oregon.

351. AEG's intentional and wrongful use of contractual agreements for the purpose of interfering with Plaintiff's economic relationships has damaged Plaintiff in an amount to be ascertained, and has caused ongoing and irreparable harm necessitating injunctive relief. AEG's conduct was willful and done with deliberate and reckless disregard for Plaintiff's rights, such that Plaintiff is entitled to an award of punitive damages.

SEVENTH CLAIM FOR RELIEF

(Unfair Competition, Cal. Bus. & Prof. Code § 17200 *et seq.*)

352. Soul'd Out Productions incorporates by reference paragraphs 1 through 351 set forth above.

353. Section 17200 of the California Business and Professions Code prohibits any unlawful or unfair business practice and provides a separate cause of action allowing courts to enjoin future unlawful conduct.

354. AEG constitutes corporations and businesses as defined under Cal. Bus. & Prof. Code § 17200, *et seq.*

355. AEG uses a contractual restriction on the artists' ability to perform in California and other states, which predicates an unfair practice for an unfair-competition claim under Cal. Bus. & Prof. Code § 17200, *et seq.*

356. First, the Radius Clause and its enforcement are unlawful as violations of antitrust law, as explained in respect of the First, Second, and Third causes of action, above.

357. Second, the Radius Clause is unlawful because it violates Cal. Bus. & Prof. Code § 16600, which makes it unlawful to restrict a person's rights to pursue a chosen profession.

358. Third, the Radius Clause is unlawful because it violates Oregon's common law prohibition on contractual agreements that unreasonably restrain a person's right to practice his or her trade. The Radius Clause only affords protection of AEG's interests and is broader in scope than necessary, such that the contractual agreements interfere with the interests of the public. As described above, the Radius Clause in AEG's agreements is oppressive and not reasonably necessary to protect AEG's legitimate interests.

359. For each of these three reasons, separately, enforcing the Radius Clause is unlawful.

360. The Radius Clause imposes an additional and unreasonable hardship on the artists against whom they are asserted, and, by extension, Soul'd Out Productions, who is unreasonably restricted in its rights to engage those artists in commerce.

361. The Radius Clause also has a direct impact on those who seek to enter into agreements with artists who are subject to such clauses, by restricting their ability to do so.

362. Due to AEG's unlawful and unfair business practices, Soul'd Out Productions and others similarly situated have suffered loss of rights, including the right to work or engage in fair competition.

363. Soul'd Out Productions is entitled to fairly compete or work without fear or obligation to AEG, who form a large conglomerate that has used, and continues to use, unlawful, unfair or deceptive business practices to restrict or eliminate fair competition and deter artists working in the music entertainment industry with a negative effect on other music festivals on the West Coast, including in the Pacific Northwest.

364. AEG's unlawful and unfair practices include (a) representing to artists they are bound by an enforceable and lawful Radius Clause when they are not; (b) implementing schemes to deny artists access to fair employment, and others from entering into agreements with those artists; (c) and foreclosing competitors from the ability to compete.

365. AEG's acts set forth above constitute unfair and unlawful business practices within the meaning and scope of Cal. Bus. & Prof. Code § 17200, *et seq.*

366. AEG's unfair practices have caused artists to forebear at times exercising their right to work, and Soul'd Out Productions the right to engage in fair competition. In response to AEG's unlawful and unfair acts, Soul'd Out Productions and artists have forfeited or limited the exercise of economic choice, including the right to engage in fair competition or the right to work.

367. AEG's unlawful and unfair acts outlined above entitle Soul'd Out Productions to injunctive relief and reimbursement of attorneys' fees and costs incurred by Soul'd Out Productions.

JURY DEMAND

368. Pursuant to Fed. R. Civ. P. 38(b), Soul'd Out Productions hereby demands a trial by jury of all issues so triable that are raised herein or which hereinafter may be raised in this action.

PRAYER FOR RELIEF

WHEREFORE, Soul'd Out Productions prays for judgment against AEG as follows:

1. Enjoining and restraining Defendants, their officers, directors, agents, servants, affiliates, employees, successors, assigns, parent and subsidiary companies, and representatives, and all those acting in privity or in concert or participation with Defendants, from directly or indirectly:

a. Agreeing to, or enforcing performance contracts that contain any clause prohibiting artists from performing at the Soul'd Out Music Festival in Portland, Oregon;

b. Agreeing to, or enforcing contracts that contain any clause prohibiting artists from performing at concerts promoted by Soul'd Out Productions;

c. Inhibiting or interfering with the performance of artists at the Soul'd Out Music Festival in Portland, Oregon in any manner; and

d. Engaging in any business practices, including those complained of herein, which unreasonably injure Soul'd Out Productions, its business, or the goodwill appertaining thereto.

2. Adjudging and decreeing that, given the circumstances, the performance contracts containing the Radius Clause in AEG's agreements with artists that perform at Coachella are violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, Cal. Bus. & Prof. Code § 17200, Cal. Bus. & Prof. Code § 16600, Cal. Bus. & Prof. Code § 16720, Or. Rev. Stat. § 646.725, and common law.

3. Adjudging and decreeing that, given the circumstances, any contracts waiving the Radius Clause for performances at venues owned, operated by, or operated in concert with Defendants are violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, Cal. Bus. & Prof. Code § 17200, Cal. Bus. & Prof. Code § 16600, Cal. Bus. & Prof. Code § 16720, Or. Rev. Stat. § 646.725, and common law.

4. Requiring AEG to notify all artists with whom they have agreements that the

artists are allowed to perform at the Soul'd Out Music Festival without restriction.

5. Awarding Soul'd Out Productions treble the amount of damages actually sustained by reason of the antitrust violations alleged and/or such remedies as may be allowed under state laws.

6. Awarding Soul'd Out Productions its litigation expenses, including reasonable attorneys' fees, costs, disbursements and, under Or. Rev. Stat. 646.770(1), necessary and reasonable expert witness and investigative costs.

7. Granting such other relief as the case may require or as may be deemed proper and equitable.

Dated this 25th day of October 2018. Respectfully submitted,

SCHWABE, WILLIAMSON & WYATT, P.C.

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