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ATTORNEY GENERAL MADIGAN JOINS FEDERAL GOVERNMENT IN PROPOSED REMEDIES FOR TICKETMASTER / LIVE NATION MERGER

Settlement Proposal Designed to Replace Lost Concert Ticketing Competition and Avoid Antitrust Violations

Chicago — Attorney General Lisa Madigan today joined the federal government and 16 other state Attorneys General in a proposed antitrust settlement relating to the merger of Ticketmaster and Live Nation. Attorney General Madigan, the Department of Justice, and the other states filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed merger and, at the same time, filed a proposed final judgment that, if approved by the court, would resolve the lawsuit through a settlement.

“We have serious concerns when a company that controls more than 80 percent of the ticketing market seeks to merge with its biggest competitor, which is the largest entertainment promotion company in the country and owns and operates 85 concert venues across the country,” Madigan said. “This sort of merger bears close scrutiny because it can impact consumers nationwide.”

Attorney General Madigan said the Department of Justice and a number of states including Illinois launched an investigation in February 2009 into the competitive and antitrust implications of the proposed merger by Ticketmaster Entertainment, Inc., of West Hollywood and Live Nation, Inc., of Beverly Hills. The companies have said that the goal of the merger is to create a company that can deliver to consumers a more efficient entertainment product by linking artists directly with their fans.

The goal of the settlement is to prevent the merger from having anticompetitive impacts. Under the terms of the settlement, Ticketmaster, the largest artist management business in the country, must license its ticketing software and divest its ticketing assets to two different companies, Anschutz Entertainment Group (AEG), and either Comcast/Spectacor or another acceptable buyer. AEG is the nation’s second largest promoter and the operator of some of the largest concert venues in the country. Comcast/Spectacor is a sports and entertainment company with a management relationship with a number of concert venues, and also has ticketing experience through its New Era ticketing company.

In addition to the licensing and divestiture provisions designed to ensure competition in the ticketing business, the settlement prohibits the merged Ticketmaster/Live Nation firm from retaliating against any venue owner that chooses to use other ticketers or promoters and this prohibition including restrictions on anticompetitive bundling of services. The merged Ticketmaster/Live Nation also is required to allow any ticketing client that chooses a different ticketer or promoter to take a copy of ticketing data relating to that client. The settlement also creates a firewall to prevent Ticketmaster/Live Nation from using confidential information obtained in its ticketing operations to the disadvantage of its promotion and artist management competitors.

The settlement is subject to the federal Tunney Act, which requires that the Department of Justice accept public comments during a 60-day period. At the end of that period, the court may enter the agreement as a court order upon a finding that it serves the public interest.

Bureau Chief Robert Pratt is handling the case for Attorney General Madigan’s Antitrust Bureau.

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