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8 *Counsel for Plaintiff*

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 _____, Individually and on behalf
12 of all others similarly situated,

13 Plaintiff,

14 v.

15 LIVE NATION ENTERTAINMENT,
16 INC., MICHAEL RAPINO, JOE
17 BERCHTOLD, BRIAN CAPO, and
18 KATHY WILLARD,

19 Defendants.

Case No.

CLASS ACTION COMPLAINT FOR
VIOLATION OF THE FEDERAL
SECURITIES LAWS

JURY TRIAL DEMANDED

20
21 Plaintiff _____ (“Plaintiff”), individually and on behalf of all other
22 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s
23 complaint against Defendants (defined below), alleges the following based upon
24 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and
25 belief as to all other matters, based upon, *inter alia*, the investigation conducted by
26 and through Plaintiff’s attorneys, which included, among other things, a review of
27

1 the Defendants’ public documents, announcements, United States Securities and
2 Exchange Commission (“SEC”) filings, wire and press releases published by and
3 regarding Live Nation Entertainment, Inc. (“Live Nation” or the “Company”), and
4 information readily obtainable on the Internet. Plaintiff believes that substantial
5 evidentiary support will exist for the allegations set forth herein after a reasonable
6 opportunity for discovery.

7
8 **NATURE OF THE ACTION**

9 1. This is a class action on behalf of persons or entities who purchased or
10 otherwise acquired publicly traded Live Nation securities between February 28,
11 2019 and November 5, 2021, inclusive (the “Class Period”). Plaintiff seeks to
12 recover compensable damages caused by Defendants’ violations of the federal
13 securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

14 **JURISDICTION AND VENUE**

15 2. The claims asserted herein arise under and pursuant to §§10(b) and
16 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and §78t(a)) and Rule 10b-5
17 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5).

18 3. This Court has jurisdiction over the subject matter of this action under
19 28 U.S.C. §1331 and §27 of the Exchange Act.

20 4. Venue is proper in this judicial district pursuant to §27 of the Exchange
21 Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b) as the alleged misstatements entered
22 and the subsequent damages took place in this judicial district. Further, the
23 Company maintains its principal executive offices in Los Angeles County.

24 5. In connection with the acts, conduct and other wrongs alleged in this
25 Complaint, Defendants (defined below), directly or indirectly, used the means and
26 instrumentalities of interstate commerce, including but not limited to, the United
27

1 States mail, interstate telephone communications and the facilities of the national
2 securities exchange.

3 **PARTIES**

4 6. Plaintiff, as set forth in the accompanying Certification, purchased the
5 Company's securities at artificially inflated prices during the Class Period and was
6 damaged upon the revelation of the alleged corrective disclosure.

7 7. Defendant Live Nation purports to be the largest live entertainment
8 company in the world, connecting over 580 million fans across all of the Company's
9 concerts and ticketing platforms in 46 countries.

10 8. Defendant Live Nation is a Delaware corporation with its principal
11 executive offices at 6348 Civic Center Drive, Beverley Hills, California 90210. Live
12 Nation's common stock trades on the New York Stock Exchange ("NYSE") under
13 the ticker symbol "LYV."

14 9. Defendant Michael Rapino ("Rapino") has served as the Chief
15 Executive Officer throughout the Class Period.

16 10. Defendant Brian Capo ("Capo") has served as the Chief Accounting
17 Officer throughout the Class Period.

18 11. Defendant Joe Berchtold ("Berchtold") has served as the Company's
19 President throughout the Class Period, as well as the Chief Financial Officer
20 ("CFO") from July 1, 2021 to the present.

21 12. Defendant Kathy Willard ("Willard") served as the Company's CFO
22 during the Class Period up until June 30, 2021.

23 13. Defendants Rapino, Capo, Berchtold, and Willard are sometimes
24 referred to herein as the "Individual Defendants."

25 14. The Individual Defendants:
26
27

- 1 (a) directly participated in the management of the Company;
- 2 (b) were directly involved in the day-to-day operations of the Company at
- 3 the highest levels;
- 4 (c) were privy to confidential proprietary information concerning the
- 5 Company and its business and operations;
- 6 (d) were directly or indirectly involved in drafting, producing, reviewing
- 7 and/or disseminating the false and misleading statements and
- 8 information alleged herein;
- 9 (e) were directly or indirectly involved in the oversight or implementation
- 10 of the Company's internal controls;
- 11 (f) were aware of or recklessly disregarded the fact that the false and
- 12 misleading statements were being issued concerning the Company;
- 13 and/or
- 14 (g) approved or ratified these statements in violation of the federal
- 15 securities laws.
- 16

17 15. The Company is liable for the acts of the Individual Defendants and its

18 employees under the doctrine of *respondeat superior* and common law principles

19 of agency because all of the wrongful acts complained of herein were carried out

20 within the scope of their employment.

21 16. The scienter of the Individual Defendants and other employees and

22 agents of the Company is similarly imputed to the Company under *respondeat*

23 *superior* and agency principles.

24 17. The Company and the Individual Defendants are referred to herein,

25 collectively, as the "Defendants."

26

27

28

1 business as they tend to be much higher margin on a per-show basis than tours that
2 Live Nation promotes.

3 23. On April 30, 2021, Live Nation announced that hip-hop artist Travis
4 Scott would be hosting his Astroworld Festival at NRG Park in Houston, Texas on
5 November 5 and 6, 2021. The Company stated that “[t]he third annual music festival
6 is expanding to two days this year due to overwhelming demand . . . and an
7 experience that fans have now come to expect from this one-of-a-kind music
8 festival.”

9 24. Travis Scott has emerged as one of hip-hop’s most ambitious and top
10 artists. He has earned a reputation for concerts that offer wild, chaotic energy from
11 his audience. For example, in 2015, Scott’s show was shut down at the Lollapalooza
12 festival in Chicago after he told fans to rush the barricades and chant “we want rage,”
13 resulting in a stampede that injured a 15-year-old girl. Scott pleaded guilty to
14 reckless conduct. Scott was again arrest in 2017 for inciting a riot after a show in
15 Arkansas in which he urged fans to evade security and rush the stage.

16 25. At the inaugural edition of Astroworld in 2019, which was also held at
17 NRG Park in Houston, crowds overwhelmed staff, breaking through gates and
18 rushing the entrance. Three people were hospitalized in a stampede while trying to
19 get into the festival.
20

21 26. At the November 2021 Astroworld Festival, a predictably rowdy crowd
22 turned deadly once Travis Scott took the stage around 9:00 p.m., as concertgoers
23 surged toward the stage during Scott’s set. In total, at least nine people were killed,
24 ranging from 14 to 27 years in age. At least 25 people were hospitalized, including
25 a 10-year-old child that was in critical condition, and hundreds of others were
26 injured.
27

1 and typically pay artists a fixed guaranteed amount. We also earn
2 revenue from the sale of concessions, camping fees and service charges
3 earned on tickets sold. For each event, we either use a festival site we
4 own or rent a third-party festival site. Revenue is generally impacted by
5 the number of events, volume of ticket sales and ticket prices. Event
6 costs such as artist fees and production expenses are included in direct
7 operating expenses and are typically substantial in relation to the
8 revenue. Since the artist fees are typically fixed guarantees for these
9 events, significant increases or decreases in festival promotion revenue
10 will generally result in comparable changes to operating income.

(Emphasis added).

11 31. The 2018 Annual Report contained merely generic risk disclosures
12 about the risk of “extraordinary events,” portraying these risks as out of the
13 Company’s control, stating in pertinent part:

14 ***The occurrence and threat of extraordinary events, such as terrorist***
15 ***attacks, intentional or unintentional mass-casualty incidents, public***
16 ***health concerns such as contagious disease outbreaks, natural***
17 ***disasters or similar events***, may deter artists from touring and/or
18 substantially decrease the use of and demand for our services and the
19 attendance at live music events, which may decrease our revenue or
20 expose us to substantial liability. The terrorism and security incidents
21 in the past, military actions in foreign locations and periodic elevated
22 terrorism alerts have raised numerous challenging operating factors,
23 including public concerns regarding air travel, military actions and
24 additional national or local catastrophic incidents, causing a nationwide
25 disruption of commercial and leisure activities.

26 In the event of actual or threatened terrorism events, some artists may
27 refuse to travel or book tours, which could adversely affect our
28 business. Attendance at events may decline due to fears over terrorism
and contagious disease outbreaks, which could adversely impact our
operating results. There have been terrorist attacks at events that we
have promoted or with which we have otherwise been involved, which
have resulted in lawsuits questioning, among other things, the adequacy

1 of the security precautions at these events. *While we are constantly*
2 *evaluating the security precautions for our events in an effort to*
3 *ensure the safety of the public, no security measures can guarantee*
4 *safety and there can be no assurances that we won't face liabilities,*
5 *which could be substantial and materially impact our operating*
6 *results, in connection with such terrorist attacks at our events.* In
7 addition, we hold a large number of events at third-party venues that
8 we do not own or operate. While we do not have direct control over the
9 security at such venues, there can be no guarantees that victims of a
10 terrorism or casualty event at such venues will not seek to impose, or
11 ultimately be successful in imposing, liability on us. The occurrence or
12 threat of future terrorist attacks, military actions by the United States or
13 others, contagious disease outbreaks, natural disasters such as
14 earthquakes and severe floods or similar events cannot be predicted,
15 and their occurrence can be expected to negatively affect the economies
16 of the United States and other foreign countries where we do business,
17 as well as our operating results.

18 While we have health and safety programs designed to mitigate the
19 risks that are inherent in the staging of concerts and other events, as
20 well as those associated with extraordinary occurrences or actions that
21 may take place at our events, there can be no assurances that these
22 programs will be sufficient to fully cover every possibility. *Despite our*
23 *best efforts, some occurrences or actions are difficult to foresee and*
24 *adequately plan for, which could lead to fan, vendor and/or employee*
25 *harm resulting in fines, penalties, legal costs and reputational risk*
26 *that could materially and adversely impact our business and results*
27 *of operations.*

28 (Emphasis added).

32. The 2018 Annual Report also contained merely generic risk disclosures regarding potential liability as a result of mundane personal injuries and accidents at Live Nation events:

There are inherent risks involved with producing live music events. As a result, personal injuries and accidents have occurred, and may in the

1 future occur, from time to time, which could subject us to claims and
2 liabilities for personal injuries. Incidents in connection with our live
3 music events at any of our venues or festival sites that we own or rent
4 could also result in claims, reducing operating income or reducing
5 attendance at our events, which could cause a decrease in our revenue.
6 We have been subject to wrongful death claims and are currently
7 subject to other litigation. In addition, while we have security protocols
8 in place at our events, illegal drug use or alcohol consumption at our
9 events could result in negative publicity, adverse consequences
10 (including illness, injury or death) to the persons engaged in such
11 activities or others, and litigation against us. While we maintain
12 insurance policies that provide coverage within limits that are
13 sufficient, in management’s judgment, to protect us from material
14 financial loss for personal injuries sustained by persons at our venues
15 or events or accidents in the ordinary course of business, there can be
16 no assurance that such insurance will be adequate at all times and in all
17 circumstances.

18 (Emphasis added).

19 33. On February 27, 2020, Live Nation filed with the SEC its annual report
20 on Form 10-K for the period ended December 31, 2019 (the “2019 Annual Report”)
21 which was signed by Defendant Rapino. Attached to the 2019 Annual Report were
22 SOX certifications signed by Defendants Rapino and Willard attesting to the
23 accuracy of financial reporting, the disclosure of any material changes to the
24 Company’s internal control over financial reporting and the disclosure of all fraud.

25 34. The 2019 Annual Report stated the following, in pertinent part, about
26 the Company’s Concerts business segment:

27 As a festival promoter, we typically book artists, secure festival sites,
28 provide for third-party production services, sell tickets and advertise
events to attract fans. ***We also provide or arrange for third parties to
provide operational services as needed such as concessions,
merchandising and security.*** We earn revenue from the sale of tickets
and typically pay artists a fixed guaranteed amount. We also earn

1 revenue from the sale of concessions, camping fees and service charges
2 earned on tickets sold. For each event, we either use a festival site we
3 own or rent a third-party festival site. Revenue is generally impacted by
4 the number of events, volume of ticket sales and ticket prices. Event
5 costs such as artist fees and production expenses are included in direct
6 operating expenses and are typically substantial in relation to the
7 revenue. Since the artist fees are typically fixed guarantees for these
8 events, significant increases or decreases in festival promotion revenue
9 will generally result in comparable changes to operating income.

8 (Emphasis added).

9 35. The 2019 Annual Report also contained generic risk disclosures about
10 security incidents at Live Nation events:

11 The occurrence and threat of extraordinary events, such as terrorist
12 attacks, intentional or unintentional mass-casualty incidents, public
13 health concerns such as contagious disease outbreaks, natural disasters
14 or similar events, may deter artists from touring and/or substantially
15 decrease the use of and demand for our services and the attendance at
16 live music events, which may decrease our revenue or expose us to
17 substantial liability. The terrorism and security incidents in the past,
18 military actions in foreign locations, periodic elevated terrorism alerts
19 and fears from publicized contagious disease outbreaks have raised
20 numerous challenging operating factors, including public concerns
21 regarding air travel, military actions and additional national or local
22 catastrophic incidents, causing a nationwide disruption of commercial
23 and leisure activities.

24 In the event of actual or threatened terrorism events, some artists may
25 refuse to travel or book tours, which could adversely affect our
26 business. Attendance at events may decline due to fears over terrorism
27 and contagious disease outbreaks, which could adversely impact our
28 operating results. There have been terrorist attacks at events that we
have promoted or with which we have otherwise been involved, which
have resulted in lawsuits questioning, among other things, the adequacy
of the security precautions at these events. While we are constantly
evaluating the security precautions for our events in an effort to ensure

1 the safety of the public, no security measures can guarantee safety and
2 there can be no assurances that we won't face liabilities, which could
3 be substantial and materially impact our operating results, in connection
4 with such terrorist attacks at our events. In addition, we hold a large
5 number of events at third-party venues that we do not own or operate.
6 While we do not have direct control over the security at such venues,
7 there can be no guarantees that victims of a terrorism or casualty event
8 at such venues will not seek to impose, or ultimately be successful in
9 imposing, liability on us.

8 * * *

9
10 *.... Negative factors such as challenging economic conditions and*
11 *public concerns over terrorism and security incidents, particularly*
12 *when combined, can impact corporate and consumer spending, and*
13 *one negative factor can impact our results more than another.* There
14 can be no assurance that consumer and corporate spending will not be
15 adversely impacted by current economic conditions, or by any future
16 deterioration in economic conditions, thereby possibly impacting our
17 operating results and growth.

16 (Emphasis added).

17 36. The 2019 Annual Report also contained generic risk disclosures
18 regarding potential liability as a result of personal injuries and accidents at Live
19 Nation events:

20 There are inherent risks involved with producing live music events. As
21 a result, personal injuries and accidents have occurred, and may in the
22 future occur, from time to time, which could subject us to claims and
23 liabilities for personal injuries. Incidents in connection with our live
24 music events at any of our venues or festival sites that we own or rent
25 could also result in claims, reducing operating income or reducing
26 attendance at our events, which could cause a decrease in our revenue.
27 We have been subject to wrongful death claims and are currently
28 subject to other litigation. *In addition, while we have security protocols
in place at our events, illegal drug use or alcohol consumption at our*

1 *events could result in negative publicity, adverse consequences*
2 *(including illness, injury or death) to the persons engaged in such*
3 *activities or others, and litigation against us.* While we maintain
4 insurance policies that provide coverage within limits that are
5 sufficient, in management’s judgment, to protect us from material
6 financial loss for personal injuries sustained by persons at our venues
7 or events or accidents in the ordinary course of business, there can be
8 no assurance that such insurance will be adequate at all times and in all
9 circumstances.

8 (Emphasis added).

9
10 37. On March 1, 2021, Live Nation filed with the SEC its annual report on
11 Form 10-K for the period ended December 31, 2020 (the “2020 Annual Report”)
12 which was signed by Defendant Rapino. Attached to the 2020 Annual Report were
13 SOX certifications signed by Defendants Rapino and Willard attesting to the
14 accuracy of financial reporting, the disclosure of any material changes to the
15 Company’s internal control over financial reporting and the disclosure of all fraud.

16 38. The 2020 Annual Report stated the following, in pertinent part, about
17 re-opening of concerts and live events following the COVID-19 Pandemic:

18 While this disruption has had a material impact on our business, as the
19 leading global live event and ticketing company *we believe that we are*
20 *well-positioned to provide the best service to artists, teams, fans and*
21 *venues once business resumes.* Twenty years of global growth
22 demonstrates the resilience of fan demand for the live entertainment
23 experience. *We are actively taking steps to ensure that when the time*
24 *is right for us to do so, we will be ready to ramp back up quickly and*
25 *once again connect audiences to artists at the concerts they are*
26 *looking forward to.*

25 (Emphasis added).

1 39. The 2020 Annual Report stated the following, in pertinent part, about
2 Live Nation’s venues:

3 *Festival Sites*— Festival sites are outdoor locations used primarily in
4 the summer season to stage large single-day or multi-day concert events
5 featuring several artists on multiple stages. Depending on the location,
6 festival site capacities can range from 10,000 to over 100,000 fans per
7 day. We believe they are popular because of the value provided to the
8 fan by packaging several artists together for an event. ***While festival
9 sites only host a few events each year, they can provide higher
operating income because we are able to generate income from many
different services provided at the event.***

10 (Emphasis added).

11 40. The 2020 Annual Report reiterated previous generic risk disclosures
12 concerning the risk of personal injuries and accidents at Live Nation events, stating,
13 in pertinent part:
14

15 There are inherent risks involved with producing live music events. ***As
16 a result, personal injuries and accidents have occurred, and may in
17 the future occur, from time to time, which could subject us to claims
and liabilities for personal injuries.*** Incidents in connection with our
18 live music events at any of our venues or festival sites that we own or
19 rent could also result in claims, reducing operating income or reducing
20 attendance at our events, which could cause a decrease in our revenue.
21 We have been subject to wrongful death claims and are currently
22 subject to other litigation. ***In addition, while we have security protocols
in place at our events, illegal drug use or alcohol consumption at our
23 events could result in negative publicity, adverse consequences
(including illness, injury or death) to the persons engaged in such
24 activities or others, and litigation against us.*** While we maintain
25 insurance policies that provide coverage within limits that are
26 sufficient, in management’s judgment, to protect us from material
27 financial loss for personal injuries sustained by persons at our venues
28 or events or accidents in the ordinary course of business, there can be

1 no assurance that such insurance will be adequate at all times and in all
2 circumstances.

3 (Emphasis added).

4 41. The 2020 Annual Report stated the following, in pertinent part, about
5 the risks relating to the occurrence of extraordinary events:
6

7 ***The occurrence and threat of extraordinary events, such as terrorist***
8 ***attacks, intentional or unintentional mass-casualty incidents, public***
9 ***health concerns such as contagious disease outbreaks, natural***
10 ***disasters or similar events, may deter artists from touring and/or***
11 ***substantially decrease the use of and demand for our services and the***
12 ***attendance at live music events, which may decrease our revenue or***
13 ***expose us to substantial liability.*** The terrorism and security incidents
14 in the past, military actions in foreign locations, periodic elevated
15 terrorism alerts and fears from publicized contagious disease outbreaks
16 have raised numerous challenging operating factors, including public
17 concerns regarding air travel, military actions and additional national
18 or local catastrophic incidents, causing a nationwide disruption of
19 commercial and leisure activities.

20 * * *

21 While we have health and safety programs designed to mitigate the
22 risks that are inherent in the staging of concerts and other events, as
23 well as those associated with extraordinary occurrences or actions that
24 may take place at our events, there can be no assurances that these
25 programs will be sufficient to fully cover every possibility. Despite our
26 best efforts, some occurrences or actions are difficult to foresee and
27 adequately plan for, which could lead to fan, vendor and/or employee
28 harm resulting in fines, penalties, legal costs and reputational risk that
could materially and adversely impact our business and results of
operations.

(Emphasis added).

1 Peppers tours, and several other tours already selling over 500 thousand
2 tickets.

3 43. On November 4, 2021, the Company also filed with the SEC its
4 Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021
5 (“2021 Q3 10-Q”), which was signed by Defendant Capo. Attached to the 2021 Q3
6 10-Q were certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”)
7 signed by Defendants Rapino and Berchtold attesting to the accuracy of the financial
8 statements and the disclosure of all fraud.

9 44. The 2021 Q3 10-Q stated the following, in pertinent part, about the
10 Company’s financial condition and results of operations:

11 In the third quarter, we saw a meaningful restart of our operations which
12 was reflected in our financials and key performance indicators. As a
13 result, this was our best quarter in the last two years. After nearly a year
14 and a half of very limited events and ticket sales, shows began to play
15 off in our key markets and on-sales for future events continue to grow.
16 In particular, we saw outdoor amphitheater events as well as festivals
17 take place in the United States and United Kingdom with enthusiastic
18 fan response. ***Despite the operational challenges associated with
19 ramping up our concerts in a compressed timeframe, increased health
20 and safety protocols, and a generally tighter labor market, we were
21 able to successfully deliver every planned concert, increase overall
22 per fan profitability, and deliver our first positive operating income in
23 two years. This has been done with careful consideration of the safety
24 and health of our fans, artists and employees via a mix of masking,
25 testing and vaccination protocols. We have seen record festival
26 attendance at a number of our events this year and little pushback on
27 our vaccine requirements in the United States; in fact, recent surveys
28 reveal an improvement to the fan experience versus 2019. Emerging
from the pandemic, our organization has streamlined its operations,
reduced costs and focused its cash management strategies for future
flexibility.*** In the United States and United Kingdom, our reopening is
well underway while other parts of the world catch up as vaccination
efforts gain momentum in mainland Europe, Asia-Pacific and Latin

1 America. A key leading indicator of the future health of our business is
2 transacted ticket sales and for the third quarter, our United States and
3 United Kingdom markets had double-digit growth versus the third
4 quarter of 2019. Sales were notably strong for concert events in both
5 markets and sporting events in the United States.

6 * * *

7 Our Concerts segment revenue for the third quarter increased by \$2.0
8 billion, from \$155 million in 2020 to \$2.2 billion in 2021. The revenue
9 growth was a result of increased shows and fans this quarter as well as
10 ancillary spend per fan at our events. The number of events for the third
11 quarter of 2021 was nearly 5,600 compared to approximately 400
12 events in the third quarter of last year. The number of fans for the third
13 quarter of 2021 was nearly 17 million compared to approximately 265
14 thousand in the third quarter of last year. The growth was largely in the
15 United States and United Kingdom. Concerts operating loss for the
16 third quarter improved by \$249 million, from a loss of \$282 million in
17 2020 to \$33 million in 2021. ***The improvement was primarily due to
18 more shows this year as well as an increase in net ancillary spend per
19 fan at our amphitheater and festival events.*** Our amphitheater net
20 ancillary spend per fan grew by double digits compared to 2019 as a
21 result of higher consumption and our transition to cashless transactions.
22 ***At our major festivals that had over 100 thousand fans, we also saw
23 robust growth in onsite spend with our ancillary per fan increasing
24 by double-digits over 2019.*** And while we have seen some adverse
25 impacts in our operating expenses per show due to labor shortages and
26 supply chain issues, our spend per fan metrics have outpaced the higher
27 costs. For the first nine months, our Concerts segment revenue
28 increased by \$1.4 billion, from \$1.3 billion in 2020 to \$2.7 billion in
2021. The growth in the second and third quarters more than offset the
revenue generated in January through mid-March of 2020, prior to the
pandemic related shut-down. Concerts operating loss for the first nine
months improved by \$398 million, from \$723 million in 2020 to \$324
million in 2021. The improvement was driven by the return of shows
and fans, higher on-site spend and ticket prices as well as lower selling,
general and administrative costs.

1 * * *

2 *As ticket sales return and events scale up in key markets, we continue*
3 *to focus on mitigating the financial impact of the shutdown. We are*
4 *balancing our ramp-up with the cost-savings initiatives we*
5 *implemented across the organization and are also protecting our*
6 *liquidity by managing cash outflows associated with all our major*
7 *expenditures: operating expenses, capital expenditures, acquisitions,*
8 *and advances in both our ticketing and concert businesses. The pace of*
9 *the recovery continues to depend on each market's containment efforts*
10 *and expeditious rollout of approved vaccines and treatments for*
11 *COVID-19. The progress and momentum over the last two quarters*
12 *has made us even more optimistic about the long-term potential of*
13 *our company and the unique power of live shows to unite people.*

14 (Emphasis added).

15 45. The statements referenced in ¶¶ 29-44 above, made by or attributed to
16 Defendants, were materially false and/or misleading because they misrepresented
17 and failed to disclose the following adverse facts pertaining to the Company's
18 business, operational and financial results, which were known to Defendants or
19 recklessly disregarded by them. Specifically, Defendants made false and/or
20 misleading statements and/or failed to disclose that: (1) the Company did not have
21 adequate safety programs or security protocols in place to mitigate the risks
22 associated with the staging of concerts and other events; (2) the Company ignored
23 clear and obvious warning signs relating to the safety of the Astroworld festival,
24 including headliner Travis Scott's reputation for encouraging wild audiences, and
25 instead created a ticketing schedule and venue layout that focused on maximizing
26 short-term revenue without an adequate plan to address the known dangers; (3) as a
27 result, extraordinary events, such as the Astroworld mass-casualty event, were more
28 likely to occur and lead to significant litigation challenging the Company's security

1 and safety measures; (4) as a result, the Company’s strong Q3 2021 financial results
2 were unsustainable as they relied in large part on the Company’s inadequately
3 organized festivals; and (5) as a result, Defendants’ public statements were
4 materially false and/or misleading at all relevant times.

5 **The Truth Emerges**

6 46. On Friday, November 5, 2021, after market hours, at least 8 people
7 were killed, and hundreds injured, at the Astroworld Festival connected to the Travis
8 Scott performance. Reports of the tragedy and Live Nation’s responsibility for it
9 surfaced late Friday, into the weekend, and the next week.

10 47. For example, on November 6, 2021, *The New York Times* reported that
11 “at least eight people were killed and dozens more were injured . . . after a large
12 crowd began pushing toward the front of the stage during a performance by the
13 hometown rapper Travis Scott.” The article reported officials declared a “mass
14 casualty event” but that Live Nation ***did not stop the concert for another 40 minutes.***
15 The article also reported that Travis Scott’s concerts have a reputation for being
16 unruly and dangerous, stating in pertinent part:

17
18 Mr. Scott has also earned a reputation for concerts that feature high-
19 concept stage production ***as well as wild, chaotic energy from his***
20 ***audience.***

21 ***In 2015, Mr. Scott pleaded guilty to charges of reckless conduct after***
22 ***he encouraged fans at Lollapalooza in Chicago to climb over security***
23 ***barricades and onto the stage. Two years later, Mr. Scott was sued by***
24 ***a fan who said he had become paralyzed after being pushed from a***
25 ***third-story balcony and dragged onstage while the rapper performed***
26 ***in Manhattan.***

27 (Emphasis added).

1 until Travis Scott took the stage, and in the moments before he did, crowds surged
2 to the main stage, pressing in from the sides. When he took the stage Travis Scott
3 said “Y’all know what you came to do,” and asked the tens of thousands in front of
4 him to make “the ground shake.” Fire officials initiated a mass-casualty incident at
5 9:30 p.m.; however, the show did not stop for another 40 minutes.

6 51. On November 8, 2021, before market hours, *CNN* published an article
7 entitled “Lawsuits filed against Travis Scott, Live Nation and others following
8 Astroworld Festival tragedy,” which revealed that a lawsuit against Scott and Live
9 Nation alleged that the Company “failed to properly plan and conduct the concert in
10 a safe manner,” and instead “consciously ignored the extreme risks of harm to
11 concertgoers, and, in some cases actively encouraged and fomented dangerous
12 behaviors.” The CNN article also reported that “concertgoers have criticized
13 organizers for continuing the show even as unresponsive people were being given
14 CPR and carried away.”

15
16 52. Also on November 8, 2021, *Vulture* published an article entitled
17 “Everything We Know About the Astroworld Tragedy So Far.” The article stated
18 that there were signs of crowd problems prior to the incident and stated the following
19 about Travis Scott’s history of dangerous shows:

20 *In 2017, Scott encouraged a concert-goer at his Terminal 5 show in*
21 *New York City to jump off a second-floor balcony, remarking: “I see*
22 *you, but are you gonna do it?”* At that same show, fan Kyle Green was
23 paralyzed after being pushed off a third-floor balcony, Rolling Stone
24 reported. In 2019, during the second Astroworld festival, hundreds of
25 people rushed metal barricades to break into the event. Three people
26 were hospitalized “with minor leg injuries from trampling,” Rolling
27 Stone noted. *The police department first described the event as*
28 *insufficiently staffed, tweeting that “promoters did not plan*
sufficiently for the large crowds,” according to the local ABC
affiliate. The police department deleted that tweet. They then posted a

1 far rosier depiction of events, claiming they were “successfully working
2 together” with organizers.

3 In 2015, Chicago police arrested Scott at Lollapalooza after he
4 allegedly urged fans to climb over security barriers and come onto
5 stage, Rolling Stone reported. Scott pleaded guilty to disorderly
6 conduct in 2018 for an incident at a Rogers, Arkansas concert the year
7 prior; local police said that Scott “encouraged people to rush the stage”
8 (per Billboard). *Hip-Hop Lately also reports that Scott has deleted a
9 tweet from May in which he seemed to support sneaking “wild” fans
10 into his shows.*

11 (Emphasis added).

12 53. Also on November 8, 2021, *Vanity Fair* published an article revealing
13 that “[a]t least 11 lawsuits have now been filed against Scott and Live Nation.” At
14 least eight of the lawsuits alleged that “conditions were created and consented to by
15 the festival organizers that caused several stampedes” and that the defendants “failed
16 to provide the proper safety planning, security, and medical personnel.”

17 54. On this news, Live Nation’s stock price fell \$6.66 per share, or 5.7%,
18 to close at \$117.14 per share on November 8, 2021, damaging investors.

19 55. On November 10, 2021, *Billboard* published an article revealing that
20 46 lawsuits had been filed against Live Nation, in addition to “[a] criminal
21 investigation” in which the “FBI has said it could join.” The article further revealed
22 that:

23 The cases, which accuse Travis Scott, Live Nation, ScoreMore and
24 other organizers of negligence, began to be filed in Harris County
25 District Court within hours of the incident, and then started flooding in
26 on Monday. Another batch of seven cases was filed Wednesday
27 morning, with more likely later in the day. *Experts have told Billboard
28 that the litigation over the deadly event – which left eight dead and
scores more injured – could ultimately see hundreds of individual*

1 *claims and that potential damages or settlements could reach*
2 *hundreds of millions of dollars.*

3 (Emphasis added).

4
5 56. NPR also published an article on November 10, 2021, entitled
6 “Astroworld’s safety plan called for deceased to be referred to as ‘smurfs’.” The
7 NPR article detailed the inadequacy of Live Nation’s safety and security protocols,
8 stating, in pertinent part:

9 The security and emergency response plan prepared by organizers
10 ahead of the Astroworld festival in Houston lays out details for
11 responding to tornadoes, extreme heat, bomb threats, earthquakes and
12 active shooters.

13 But the 56-page document *never once mentions how to handle a*
14 *dangerous crowd surge, like what took place during headliner Travis*
15 *Scott's concert over the weekend — and like the last time the rapper*
16 *performed at the festival in 2019.*

17 * * *

18 Scott’s concerts are known for raucous crowds and as Houston Public
19 Media reporter Paul DeBenedetto told NPR, the Houston-native is
20 known to encourage fans to dance and mosh.

21 Fans also expect and look forward to the mayhem of Scott's shows. “If
22 I broke a leg, it was going to be a good thing,” one attendee told The
23 Washington Post.

24 *But organizers ignored all that,* Wertheimer said.

25 *Instead, they put together a “boilerplate” plan that failed to address*
26 *the dangers present in standing-room-only events.*

27 * * *

1 In the instance of a fatality, staff were told to “never use the term ‘dead’
2 or ‘deceased’ over the radio.” Instead, they were told to notify Event
3 Control using the code “smurf.”

4 (Emphasis added).

5 57. The *NPR* article also stated that “[n]ational safety standards say crowd
6 behavior analysis and response plans should be included in concert planning.” Tracy
7 Vecchiarelli, the National Fire Protection Association’s standards lead in the
8 Building Fire and Life Safety Group, told *NPR* that “when considering the number
9 of security personnel and crowd managers that should be hired for any given event
10 and it should be informed by the size and scope of the venue as well as a clear
11 understanding of the artist, the type of audience they draw, and past crowd behavior
12 at previous events.”

13 58. As a result of Defendants’ wrongful acts and omissions, and the decline
14 in the market value of the Company’s securities, Plaintiff and other Class members
15 have suffered significant losses and damages.

16
17 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

18 59. Plaintiff brings this action as a class action pursuant to Federal Rule of
19 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who
20 purchased or otherwise acquired the publicly traded securities of Live Nation during
21 the Class Period (the “Class”) and were damaged upon the revelation of the alleged
22 corrective disclosure. Excluded from the Class are Defendants herein, the officers
23 and directors of the Company, at all relevant times, members of their immediate
24 families and their legal representatives, heirs, successors or assigns and any entity
25 in which Defendants have or had a controlling interest.
26
27
28

- 1 (c) whether Defendants' statements to the investing public during the
2 Class Period omitted material facts necessary to make the statements
3 made, in light of the circumstances under which they were made, not
4 misleading;
- 5 (d) whether the Individual Defendants caused the Company to issue false
6 and misleading SEC filings and public statements during the Class
7 Period;
- 8 (e) whether Defendants acted knowingly or recklessly in issuing false and
9 misleading SEC filings and public statements during the Class Period;
- 10 (f) whether the prices of the Company's securities during the Class Period
11 were artificially inflated because of the Defendants' conduct
12 complained of herein; and
- 13 (g) whether the members of the Class have sustained damages and, if so,
14 what is the proper measure of damages.

15
16 64. A class action is superior to all other available methods for the fair and
17 efficient adjudication of this controversy since joinder of all members is
18 impracticable. Furthermore, as the damages suffered by individual Class members
19 may be relatively small, the expense and burden of individual litigation make it
20 impossible for members of the Class to individually redress the wrongs done to
21 them. There will be no difficulty in the management of this action as a class action.

22 65. Plaintiff will rely, in part, upon the presumption of reliance established
23 by the fraud-on-the-market doctrine in that:

- 24 (a) Defendants made public misrepresentations or failed to disclose
25 material facts during the Class Period;
- 26 (b) the omissions and misrepresentations were material;
- 27

- 1 (c) the Company's securities are traded in efficient markets;
- 2 (d) the Company's securities were liquid and traded with moderate to
- 3 heavy volume during the Class Period;
- 4 (e) the Company traded on NYSE, and was covered by multiple analysts;
- 5 (f) the misrepresentations and omissions alleged would tend to induce a
- 6 reasonable investor to misjudge the value of the Company's securities;
- 7 Plaintiff and members of the Class purchased and/or sold the
- 8 Company's securities between the time the Defendants failed to
- 9 disclose or misrepresented material facts and the time the true facts
- 10 were disclosed, without knowledge of the omitted or misrepresented
- 11 facts; and
- 12 (g) Unexpected material news about the Company was rapidly reflected
- 13 in and incorporated into the Company's stock price during the Class
- 14 Period.
- 15

16 66. Based upon the foregoing, Plaintiff and the members of the Class are

17 entitled to a presumption of reliance upon the integrity of the market.

18 67. Alternatively, Plaintiff and the members of the Class are entitled to the

19 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*

20 *of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as

21 Defendants omitted material information in their Class Period statements in

22 violation of a duty to disclose such information, as detailed above.

23 **COUNT I**

24 **Violation of Section 10(b) of The Exchange Act and Rule 10b-5**

25 **Against All Defendants**

26

27

1 did not disclose, they would not have purchased the Company's securities at the
2 artificially inflated prices that they did, or at all.

3 76. As a result of the wrongful conduct alleged herein, Plaintiff and other
4 members of the Class have suffered damages in an amount to be established at trial.

5 77. By reason of the foregoing, the Company and the Individual
6 Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5
7 promulgated thereunder and are liable to the Plaintiff and the other members of the
8 Class for substantial damages which they suffered in connection with their
9 purchases of the Company's securities during the Class Period.
10

11 **COUNT II**

12 **Violation of Section 20(a) of The Exchange Act**

13 **Against The Individual Defendants**

14 78. Plaintiff repeats and realleges each and every allegation contained in
15 the foregoing paragraphs as if fully set forth herein.

16 79. During the Class Period, the Individual Defendants participated in the
17 operation and management of the Company, and conducted and participated,
18 directly and indirectly, in the conduct of the Company's business affairs. Because
19 of their senior positions, they knew the adverse non-public information regarding
20 the Company's business practices.

21 80. As officers of the Company, the Individual Defendants had a duty to
22 disseminate accurate and truthful information with respect to the Company and to
23 correct promptly any public statements issued by the Company which had become
24 materially false or misleading.

25 81. Because of their positions of control and authority as senior officers,
26 Individual Defendants were able to, and did, control the contents of the various
27

1 reports, press releases and public filings which the Company disseminated in the
2 marketplace during the Class Period. Throughout the Class Period, Individual
3 Defendants exercised their power and authority to cause the Company to engage in
4 the wrongful acts complained of herein. The Individual Defendants therefore, were
5 “controlling persons” of the Company within the meaning of Section 20(a) of the
6 Exchange Act. In this capacity, they participated in the unlawful conduct alleged
7 which artificially inflated the market price of the Company’s securities.

8
9 82. The Individual Defendants, therefore, acted as controlling persons of
10 the Company. By reason of their senior management positions, the Individual
11 Defendants had the power to direct the actions of, and exercised the same to cause,
12 the Company to engage in the unlawful acts and conduct complained of herein. The
13 Individual Defendants exercised control over the general operations of the
14 Company and possessed the power to control the specific activities which comprise
15 the primary violations about which Plaintiff and the other members of the Class
16 complain.

17 83. By reason of the above conduct, the Individual Defendants are liable
18 pursuant to Section 20(a) of the Exchange Act for the violations committed by the
19 Company.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

22 A. Determining that the instant action may be maintained as a class action
23 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as
24 the Class representative;

25 B. Requiring Defendants to pay damages sustained by Plaintiff and the
26 Class by reason of the acts and transactions alleged herein;

1 C. Awarding Plaintiff and the other members of the Class pre-judgment
2 and post-judgment interest, as well as their reasonable attorneys' fees, expert fees,
3 and other costs; and

4 D. Awarding such other and further relief as this Court may deem just and
5 proper.

6 **DEMAND FOR TRIAL BY JURY**

7 Plaintiff hereby demands a trial by jury.
8

9 Respectfully submitted,
10

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