

## If You Own Copyrights For Musical Compositions Available On Spotify, You May Be Entitled To Benefits Through A Class Action Settlement.

If you own a copyright that has been registered with the U.S. Copyright Office (or for which an application of registration has been filed) for a musical composition that was made available on Spotify's service for interactive streaming and/or limited downloading between December 28, 2012 and June 29, 2017, and you contend that Spotify did so without a license, your rights may be affected by a proposed class action settlement, and you may be eligible to receive benefits from a class action settlement. If the court approves the settlement, Spotify will:

- pay \$43.45 million into a Settlement Fund;
- pay all Settlement Administration Costs and Notice Costs, which the Settlement Administrator has estimated will exceed \$1 million;
- pay mechanical license royalties calculated in accordance with 37 C.F.R. §§ 385.10-17 for future use of musical compositions;
- establish a Mechanical Licensing Committee that would aim to increase the percentage of tracks available on Spotify's service that can be matched to a registered copyright owner; and
- coordinate industry efforts to share publisher catalog data to facilitate the mechanical licensing of content on streaming services and digitize pre-1978 Copyright Records and make them available online for free use by the public.

This notice summarizes your rights and options.

### What's this about?

A settlement has been reached in the class action *Ferrick v. Spotify USA Inc.*, No. 1:16-cv-8412 (AJN). The plaintiffs contend that Spotify made certain musical compositions available on its service without a license. Spotify denies any wrongdoing. The parties have agreed to a settlement to avoid the uncertainties and expenses associated with further litigation of the case. The Court has not decided whether the plaintiffs or Spotify is right.

### Am I a class member?

It depends. The Settlement Class consists of all persons or entities who own copyrights in one or more musical compositions (a) for which a certificate of registration has been issued or applied for; and (b) that were made available by Spotify for interactive streaming and/or limited downloading during the class period (December 28, 2012 through June 29, 2017) without a license. Excluded are (i) Spotify and its affiliates, employees, and counsel; (ii) governmental entities; (iii) the Court; (iv) persons and entities who in 2016 executed a Participating Publisher Pending and Unmatched Usage Agreement in connection with the Pending and Unmatched Usage Agreement, dated as of March 17, 2016, between Spotify and the National Music Publishers' Association, or any other person or entity who has agreed not to bring a claim against Spotify in this lawsuit; and (v) any person or entity who has already provided Spotify with a release with respect to claims concerning musical compositions for which a certificate of registration has been issued or applied for, but the exclusion applies solely with respect to such released claims.

### What can I get?

If the settlement is approved by the Court and you submit a timely, valid claim form, you will be an authorized claimant authorized to receive a payment from the settlement fund (\$43,450,000, less deduction for attorneys' fees and certain expenses). Authorized claimants will receive a minimum pro rata payment from a fixed portion of the net settlement fund, and depending upon the number of streams of your

qualifying musical compositions (through the preliminary approval date), you will also receive a pro rata share of the net settlement fund determined by dividing the total number of streams of your qualifying musical compositions by the total number of streams of all qualifying musical compositions. You will also receive payment of future mechanical royalties calculated using the statutory rate. Spotify will also provide nonmonetary benefits to class members, such as by taking steps to facilitate payment of royalties for unmatched works.

### How do I get a payment?

You must submit a timely and properly completed claim form no later than 210 days after the Settlement Claims Start Date. You may complete a claim form online at [www.SpotifyPublishingSettlement.com](http://www.SpotifyPublishingSettlement.com). You may obtain payments for future royalties, but not a share of the settlement fund, by submitting a claim form after the Claim Deadline.

### What are my other options?

You may either remain part of the settlement class and potentially receive benefits, or you can **exclude yourself and get no benefit from the Settlement**. If you exclude yourself, you cannot get a settlement payment, but you keep any rights you may have to bring claims against Spotify over the allegations in the lawsuit. You may exclude yourself from the settlement class by sending a Request for Exclusion to the Settlement Administrator no later than **September 12, 2017**, addressed to: Ferrick v. Spotify USA Inc. c/o Garden City Group LLC, PO Box 10371, Dublin, OH 43017-5571. If you remain in the Settlement Class you (or your lawyer) have the right at your own expense to appear before the Court and/or object to the Settlement. If you object, you are not required to attend. Instructions for submitting a written objection by the deadline of September 12, 2017, are available at [www.SpotifyPublishingSettlement.com](http://www.SpotifyPublishingSettlement.com).

### Who represents me?

The Court has appointed Class Representatives. The Court also has appointed lawyers from Gradstein & Marzano, P.C., and Susman Godfrey L.L.P., as Class Counsel. The Court will determine how much Class Counsel will be paid for fees and expenses. Class Counsel can seek an award for attorneys' fees of \$5,000,000 for, among other things, the future monetary and non-monetary benefits conferred, to be paid by Spotify and not from the Settlement Fund, and up to one-third of the Settlement Fund, plus reimbursement of expenses and incentive fees of up to \$25,000 per Class Plaintiff, to be paid out of the Settlement Fund. You will not be responsible for direct payment of Class Counsel's fees and expenses.

### When will the court consider the proposed settlement?

The Court will hold a final approval hearing on December 1, 2017 at 10:00 a.m. at the U.S. District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, Courtroom 906, 40 Foley Square, New York, NY 10007. At that hearing, the Court will determine the fairness of the settlement. If you file a timely objection and comply with the Court's instructions for objections, you may appear at the hearing to explain your objection. If the hearing is relocated or rescheduled, the new location or date will be posted at [www.SpotifyPublishingSettlement.com](http://www.SpotifyPublishingSettlement.com).

### How do I get more information?

You can visit [www.SpotifyPublishingSettlement.com](http://www.SpotifyPublishingSettlement.com) or contact the Settlement Administrator at toll free 1-(855)-474-3853.