

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

**If you own music that was streamed on Rhapsody
without voluntary or compulsory licenses, you could get compensation
from a Class Action Settlement.**

- A proposed settlement has been reached with Rhapsody International Inc. (“Rhapsody”) in a case known as *Lowery et. al. v. Rhapsody International, Inc. et al.* concerning the mechanical royalties of certain copyright holders. Plaintiffs allege Rhapsody unlawfully reproduced and distributed certain copyrighted musical compositions to Rhapsody’s users via its music streaming service. Rhapsody denies the allegations and does not admit liability in agreeing to the Settlement. Those included in the Settlement have legal rights and options and deadlines by which they must exercise them.
- You may be a Class Member if you are the owner of mechanically distributed and/or reproduced rights in Qualifying Registered Works that were made available or played on the Rhapsody music service in the United States from March 7, 2013 (registered with the U.S. Copyright Office on or before March 7, 2016) to March 21, 2019 and Qualifying Unregistered Works that were not registered with the U. S. Copyright Office.
- **For each validly claimed Qualified Registered Work** that was played at least once in its entirety, Rhapsody will pay up to \$35 (reduced pro-rata where there is more than one claiming rights holder for the same work or the total amount of claims exceeds a set cap of \$10,000,000.) To be eligible, the work: (a) must have been registered with the Copyright Office; (b) for songs with a street release date prior to March 7, 2016, the copyright must have been registered prior to March 7, 2016; (c) for songs with a street release date after March 7, 2016, the copyright must have been registered within three months of the street release date; and (d) must be one for which Rhapsody did not have a voluntary or compulsory license.
- **For each validly claimed Qualified Unregistered Work** that was played more than 24 times in its entirety by someone other than the copyright holder and for which Rhapsody did not have a voluntary or compulsory license, Rhapsody will pay \$1.00 (reduced pro-rata where there is more than one claiming rights holder for the same work or the total amount of claims exceeds a set cap of \$10,000,000.)

The cap referenced above could increase up to \$20 million under certain circumstances. For more information about those circumstances, please see paragraphs [82-89 of the Settlement Agreement](#).

Please read this Notice carefully. Your legal rights are affected, whether you act or do not act. You are encouraged to periodically check the website, www.RhapsodyNOIClassAction.com, because it will be updated with additional information.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:		
DO NOTHING	You get no payment. You give up your rights.	You will be bound by all decisions of the Court.
SUBMIT A CLAIM FORM	This is the only way to get a payment.	File the Claim Form online no later than December 31, 2019 or file by mail postmarked by December 31, 2019 .
EXCLUDE	Exclude yourself from the Settlement. You	File an Exclusion online no later than

YOURSELF	get no payment under the Settlement. This is the only choice that allows you to sue Rhapsody on your own about the claims discussed in this Notice.	July 5, 2019 or file by mail postmarked by July 5, 2019 .
OBJECT TO THE SETTLEMENT	You can write to the Court or appear at the Hearing to state why you disagree with the Settlement or any part of it.	File an Objection online no later than July 5, 2019 or file by mail so it's postmarked by July 5, 2019 .

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BASIC INFORMATION

1. What is this Notice about?

You may be a Class Member and may be able to receive payment under a proposed settlement of a class action lawsuit called *Lowery et. al. v. Rhapsody International, Inc., et al.*, 4:16-cv-01 135-JSW BC476270. The defendant is Rhapsody International Inc (hereinafter, “Rhapsody”). This Notice explains the basic terms of the Settlement and your options and rights as a potential Class Member. The Court still has to decide whether to finally approve the Settlement. Payments and other benefits will be distributed only if the Court finally approves the Settlement and after any appeals are resolved in favor of the Settlement. The Joint Stipulation of Class Action Settlement and Release, and related documents, give greater detail regarding the terms of the Settlement. Copies of these documents can be found in the Documents section on the Claims Website at www.RhapsodyNOIClassAction.com.

2. What is the lawsuit about?

In this class action lawsuit, Plaintiffs allege, among other things, that Rhapsody has infringed their exclusive rights to reproduce and distribute their musical works by streaming them without voluntary or compulsory licenses. They allege both actual and statutory damages pursuant to the Copyright Act, 17 U.S.C. §101, sections 502 through 506 and 509, and also seek certain injunctive relief. Rhapsody denies that it has engaged in copyright infringement, denies that certification of a class for other than settlement purposes is appropriate, and further denies that Plaintiffs and the members of the Settlement Class are entitled to actual and/or statutory damages.

3. What is included in the Settlement?

This Settlement concerns Qualifying Registered and Unregistered Works that Rhapsody distributed via its music stream service from March 7, 2013 to March 21, 2019 without voluntary or compulsory licenses from the owners of the mechanical distribution and/or reproduction rights.

“**Qualifying Registered Work**” means a musical work (as that term is used in the Copyright Act) that is Unmatched as of the end of the Claims Period and that was: (I) available on the Rhapsody Music Service in the United States between March 7, 2013 and February 15, 2019; and (ii) registered with the United States Copyright Office on or before: (a) March 7, 2016, if the "street release date" for a sound recording featuring that work was on or before March 7, 2016; or (b) if the "street release date" for such work was after March 7, 2016, then the work must have been registered within three months after that street date.

“**Qualifying Unregistered Work**” means a musical work (as that term is used in the Copyright Act) that is Unmatched as of the end of the Claims Period and that was: (i) available on the Rhapsody Music Service in the United States between March 7, 2013 and February 15, 2019; and (ii) not registered with the United States Copyright Office consistent with the definition of Qualifying Registered Work above.

4. Why is this a class action?

In a class action, people called “Class Representatives” sue on behalf of other people who have similar claims. All of these people together are the “Class” or “Class Members” if the Court approves. Once approved, the Court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

5. Why is there a settlement?

Both sides in the lawsuit agreed to a settlement to avoid the cost and risk of further litigation, including a potential trial, and so that the Class Members can get benefits, in exchange for releasing Rhapsody from liability. This Settlement has been preliminarily approved by the Court, which authorized the issuance of this Notice. The Class Representatives and the lawyers representing them called Plaintiffs' Counsel, including Class Counsel, believe that the Settlement is in the best interests of all Class Members.

The essential terms of the Settlement are summarized in this Notice. The Settlement Agreement along with all exhibits and addenda sets forth in greater detail the rights and obligations of the parties. If there is any conflict between this Notice and the Settlement Agreement, the Settlement Agreement governs.

WHO IS IN THE SETTLEMENT?

6. How do I know if I am part of the Settlement?

You may be a Class Member if you are the owner of mechanically distributed and/or reproduced rights in Qualifying Registered Works that were made available or played on the Rhapsody music service in the United States from March 7, 2013 (registered with the U.S. Copyright Office on or before March 7, 2016) to March 21, 2019 and Qualifying Unregistered Works that were not registered with the U. S. Copyright office.

7. I'm still not sure if I'm included in the Settlement.

If you are not sure whether you are included in the Class, you may call 1-833-253-8061 Please do not contact the Court. All questions should be directed to the Claims Administrator.

THE SETTLEMENT BENEFITS - WHAT YOU GET AND HOW TO GET IT

8. What does the Settlement provide?

If you are a Class Member, what you are eligible to receive depends on several factors. The Settlement Benefits are outlined generally below, and more information can be found on the Claims Website. The Court still has to decide whether to finally approve the Settlement. Rhapsody may begin to offer this benefit over time, beginning pursuant to the terms of the Settlement Agreement, upon entry of the Preliminary Approval Order by the Court. However, no benefits have to be provided until and unless the Court finally approves the Settlement and only after any appeal period expires or any appeals are resolved in favor of the Settlement. We do not know when the Court will finally approve the Settlement if it does so or whether there will be any appeals that would have to be resolved in favor of the Settlement before certain benefits would be provided, so we do not know precisely when any benefits may be available. Please check www.RhapsodyNOIClassAction.com regularly for updates regarding the Settlement.

Please note that you may have to take action within certain deadlines to receive certain benefits, such as completing and submitting a claim form. If you do nothing, you may not receive certain benefits from the Settlement, and, as a Class Member, you will not be able to sue Rhapsody about the issues in the Lawsuit.

9. What am I giving up in exchange for the Settlement Benefits?

If the Settlement becomes final, Class Members who do not exclude themselves from the Class will release Rhapsody from liability and will not be able to sue Rhapsody about the issues in the Lawsuit.

The Settlement Agreement describes the released claims in full detail, so read it carefully. Visit the Claims Website at www.RhapsodyNOIClassAction.com for further information and to view the Settlement Agreement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue Rhapsody over the legal issues in the Lawsuit, then you must take steps to exclude yourself from this Settlement. This is also known as “opting out” of the Class.

10. If I exclude myself, can I get anything from this Settlement?

If you exclude yourself, you do not get Settlement Benefits. If you ask to be excluded, you cannot object to the Settlement. But, if you timely and properly request exclusion, the Settlement will not prevent you from suing, continuing to sue or remaining or becoming part of a different lawsuit against Rhapsody in the future about the issues in the Lawsuit. If you exclude yourself, you will not be bound by anything that happens in this Lawsuit and you may not object to the Settlement.

11. If I do not exclude myself, can I sue later?

Unless you exclude yourself, you give up the right to sue Rhapsody for the claims resolved by this Settlement. If the Settlement is finally approved, you will be permanently enjoined and barred from initiating or continuing any lawsuit or other proceedings against Rhapsody about the issues in the Lawsuit.

12. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must complete and send the Request for Exclusion Form or a letter containing the same information sent by mail saying that you want to be excluded from the Settlement *Lowery et. al. v. Rhapsody International, Inc.*, et al., and mention the case number (4:16-cv-01135-JSW BC476270). The Request for Exclusion Form is available at www.RhapsodyNOIClassAction.com. You can also file your exclusion online via the website.

If you do not want to complete the Request for Exclusion Form, you may also send a handwritten or typed and signed letter to the Claims Administrator requesting exclusion (opting out). The letter must be signed by you and include your name, address, information on the Qualifying Registered and Unregistered Works being claimed, your telephone number, and email address. You can't ask to be excluded over the phone. You must mail your Request for Exclusion Form or letter with your exclusion request postmarked no later than July 5, 2019 to:

Lowery et. al. v. Rhapsody International, Inc. Settlement,
c/o Claims Administrator
P.O. Box 58232
Philadelphia, PA 19102-8232

Your Request for Exclusion Form or letter with your exclusion request must be postmarked no later than July 5, 2019, to be considered by the Court. The deadlines found in this Notice may be changed by the Court. Please check www.RhapsodyNOIClassAction.com regularly for updates regarding the Settlement.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

Yes. The Court has appointed lawyers to represent you and other Class Members. These lawyers are called “Class Counsel:” Sanford Michelman, Esq. at Michelman & Robinson, LLP and Mona Z. Hanna, Esq. at Michelman & Robinson, LLP are Class Counsel. If you want to be represented by another lawyer, you may hire one to appear in Court for you at your own expense. Their contact information is as follows:

Sanford Michelman, Esq
Michelman & Robinson, LLP
10880 Wilshire Blvd., 19th Floor
Los Angeles, CA 90024
Tel: (310) 564-2670

Mona Z, Hanna, Esq
Michelman & Robinson, LLP
17901 Von Karman Avenue. 10th Floor
Irvine, CA 92614
Tel: (714) 557-7990

14. How will the lawyers be paid?

The law firms that worked on this Action and the Related Action will ask the Court for an award of attorneys’ fees, costs and expenses between \$5,511,878 and \$5,661,877.50, and potentially an additional \$75,000-\$150,000 in fees, costs and expenses incurred between now and the Court’s approval. Rhapsody will not oppose the request for attorneys’ fees, costs and expenses in these amounts.

Class Counsel will also ask the Court to award each of the Class Representatives Enhancement Payments in the amount of \$2,500 for the time and effort each spent representing Class Members. Rhapsody will not oppose the request for Class Representative Enhancement Payments in this amount.

The Court must approve the request for attorneys’ fees, costs and expenses and the request for Enhancement Payments. The amounts awarded by the Court will be paid by Rhapsody in addition to all other Settlement Benefits. Under no circumstances will Rhapsody’s payment of attorneys’ fees, costs and expenses and Class Representative Enhancement Payments reduce your Settlement Benefits.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you do not agree with the Settlement or some part of it.

15. How do I tell the Court if I do not like the Settlement?

If you are a Class Member, and you do not exclude yourself from the Class, you can object to the Settlement if you do not like some part of it or all of it. You can give reasons why you think the Court should not approve it. To object, you must send a written objection signed by you saying that you object to the Settlement *in Lowery et. al. v. Rhapsody International, Inc.*, Case No. 4:16-cv-01135-JSW BC476270, to the Clerk of Court (identified below) so that it is postmarked no later than July 5, 2019 or filed online at the settlement website.

In your objection, you must include: (a) a heading which refers to the Action, *Lowery et. al. v. Rhapsody International, Inc.*, Case No. 4:16-cv-01135-JSW BC476270; (b) the objector’s full name, telephone number, and address (the objector’s actual residential address must be included); (c) if represented by counsel, the full name,

telephone number, and address of all counsel; (d) all of the reasons for his or her objection; (e) whether the objector intends to appear at the Final Approval/Settlement Fairness Hearing on his or her own behalf or through counsel; (f) a statement that the objector is a Class Member, and information on the Qualifying Registered and Unregistered Works being claimed and (g) the objector's dated, handwritten signature (an electronic signature or attorney's signature are not sufficient). Any documents supporting the objection must also be attached to the objection. If any testimony is to be given in support of the objection, the names of all persons who will testify must be set forth in the objection. Class Members may do so either on their own or through an attorney retained at their own expense.

Objections must be mailed to the Clerk of the Court or filed online via the settlement website:

Clerk of Court
United States District Court
Northern District of California
Ronald V. Dellums Federal Building & United States Courthouse
1301 Clay Street, Suite 400 S
Oakland, CA 94612

16. What is the difference between objecting and excluding?

Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you. Objecting is telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class.

If you are a Class Member and you do nothing, you will remain a Class Member and all of the Court's orders will apply to you, you will be eligible for the Settlement Benefits described above as long as you satisfy the conditions for receiving each benefit, and you will not be able to sue Rhapsody over the issues in the Lawsuit.

THE COURT'S FINAL APPROVAL/SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant Final Approval to the Settlement. If you have filed an objection on time and attend the hearing, you may ask to speak (provided you have previously filed a timely notice of intention to appear), but you do not have to attend or speak.

17. When and where will the Court decide whether to grant Final Approval of the Settlement?

The Court will hold a Final Approval/ Settlement Fairness Hearing at 9:00 a.m. on March 13, 2020, at the United States District Court Northern District of California, Ronald V. Dellums Federal Building & United States Courthouse, 1301 Clay Street, Oakland, CA 94612 in courtroom 5 (2nd Floor). At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have requested to speak at the Hearing. After the Hearing, the Court will decide whether to grant Final Approval of the Settlement, and, if so, how much to pay the lawyers representing Class Members. We do not know how long these decisions will take. The Court may reschedule the Final Approval/ Settlement Fairness Hearing, so check the website periodically for further updates.

18. Do I have to come to the Hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it – but you can if you provide advance notice of your intention to. As long as you filed a written objection with all of the required information on time with the Court, the Court will consider it. You may also pay another lawyer to attend, but it is not required.

19. May I speak at the Hearing?

You or your attorney may ask the Court for permission to speak at the Final Approval/Settlement Fairness Hearing. To do so, you must send a letter saying that it is your “Notice of Intent to Appear in *Lowery et. al. v. Rhapsody International, Inc.*,” to the Clerk of Court so that it is postmarked no later than July 5, 2019. You must include your name, address, telephone number, information on the Qualifying Registered and Unregistered Works involved, and your signature. Anyone who has requested permission to speak must be present at the start of the Final Approval/Settlement Fairness hearing at 9:00 am on March 13, 2020. You cannot speak at the Hearing if you excluded yourself from the Class.

GETTING MORE INFORMATION

20. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement and other information about the Settlement and the Claim Forms, at www.RhapsodyNOIClassAction.com.

You can also call the toll-free number 1-833-253-8061 or write the Claims Administrator at *Lowery et. al. v. Rhapsody International, Inc. Settlement* c/o Claims Administrator, P.O. Box 58232, Philadelphia, PA 19102-8232.

21. When will the Settlement be final?

The Settlement will not be final unless and until the Court grants Final Approval of the Settlement at or after the Final Approval/ Settlement Fairness Hearing and after any appeals are resolved in favor of the Settlement. Please be patient and check the Claims Website identified in this Notice regularly. Please do not contact the Court. All questions should be directed to the Claims Administrator.