

1 E. LEIF REID
Nevada Bar No. 5750
2 DARREN J. LEMIEUX
Nevada Bar No. 9615
3 TARA C. ZIMMERMAN
Nevada Bar No. 12146
4 LEWIS AND ROCA LLP
50 West Liberty Street, Suite 410
5 Reno, Nevada 89501
Telephone Number: (775) 823-2900
6 Fax Number: (775)823-2929
7 lreid@lrlaw.com
8 dlemeiux@lrlaw.com
tzimmerman@lrlaw.com

9 JOSEPH M. ALIOTO
California Bar Number 42680
10 ALIOTO LAW FIRM
One Sansome Street, 35th Floor
San Francisco, CA 94104
11 Telephone Number: (415) 434-8900
12 Fax Number: (415) 434-9200
Email: jmalioto@aliotolaw.com
(Pro Hac Vice Application Pending)¹

13 *Attorneys for Plaintiffs*

14 UNITED STATES DISTRICT COURT
15 DISTRICT OF NEVADA

16 BRIAN L. GREENSPUN, AN INDIVIDUAL; THE
17 BRIAN L. GREENSPUN SEPARATE PROPERTY
TRUST, DATED JULY 11, 1990; THE AMY
18 GREENSPUN ARENSON 2010 LEGACY TRUST,

19 PLAINTIFFS,

20 vs.

**VERIFIED COMPLAINT
(JURY DEMAND)**

21 STEPHENS MEDIA LLC, a Nevada limited
liability company; STEPHENS HOLDING
22 COMPANY OF ARKANSAS, an Arkansas
corporation; SF HOLDING CORP., an Arkansas
23 foreign corporation, d/b/a STEPHENS MEDIA
GROUP; DR PARTNERS, a Nevada General
24 Partnership, d/b/a STEPHENS MEDIA GROUP;
STEPHENS MEDIA INTELLECTUAL PROPERTY,
25 LLC, a Delaware limited liability company;
MICHAEL FERGUSON, AN INDIVIDUAL; WARREN
26 A. STEPHENS, AN INDIVIDUAL, DOES, I-X,
INCLUSIVE,

27 DEFENDANTS.
28

¹ Joseph M. Alioto, Esq. had complied with LR IA 10-2.

1 COMES NOW Plaintiffs, Brian L. Greenspun, an individual; Brian L. Greenspun, as
2 trustee of The Brian L. Greenspun Separate Property Trust, dated July 11, 1990; Brian L.
3 Greenspun, as trustee of The Amy Greenspun Arenson 2010 Legacy Trust (collectively,
4 “Plaintiffs”), and complains against Defendants, Stephens Media LLC; Stephens Holding
5 Company of Arkansas, SF Holding Corp., DR Partners d/b/a Stephens Media Group; Stephens
6 Media Intellectual Property LLC; Michael Ferguson, Warren A. Stephens, and Does I-X as
7 follows:

8 **JURISDICTION AND VENUE**

9 1. This action is brought under Section 16 of the Clayton Antitrust Act, 15 U.S.C. §
10 26, to prohibit the consummation and the effectuation of Defendants’ termination of the Amended
11 and Restated Agreement (“2005 JOA”) with Las Vegas Sun, Inc. in violation Section 2 of the
12 Sherman Act, 15 U.S.C. § 2, Section 7 of the Clayton Act, 15 U.S.C. § 18, and Nevada’s Unfair
13 Practice Act, NRS Chapter 598A. This Court has subject matter jurisdiction of the federal
14 antitrust claims asserted in this action under Section 16 of the Clayton Act, 15 U.S.C. § 26, and
15 Title 28 United States Code Sections 1331 and 1337. This Court has supplemental jurisdiction
16 over Plaintiffs’ claim arising under Nevada’s Unfair Trade Practice Act pursuant to 28 U.S.C. §
17 1367.

18 2. This Court has personal jurisdiction over the Defendants, and each of them,
19 pursuant to NRS 14.065 because the acts and omissions complained of herein were committed, in
20 part, within the State of Nevada, County of Clark, and thus, the Defendants, and each of them,
21 have had sufficient minimum contacts with this forum such that the exercise of personal
22 jurisdiction over them will not offend the traditional notions of fair play and substantial justice.

23 3. Venue is proper in this district under Section 12 of the Clayton Act, 15 U.S.C. § 22
24 and under 28 U.S.C. § 1391 because the Defendants are each subject to personal jurisdiction in
25 this district; the Defendants reside, are found, have agents, do or transact business in or are
26 otherwise found in this district; and a substantial part of the events giving rise to this action
27 occurred in this district. The interstate trade and commerce involved and affected by the
28 Defendants’ violations of the antitrust laws were carried on within the district and certain of the

1 unlawful acts set forth herein were conceived, performed or made effective within the district, and
2 or had an effect within the district.

3 **THE PARTIES**

4 4. Plaintiff Brian Greenspun is, and at all times material hereto was, a resident and
5 citizen of Clark County, Nevada.

6 5. Brian Greenspun is a subscriber to the LVRJ/Las Vegas Sun and plans and expects
7 to continue to purchase a newspaper subscription from the LVRJ/Las Vegas Sun in the future.

8 6. Plaintiff The Brian L. Greenspun Separate Property Trust dated July 11, 1990 (the
9 “BLG Trust”) is, and at all times material hereto was, an entity created and existing under Nevada
10 law. Brian Greenspun is its Trustee.

11 7. Plaintiff The Amy Greenspun Arenson 2010 Legacy Trust (the “AGA 2010 Legacy
12 Trust”) is, and at all times material hereto was, an entity created and existing under Nevada law.
13 Brian Greenspun is its Trustee.

14 8. Plaintiffs, the BLG Trust and AGA Legacy Trust, are minority shareholders of Las
15 Vegas Sun, Inc.

16 9. Unless otherwise indicated, Brian Greenspun, the BLG Trust, the AGA 2010
17 Legacy Trust are collectively referred to as “Plaintiffs.”

18 10. Stephens Media LLC is and at all times material hereto was a Nevada Limited
19 liability company having its principal place of business in Clark County, Nevada.

20 11. Stephens Holding Company of Arkansas is and at all times material hereto was a an
21 Arkansas corporation doing business in in Clark County, Nevada.

22 12. Upon information and belief, SF Holding Corp. is and at all times material hereto
23 was an Arkansas corporation doing business as Stephens Media Group in Clark County, Nevada

24 13. DR Partners d/b/a Stephens Media Group is and at all times material hereto was a
25 Nevada general partnership having its principal place of business in Clark County, Nevada.

26 14. Stephens Media Intellectual Property, LLC is and at all times material hereto was a
27 Delaware limited liability company doing business in in Clark County, Nevada.

28 ///

1 15. Michael Ferguson is and at all times material hereto was an individual residing and
2 doing business in Clark County, Nevada.

3 16. Warren A. Stephens is and at all times material hereto was an individually residing
4 in Arkansas and doing business in Clark County, Nevada.

5 17. Unless otherwise indicated, Defendants Stephens Media LLC, Stephens Holding
6 Company of Arkansas, SF Holding Corp., DR Partners, d/b/a Stephens Media Group, Stephens
7 Media Intellectual Property, LLC, Michael Ferguson, and Warren A. Stephens are collectively
8 referred to as "Stephens Media."

9 18. Plaintiffs allege that the defendants named herein as Does I through X are
10 individuals, corporations, limited liability companies, partnerships, associations or other persons
11 or entities who are responsible in some manner or capacity for the acts alleged herein, but whose
12 names are unknown to Plaintiffs at this time. Plaintiffs will seek leave to amend this Complaint to
13 include the names of DOES I through X when the identities of such defendants become known to
14 Plaintiffs.

15 **GENERAL ALLEGATIONS**

16 **Summary of Complaint**

17 19. This is an action for equitable and injunctive relief based on Plaintiffs' antitrust
18 claims initiated in connection with the Newspaper Preservation Act, 15 U.S.C. § 1801, *et seq.* and
19 brought pursuant to Section 2 of the Sherman Act, 15 U.S.C. § 2, Section 7 of the Clayton Act, 15
20 U.S.C. § 18, Section 16 of the Clayton Act, 15 U.S.C. § 26, and Section 598A.060 and 598A.210
21 of the Nevada Unfair Trade Practice Act (NRS 598 *et seq.*).

22 *The Las Vegas Sun, Inc.*

23 20. Hank Greenspun founded the Las Vegas Sun in 1950. The Las Vegas Sun
24 publishes a newspaper for circulation in the Las Vegas metropolitan area.

25 21. The Las Vegas Sun and its sister publications currently employ approximately 200
26 individuals.

27 ///

28 ///

1 22. The Las Vegas Sun is an alternative editorial voice for the Las Vegas metropolitan
2 area, often expressing differing or competing views and values than the Las Vegas Review Journal
3 (“LVRJ”)—the Las Vegas Sun’s largest competitor.

4 23. The Las Vegas Sun has won numerous awards, including the Pulitzer Prize, for its
5 outstanding journalism.

6 24. The Las Vegas Sun maintains Greenspun Interactive, which is devoted to
7 maintaining the Las Vegas Sun’s website, available at www.lasvegassun.com, which has also won
8 numerous awards, including one of the most prestigious broadcast journalism awards available,
9 the DuPont Award.

10 25. The Las Vegas Sun was the first newspaper ever to be awarded the DuPont Award.

11 26. The Las Vegas Sun gives credibility and provides enormous intangible value to the
12 Greenspun Media Group and the Greenspun family.

13 27. Though each entity is separate and offers a different product or service, without the
14 Las Vegas Sun and lasvegassun.com, the remaining parts of the Greenspun Media Group could
15 not function and succeed in the long-term.

16 28. The Las Vegas Sun is presently owned by Plaintiffs, the BLG Trust and AGA
17 Legacy Trust, as well as The Susan Greenspun Fine Family Trust, dated November 20, 1990 (the
18 “SGF Trust”), The Daniel A. Greenspun Separate Property Trust, dated April 15, 1990 (the “DAG
19 Trust”), The Jane Greenspun Gale Separate Property Trust, dated November 19, 1990 (the “JGG
20 Trust”), The James Adam Greenspun 2010 Legacy Trust (the “JAG 2010 Legacy Trust”), Moira
21 Greenspun Tarmy 2010 Legacy Trust (the “MGT 2010 Legacy Trust”), Jesse Greenspun Gale
22 2010 Legacy Trust (the “JGG 2010 Legacy Trust”), The Ariel Greenspun Gale 2010 Legacy Trust
23 (the “AGG 2010 Legacy Trust”), The Harrison Lucas Gale 2010 Legacy Trust (the “HLG 2010
24 Legacy Trust”), The Jeffrey Aron Fine 2010 Legacy Trust (the “JAF 2010 Legacy Trust”), The
25 Alyson Fine Marmur 2010 Legacy Trust (the “AFM 2010 Legacy Trust”), The Jonathon M. Fine
26 2010 Legacy Trust (the “JMF 2010 Legacy Trust”, and The Kathryn A. Fine 2010 Legacy Trust
27 (the “KAF 2010 Legacy Trust”).

28 29. Danny Greenspun is the Trustee of the DAG Trust.

1 30. Jane Greenspun Gale is the Trustee of the JGG Trust.

2 31. Upon information and belief, Susan Greenspun Fine is the Trustee of the SGF
3 Trust.

4 32. Steven M. Gluckstern is the Trustee of the JAG 2010 Legacy Trust and the MGT
5 2010 Legacy Trust.

6 33. Jane Greenspun Gale is the Trustee of the JGG 2010 Legacy Trust, the AGG 2010
7 Legacy Trust, and the HLG 2010 Legacy Trust.

8 34. Upon information and belief, Susan Greenspun Fine and/or Mark Fine are the
9 Trustees of the JAF 2010 Legacy Trust, the AFM 2010 Legacy Trust, the JMF 2010 Legacy Trust,
10 and the KAF 2010 Legacy Trust.

11 35. Unless otherwise indicated, Plaintiff the BLG Trust, and the SGF Trust, the DAG
12 Trust, and JGG Trust, are collectively referred to as the “Second Generation Trusts.”

13 36. Unless otherwise indicated, Plaintiff the AGA 2010 Legacy Trust, and the JAG
14 2010 Legacy Trust, the MGT 2010 Legacy Trust, the JGG 2010 Legacy Trust, the AGG 2010
15 Legacy Trust, the HLG 2010 Legacy Trust, the JAF 2010 Legacy Trust, the AFM 2010 Legacy
16 Trust, the JMF 2010 Legacy Trust, and the KAF 2010 Legacy Trust, are collectively referred to as
17 the “Third Generation Trusts.”

18 37. Susan Greenspun Fine, Brian Greenspun, Jane Greenspun Gale, Danny Greenspun
19 and Paul Hamilton serve as Directors of the Las Vegas Sun.

20 *Vegas.com, LLC*

21 38. Vegas.com is owned by the Third Generation Trusts.

22 39. Steven M. Gluckstern, Jim Gibson, Steven MacArthur, Danny Greenspun, Jeffrey
23 Fine, Walter Delph, Jeffrey Gale, and Josh Schwartz are managers of Vegas.com.

24 40. Vegas.com is devoted to the operation of the website www.vegas.com, which is a
25 transactional website that offers information and access to travel, lodging, dining, and
26 entertainment in Las Vegas.

27 ///

28 ///

Las Vegas Review Journal

1
2 41. Upon information and belief, Stephens Media LLC is the owner and publisher of
3 the LVRJ in Las Vegas, Nevada.

4 42. Stephens Media LLC is managed by Stephens Holding Company and SF Holding
5 Corp.

6 43. Upon information and belief, SF Holding Corp. and/or Stephens Media LLC is the
7 current holder of the trade name “Stephens Media Group” and conducts business in Nevada under
8 that trade name.

9 44. Upon information and belief, Stephens Media LLC is the successor in interest to
10 DR Partners, which in turn is the successor in interest to Donrey of Nevada, Inc.

11 45. Upon information and belief, Michael Ferguson is the President and Chief
12 Executive Officer of Stephens Media LLC, and oversees the operations of the LVRJ and has
13 authority to enter into agreements on behalf of the LVRJ and Stephens Media LLC.

14 46. Warren A. Stephens is the President of Stephens Holding Company and SF
15 Holding Corp.

16 **The Joint Operating Agreement and License Agreement**

17 47. In 1989, pursuant to the Newspaper Preservation Act of 1970, Brian Greenspun,
18 acting on behalf of the Las Vegas Sun, Inc. and with the authority of Hank Greenspun, the Las
19 Vegas Sun’s publisher, negotiated a joint operating agreement (the “1989 JOA”) with the Donrey
20 of Nevada, Inc. because the Las Vegas Sun was routinely unprofitable and operated at a
21 substantial loss. Under the 1989 JOA, the LVRJ was required to, among other things, print the
22 Las Vegas Sun and handle all advertising and circulation functions for both print newspapers,
23 thereby eliminating significant expenses to the Las Vegas Sun. Since entering into the JOA in
24 1989, the Las Vegas Sun, Inc. has had no control over revenue generated by the Las Vegas Sun.

25 48. The 1989 JOA ensured that the Las Vegas Sun would be in existence until at least
26 2040.

27 49. As a direct result of the 1989 JOA, the Las Vegas Sun became profitable.
28

1 50. In 2005, Brian Greenspun renegotiated the 1989 JOA with Defendant DR Partners
2 resulting in the execution of an Amended and Restated Agreement (“2005 JOA”).

3 51. Under the 2005 JOA, the LVRJ agreed to continue to produce and promote the Las
4 Vegas Sun. Specifically, the LVRJ agreed print both the LVRJ and the Las Vegas Sun together in
5 its facilities and to bear all costs, including capital expenditures, of operations, except the
6 operation of the Las Vegas Sun’s news and editorial department. As a result of the 2005 JOA, the
7 Las Vegas Sun became even more profitable.

8 52. The Las Vegas Sun does not own, operate, or have access to a separate printing
9 facility or printing equipment. The Las Vegas Sun and the LVRJ are required to “bear their own
10 respective editorial costs” and “to maintain a staff of news and editorial employees.” However,
11 the 2005 JOA provides that the “Sun shall receive an annual profits payment (“the Annual Profits
12 Payment”), of one-twelfth (1/12th) of which shall be paid monthly in advance of the first day of
13 each month during the term.” This payment is the Las Vegas Sun, Inc.’s sole source of revenue
14 production, and is used to set its annual budget and to pay for its expenses. The Annual Profits
15 Payment is also used to fund the operations of the lasvegassun.com website. The Annual Profits
16 Payment adjusts annually; presently the Las Vegas Sun’s Annual Profits Payment is
17 approximately \$1,300,000.00.

18 53. The initial term of the 2005 JOA expires on December 31, 2040, at which point it
19 automatically renews for succeeding periods of ten years unless either party terminates it upon the
20 occurrence of one the delineated events of termination. Specifically, there are three delineated
21 events of termination set forth in the 2005 JOA: (1) the expiration of the term set forth in Section
22 1.2; (2) bankruptcy or default by either party; and (3) a change in the controlling ownership
23 interest in the Las Vegas Sun away from Brian Greenspun without prior approval from the LVRJ.

24 54. Simultaneous to the execution of the 2005 JOA, Defendants Stephens Media
25 Intellectual Property, LLC and DR Partners d/b/a Stephens Media Group, entered into a Mark and
26 Domain Name License Agreement with Vegas.com, Greenspun Media Group, LLC (“GMG”), and
27 the Las Vegas Sun (“License Agreement”). Pursuant to the License Agreement, Stephens Media
28 Intellectual Property, LLC granted Vegas.com and GMG, as Licensee, the right to use the

1 Uniform Resource Locator (“URL”) associated with lasvegas.com in exchange for a one-time
2 payment of \$12,000,000.00 and monthly payments ranging between \$83,000.00 and \$208,000.00
3 through June 30, 2040, at which point Stephens Media would transfer the Domain Name to
4 Licensee without further payment.

5 **Nature of Trade and Commerce – Relevant Product and Geographic Markets**

6 55. For over 60 years, the citizens of Las Vegas have enjoyed the benefits of two local
7 newspapers. In 1989, the owners of the Las Vegas Sun and the LVRJ eliminated some - but not
8 all - elements of competition between the two newspaper owners by forming the initial joint
9 operating agreement, which was later amended in 2005. Under the 2005 JOA, the two newspapers
10 coordinated certain financial and operational aspects of producing the two newspapers -
11 principally, the printing, distribution, and sales of subscriptions and advertisements. Importantly,
12 however, the two newspapers did not combine all of their operations or ownership. The two
13 newspapers have always maintained separate ownership of and independently made decisions
14 regarding the content and style of the Las Vegas Sun and the LVRJ that determined the
15 attractiveness and worth of the paper to readers. The attractiveness to readers of each paper
16 directly affected the value of the separate ownership interest of each company.

17 56. Local newspapers, such as the Las Vegas Sun and the LVRJ, provide a unique
18 package of attributes for their readers. They provide national, state, and local news in a timely
19 manner and in a convenient, hardcopy format. The news stories featured in such newspapers are
20 more detailed, when compared to the news reported by radio or television, and they cover a wide
21 range of topics of interest to local readers, not just major news highlights. Newspapers, such as the
22 Las Vegas Sun and the LVRJ, are portable and allow the reader to read the news, advertisements,
23 and other information at his or her own convenience. They also provide a tangible historical
24 record of news and events. Most readers of local newspapers in the Las Vegas area do not
25 consider radio news, or television news to be adequate substitutes for the two local newspapers
26 serving the Las Vegas area.

27 57. Unlike radio and television, however, for many readers, online newspaper websites
28 are considered adequate substitutions for printed newspapers. In fact, given consumers’ increased

1 reliance on technology in their everyday lives, the traditional printed newspaper has struggled in
2 recent years and sales have dropped throughout the printed newspaper industry. Newspaper
3 websites will be the likely successor to the traditional printed newspaper. Accordingly, print
4 newspapers, including the Las Vegas Sun, have begun focusing substantial time and effort on their
5 websites and have become increasingly more reliant on their websites for the dissemination of
6 opinions and news.

7 58. The operations for the Las Vegas Sun’s printed newspaper and website are highly
8 intertwined and dependent on one another. The printed newspaper and website utilize the same
9 newsroom and staff for their respective reporting and editing. Many of the stories published in the
10 Las Vegas Sun print newspaper were first reported in their earlier stages on the lasvegassun.com.

11 59. Accordingly, the sale of local newspapers to readers, and the interrelated operation
12 of a newspaper website, constitutes a line of commerce and a relevant product market for purposes
13 of Section 7 of the Clayton Act and Section 2 of the Sherman Act.

14 60. The Las Vegas Sun and the LVRJ are both produced, published, and distributed to
15 readers in the Las Vegas, Clark County, Nevada area. Both newspapers and their respective
16 websites provide news relating to the Las Vegas area in addition to state and national news.

17 61. Local newspapers or newspaper websites that serve areas outside of the Las Vegas
18 area do not regularly provide local news specific to the Las Vegas area. From a reader's
19 standpoint, local newspapers and newspaper websites serving areas outside of the Las Vegas area
20 are not acceptable substitutes for the Las Vegas Sun and the LVRJ. For this reason, local
21 newspapers outside of the Las Vegas area do not have any significant circulation or sales in Las
22 Vegas.

23 62. Accordingly, the Las Vegas, Nevada area is a section of the country and a relevant
24 geographic market for purposes of Section 7 of the Clayton Act and Section 2 of the Sherman Act.

25 **Defendants’ Conduct Giving Rise to Violations of Law – Request that 2005 JOA be**
26 **Terminated**

27 63. On June 23, 2013, the Stephens Media Defendants made a written offer to the Las
28 Vegas Sun, Inc. concerning the termination of the 2005 JOA “as of September 1, 2013.” In

1 exchange for terminating the 2005 JOA and acquiring the URL lasvegassun.com, Stephens Media
2 Intellectual Property, LLC (i.e., LVRJ) would terminate the License Agreement and transfer
3 ownership of the URL lasvegas.com to the Greenspun Corporation and/or Vegas.com. As part of
4 the offer, Stephens Media also requested that Susan Fine, Janie Gale, Danny Greenspun, and Brian
5 Greenspun enter into a five-year non-compete agreement, in which each sibling would be paid
6 \$25,000.00 for refraining from engaging in the “local news business (either print or on-line)” for
7 five years.

8 64. On or about July 15, 2013, Paul Hamilton, on behalf of Susan Fine, Danny
9 Greenspun and Janie Gale, responded via email to Stephens Media’s offer by indicating that

A controlling majority of the Greenspun entities would be
interested in terminating the June 2005 Amended and Restated
Joint Operating Agreement and in return require the termination of
the lease/licen agreement for the lasvegas.com URL and its
ownership transfer to the Greenspun Corporation.

13 (original formatting removed).

14 65. In response, on or about June 22, 2013, Stephens Media indicated that “[t]his is a
15 transaction that Stephens Media would accept and approve and move to accomplish with a
16 minimum of delay.”

17 66. On or about July 26, 2013, Brian Greenspun received notice of a special meeting of
18 the board of directors of the Las Vegas Sun scheduled for August 8, 2013. The meeting was
19 subsequently changed to August 7, 2013. Attached to the notice was the meeting’s agenda.
20 Sections 6 and 7 of the agenda read “DISCUSSION REGARDING SALE / TRANSFER OF JOA
21 WITH STEPHENS,” and “DISCUSSION OF SALE OF URL (lasvegassun.com) TO STEPHENS
22 OR THIRD PARTY,” respectively.

23 67. Similarly, on or about July 26, 2013, Brian Greenspun received notice of special
24 meeting of the board of directors of the Greenspun Corporation scheduled for August 8, 2013.
25 The meeting was subsequently moved to August 7, 2013. Attached to the notice was the
26 meeting’s agenda. Section 6 of the agenda read “DISCUSSION AND [sic] REGARDING
27 STEPHENS’ OFFER RE: CANCELLATION OF URL LICENSE AGREEMENT (lasvegas.com)
28 AND ACQUISITION OF URL.”

1 68. Finally, on or about July 26, 2013, Brian Greenspun, as trustee of the Plaintiff
2 Trusts, received notice of a special stockholders meeting of the Las Vegas Sun, Inc. scheduled for
3 August 8, 2013. The meeting was subsequently moved to August 7, 2013.

4 69. The Greenspun Corporation and the Las Vegas Sun, Inc. special meetings of
5 directors and the special meeting of the stockholders of the Las Vegas Sun, Inc. were held on
6 August 7, 2013. During the special meeting of the directors of the Greenspun Corporation, Danny
7 Greenspun, Susan Greenspun Fine, and Jane Greenspun Gale, voted to accept Stephens Media
8 Intellectual Property, LLC's (i.e., LVRJ) offer to terminate the License Agreement for the
9 lasvegas.com (i.e., Vegas.com) URL. As part of the transaction, Stephens Media will transfer
10 ownership of the lasvegas.com URL to the Greenspun Corporation. Brian Greenspun voted
11 against the transaction.

12 70. During the special meeting of directors of the Las Vegas Sun, Danny Greenspun,
13 Susan Greenspun Fine, and Jane Greenspun Gale, voted to terminate the 2005 JOA with Stephens
14 Media (i.e., LVRJ). The sole consideration for terminating the 2005 JOA is Stephens Media's
15 termination of the License Agreement and transfer of lasvegas.com URL to the Greenspun
16 Corporation and/or Vegas.com. Brian Greenspun voted against the transaction.

17 71. Also during the August 7, 2013 special meeting of the directors of the Las Vegas
18 Sun, Danny Greenspun, Susan Greenspun Fine and Jane Greenspun Gale voted in favor of
19 instructing Paul Hamilton to execute a Notice of Intent, or other similar non-binding agreement,
20 with Stephens Media prior to August 19, 2013, or within a reasonable amount of time, concerning
21 the termination of the 2005 JOA and cancellation of the lasvegas.com License Agreement. Paul
22 Hamilton was instructed to proceed thereafter with the execution of a binding agreement.

23 72. During the special meeting of the Las Vegas Sun Inc.'s stockholders, Danny
24 Greenspun, Susan Greenspun Fine, Jane Greenspun Gale and Steven Gluckstern, as trustees of the
25 Second Generation Trusts and Third Generation Trusts, voted to approve and ratify the actions,
26 resolutions, and motions taken by the Las Vegas Sun, Inc.'s board of directors during the special
27 meeting held on August 7, 2013. Brian Greenspun, as trustee of the Plaintiff Trusts, voted against
28 approval and ratification.

1 73. Upon information and belief, on or about August 18, 2013, Stephens Media LLC
2 and Stephens Media Intellectual Property, LLC delivered to the Las Vegas Sun, Inc. and
3 Vegas.com, through Province Advisors, a Letter of Intent concerning the termination of the 2005
4 JOA and cancellation of the License Agreement.

5 74. As consideration for the termination of the 2005 JOA, Stephens Media agreed to
6 pay the Las Vegas Sun, Inc. \$10.00 (ten dollars).

7 75. Additionally, as part of the overall agreement to cancel the License Agreement and
8 terminate the 2005 JOA, Stephens Media agreed to pay Brian L. Greenspun, Daniel Greenspun,
9 Jane Greenspun Gale, and Susan Greenspun Fine \$70,000.00 each.

10 **Termination of the 2005 JOA Violates State and Federal Antitrust Laws**

11 76. Congress, in 1970, seeking to preserve the ability of independent newspapers to
12 reduce operating expenses through JOAs, gave JOA arrangements created in accordance with
13 federal law explicit, but limited, antitrust immunity when it passed the Newspaper Preservation
14 Act, 15 U.S.C. § 1801, et seq., as long as they met certain requirements. To receive that
15 immunity, Congress required, inter alia, that the newspapers in a JOA be separately owned or
16 controlled, that they maintain separate newsroom staffs, that their editorial policies be
17 “independently determined,” and that at the time the JOA was entered into, no more than one
18 newspaper in the JOA “was likely to remain or become a financially sound publication”

19 77. Within the 2005 JOA, each company shares profits in accordance with a specified
20 calculation, with the amount being paid to the Las Vegas Sun adjusting annually. However, each
21 company had an independent economic incentive to increase the value of its respective newspaper
22 ownership interest by attracting readers to that newspaper. In general, a newspaper that invests in
23 increasing its quality and its appeal will attract more readers and advertisers, will have a longer
24 lifespan, will have an increased market value, and importantly, will see increased activity on its
25 website. Maintaining or increasing the value of a newspaper within a JOA can affect the outcome
26 of, among other things, renegotiations of the terms or renewal of a JOA, negotiations over one or
27 both JOA newspapers operating outside a JOA, and the identity and viability of the newspapers
28 following the expiration or termination of a JOA. Thus, the owners of the Las Vegas newspapers

1 had a variety of long and short-term economic incentives to compete to attract readers to their
2 respective newspapers.

3 78. The owners of the Las Vegas Sun and the LVRJ have always competed vigorously
4 against each other for readers. They did so in various ways, such as seeking to generate original
5 news and other content of interest to readers; trying to cover local news with greater depth,
6 breadth and accuracy; breaking stories first; and offering the most attractive mix of news, features
7 and editorials to readers. All of these decisions were outside the cooperation authorized under the
8 JOA. This head to-head competition between the owners of the Las Vegas Sun and the LVRJ
9 benefits readers by giving them a choice between two newspapers and two newspaper websites
10 with unique news and other content.

11 79. The LVRJ and Las Vegas Sun also compete for online advertisers for their
12 respective websites.

13 80. Absent outside influences, neither the Las Vegas Sun nor the LVRJ is in danger of
14 failing in the near future.

15 81. The terms surrounding Stephens Media's desire to terminate the 2005 JOA
16 contemplate that the Las Vegas Sun will cease operations as both a print and online newspaper.

17 82. As part of its original June 23, 2013 offer, Stephens Media requested that it receive
18 the rights to the lasvegassun.com URL. While the counteroffer relayed by Paul Hamilton on July
19 15, 2013 was silent as to the transfer of the lasvegssun.com URL, the ensuing notice for special
20 meeting of the directors of the Las Vegas Sun, Inc. included on its agenda as item 7
21 "DISCUSSION OF SALE OF URL (lasvegassun.com) TO STEPHENS OR THIRD PARTY."

22 83. In the event the Defendants intend that the lasvegassun.com URL is to be
23 transferred to them, the Las Vegas Sun will lose its ability to compete with the LVRJ via
24 electronic dissemination of its ideas and news.

25 84. Moreover, as part of this termination agreement, Stephens Media will give each of
26 the Greenspun Siblings \$25,000 in exchange for the Siblings executing a five year non-compete
27 requiring that none of the Greenspun Siblings engage in the "local news business (either print of
28 on-line)."

1 85. As the directors of the Las Vegas Sun, Inc., it would be a violation of the non-
2 compete agreement for any of the Greenspun Siblings to continue to operate the Las Vegas Sun by
3 producing a newspaper or disseminating news online. Accordingly, even if a transfer of the
4 lasvegassun.com URL is not intended to be part of the agreement to terminate the 2005 JOA, the
5 Greenspun Siblings will be prohibited from utilizing the website to compete with the LVRJ.

6 86. The presence of the non-compete clause illustrates that the closure of the Las Vegas
7 Sun and its website is integral to Stephens Media's desire to terminate the 2005 JOA.

8 87. Even if closing down the Las Vegas Sun is not expressly contemplated, the
9 termination of the 2005 JOA will effectively destroy the Las Vegas Sun and its website by leaving
10 it with no infrastructure or facilities within which to produce, print, edit or operate its newspaper
11 or website. The funds received under the 2005 JOA are used to operate the Las Vegas Sun print
12 newspaper and the lasvegassun.com website, without which each will be forced to close.

13 88. In exchange for terminating the 2005 JOA, the Las Vegas Sun will receive just
14 \$10.00 as consideration. The only other consideration contemplated for the termination of the
15 2005 JOA is the Greenspun Corporation's and/or Vegas.com's independent acquisition of the
16 lasvegas.com URL and payment of \$70,000 each directly to Brian Greenspun, Jane Greenspun
17 Gale, Danny Greenspun and Susan Greenspun Fine. On the other hand, the Las Vegas Sun will be
18 forfeiting its entire interest in the JOA, including its entitlement to its Annual Profits Payment for
19 the next 27 years.

20 89. Because the termination of the 2005 JOA is part of a plan to terminate the
21 publication of one of the two newspapers, the termination of the 2005 JOA is not immune from
22 antitrust scrutiny under the Newspaper Preservation Act, 15 U.S.C. § 1801, et seq. The
23 Newspaper Preservation Act permits JOAs to be used to coordinate many of the commercial
24 activities of otherwise independent newspapers, including the prices the newspapers charge for
25 subscriptions and advertising, but only if the participants meet the Act's requirements by, inter
26 alia, preserving the existence of two newspapers with independent editorial and reportorial
27 operations.

28

1 90. Without the benefit of antitrust immunity, Stephens Media’s desire to terminate the
2 2005 JOA violates state and federal antitrust laws. The effect of the termination of the 2005 JOA
3 may be to substantially lessen competition, or tend to create a monopoly in print and online
4 newspaper industry in Las Vegas in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2,
5 Section 7 of the Clayton Act, 15 U.S.C. § 18, and Nevada’s Unfair Practice Act, NRS Chapter
6 598A.

7 91. The Las Vegas Sun and the LVRJ are the only two newspapers and operate the
8 only two newspaper websites in the Las Vegas area. By eliminating the LVRJ’s only competitor,
9 the termination of the 2005 JOA eliminates the economic incentives that previously had existed
10 for each newspaper to increase the attractiveness of its newspaper to readers in the Las Vegas area.
11 This threatened reduction in competition violates Section 2 of the Sherman Act, 15 U.S.C. § 2,
12 Section 7 of the Clayton Act, 15 U.S.C. § 18, and Nevada’s Unfair Practice Act, NRS Chapter
13 598A.

14 92. The termination of the 2005 JOA will substantially lessen competition in the local
15 newspaper market in the Las Vegas, Nevada area by giving the LVRJ a monopoly in the Las
16 Vegas local newspaper and newspaper website market. The termination of the 2005 JOA, and
17 impending closure of the Las Vegas Sun and its website, will have adverse effects on competition
18 by, among other things, reducing output (both quantity and quality) of newspapers, increasing
19 subscriber’s costs to purchase a newspaper, and reducing the opportunities available for online
20 advertisers.

21 93. Entry by local newspapers into the Las Vegas, Nevada, area is time-consuming and
22 difficult, and is not likely to prevent the anticompetitive effects of the termination of the 2005
23 JOA. Local newspapers incur significant fixed costs, many of which are sunk. Examples of these
24 sunk costs include building or gaining access to a printing facility, establishing a distribution
25 network, hiring reporters and editors, news gathering, and marketing the very existence of the new
26 paper, all of which take substantial time. These costs often are termed “first copy” costs because
27 they are costs that newspaper companies must incur before they print the first copies of their
28 newspapers. In the event that the entrant fails or exits the newspaper industry, it cannot recover all

1 of these costs, making entry risky and likely unprofitable. As a result, entry into Las Vegas
2 newspaper market would not be timely, likely, or sufficient to prevent the harm to competition
3 resulting from the termination of the 2005 JOA and impending closure of the Las Vegas Sun.

4 94. Additionally, although the Greenspun family has a long legacy of involvement in
5 the Las Vegas news media, by preventing the Greenspun Siblings - specifically Brian Greenspun -
6 from competing with the LVRJ, the Defendants are acting to ensure that the LVRJ will be the sole
7 newspaper in the Las Vegas market for the foreseeable, if not indefinite, future.

8 **FIRST CAUSE OF ACTION**
9 **(Violation of Section 7 of the Clayton Act – 15 U.S.C. § 18)**

10 95. Plaintiffs reallege and incorporate by reference the averments contained in
11 Paragraphs 1 through 91, inclusive, as though fully set forth herein.

12 96. The conduct of Defendants described hereinabove, specifically their plan to
13 terminate the 2005 JOA, constitutes a violation of Section 7 of the Clayton Act, 15 U.S.C. § 18, in
14 that the effect of the proposed termination may be substantially to lessen competition, or to tend to
15 create a monopoly in the print and online newspaper industry in Las Vegas Nevada; by reason of
16 which violation the Plaintiffs are threatened with irreparable harm for which damages will be
17 inadequate to compensate Plaintiffs, such that Plaintiffs are entitled to bring suit under Section 16
18 of the Clayton Act, 15 U.S.C. § 26, to obtain preliminary and permanent injunctive relief against
19 Defendants' termination of the 2005 JOA, and to recover their cost of suit, including a reasonable
20 attorney's fee.

21 **SECOND CAUSE OF ACTION**
22 **(Attempt to Monopolize – 15 U.S.C. § 2)**

23 97. Plaintiffs reallege and incorporate by reference the averments contained in
24 Paragraphs 1 through 93, inclusive, as though fully set forth herein.

25 98. Defendants have engaged in anticompetitive conduct in an attempt to create a
26 monopoly in the relevant market.

27 99. Defendants have acted with specific intent to create a monopoly in the relevant
28 market by forcing the Las Vegas Sun to cease operations.

