

Hearing Date and Time: May 7, 2015 at 11:00 a.m.
Objection Deadline: May 4, 2015 at 5:00 p.m.

William R. Baldiga, Esquire
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*Counsel for the Debtor
and Debtor-in-Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11
	:	
AEREO, INC.,	:	Case No. 14-13200 (SHL)
	:	
Debtor.	:	

**NOTICE OF DEBTOR AND CREDITORS' COMMITTEE'S JOINT MOTION
TO APPROVE SETTLEMENT AGREEMENT WITH BROADCASTERS**

PLEASE TAKE NOTICE that a hearing on the annexed motion, dated April 20, 2015 (the "Motion"), of Aereo, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), and the Official Committee of Unsecured Creditors of Aereo, Inc. (the "Official Creditors' Committee"), for entry of an order pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing the Debtor and the Committee to enter into the Settlement Agreement between the Debtor, the Committee, and the Broadcasters¹,

¹ The "Broadcasters" refers to the following entities: CBS Broadcasting, Inc. , CBS Studios, Inc., Fox Television Stations, Inc., Twentieth Century Fox Film Corporation, Fox Broadcasting Company, The Univision Network Limited Partnership and Univision Television Group, Inc., Open 4 Business Productions LLC, Universal Network Television LLC, Telemundo Network Group LLC, WLIW LLC, WPIX LLC, WNJU-TV Broadcasting LLC, NBCUniversal Media LLC, Universal Television LLC (f/k/a NBC Studios LLC), WNET and Thirteen Productions LLC, KUTV Licensee LLC, Public Broadcasting Service, KSTU LLC (f/k/a Community Television of Utah LLC), Disney Enterprises, Inc., and American Broadcasting Companies, Inc.

all as more fully set forth in the Motion, will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge for the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) at One Bowling Green, New York, New York 10004, Courtroom 701 on **May 7, 2015 at 11:00 a.m.**

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must comply with the Federal Rules of Bankruptcy Procedures and the Local Rules of the Bankruptcy Court, must be set forth in a writing describing the basis therefore and must be filed with the Bankruptcy Court electronically in accordance the General Order M-399, by registered users of the Bankruptcy Court’s electronic case filing system (the User’s Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) and, by all other parties in interest, in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served upon each of the following so as to be actually received no later than **5:00 p.m. on May 4, 2015** (the “Objection Deadline”): (i) attorneys for the Debtor, Brown Rudnick LLP, 7 Times Square, New York, New York 10036, Attn: William R. Baldiga, Esq.; (ii) proposed attorneys for the Official Committee of Unsecured Creditors, Stinson Leonard Street LLP, 150 South Fifth Street, Suite 2300, Minneapolis, MN 55402, Attn: Robert T. Kugler, Esq.; and (iii) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Susan D. Golden, Esq. and Andrew Velez-Rivera, Esq.

Dated: April 20, 2015
New York, New York

Respectfully submitted,

By: /s/ William R. Baldiga
William R. Baldiga, Esquire
R. Benjamin Chapman, Esquire
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7 Times Square
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*Counsel for the Debtor
and Debtor-in-Possession*

61933185

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Objection Deadline: May 4, 2015 at 5:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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 In re: : Chapter 11
 : Case No. 14-13200 (SHL)
 AEREO, INC., :
 :
Debtor. :
 -----X

**DEBTOR AND CREDITORS' COMMITTEE'S JOINT MOTION
TO APPROVE SETTLEMENT AGREEMENT WITH BROADCASTERS**

Aereo, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), and the Official Committee of Unsecured Creditors of Aereo, Inc. (the "Official Creditors' Committee") together hereby submit this joint motion (the "Motion") for entry of an order, substantially in the form attached hereto as Exhibit A, pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing the Debtor and the Committee to enter into the Settlement Agreement between the Debtor, the Committee, and the Broadcasters¹ (collectively, the "Parties") attached hereto as Exhibit B (the "Agreement")² and states:

¹ The "Broadcasters" refers to the following entities: CBS Broadcasting, Inc., CBS Studios, Inc., Fox Television Stations, Inc., Twentieth Century Fox Film Corporation, Fox Broadcasting Company, The Univision Network Limited Partnership and Univision Television Group, Inc., Open 4 Business Productions LLC, Universal Network Television LLC, Telemundo Network Group LLC, WLIW LLC, WPIX LLC, WNJU-TV Broadcasting LLC, NBCUniversal Media LLC, Universal Television LLC (f/k/a NBC Studios LLC), WNET and Thirteen Productions LLC, KUTV Licensee LLC, Public Broadcasting Service, KSTU LLC (f/k/a Community Television of Utah LLC), Disney Enterprises, Inc., and American Broadcasting Companies, Inc.

² Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. If there is any conflict between the terms of the Agreement and the terms in this Motion, the terms in the Agreement shall control. Although the Parties have agreed on the terms of the Agreement, the number of signatures required to be collected requires additional time. In the interest of providing sufficient notice of the terms of the Agreement, the Debtor and the Committee are filing this Motion now with an unexecuted version of the Agreement attached as Exhibit B (the Agreement is, in fact, agreed to by all Parties, and obtaining the signatures from all parties is simply a matter of logistics). The Debtor will file an amended Exhibit B attaching a fully executed version of the Agreement in the coming days. The Parties note, however, that Nexstar Broadcasting, Inc. ("Nexstar"), has not yet provided its approval of the form of Consent Judgment to be entered in the United States District Court for the District of Utah, and Nexstar reserves its right to further comment thereon or object thereto.

Jurisdiction and Venue

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (M), and (O). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief sought herein are sections 105(a) and 363(b) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules.

Background

3. On November 20, 2014 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is continuing in possession of its property as debtor-in-possession pursuant to Bankruptcy Code Sections 1107(a) and 1108.

4. On January 16, 2015, the United States Trustee appointed the Committee. (Dkt. 160.)

5. The Debtor, founded in 2010, is a privately-held New York corporation with headquarters in Boston, Massachusetts. Until 2014, the Debtor provided subscribers with the ability to record and watch live or delayed local over-the-air broadcast television on internet connected services, such as personal computers, tablet devices, and smartphones.

6. Beginning in March 2012, certain of the Broadcasters commenced actions in the United States District Court for the Southern District of New York (the “District Court”) seeking, among other things, to enjoin the Debtor from streaming copyrighted broadcast television programs to its subscribers (the “SDNY Copyright Case”).³ After an evidentiary hearing, the District Court denied the Broadcasters’ request for a preliminary injunction. *See Am. Broad. Co., Inc. v. Aereo, Inc.*, 874 F. Supp. 2d 373 (S.D.N.Y. 2012). The Second Circuit affirmed the

³ The other Broadcasters subsequently filed an action in Utah after the Debtor launched its service there. *Community Television of Utah, LLC, et al. v. Aereo, Inc.*, No. 2:13CV910DAK.

District Court's holding. *WNET v. Aereo, Inc.*, 712 F.3d 676 (2d Cir. 2013), *reh'g en banc denied*, 722 F.3d 500 (2d Cir. 2013).

7. The Broadcasters appealed to the Supreme Court, which reversed the decisions of the Second Circuit and District Court, holding that the Debtor's transmissions of live broadcasts were public performances under the Copyright Act. *Am. Broad. Co., Inc. v. Aereo, Inc.*, 134 S. Ct. 2498 (2014). On remand, the District Court granted the Broadcasters' request for a nationwide preliminary injunction preventing the use of the Debtor's system for playback while the underlying program was still airing. *See Am. Broad. Co., Inc. v. Aereo, Inc.*, No. 12-cv-1540, slip op. at 15 (S.D.N.Y. Oct. 23, 2014).

8. The Debtor filed this chapter 11 case (the "Case") to pursue a sale under Section 363 of the Bankruptcy Code of all, or substantially all, of its assets.

9. On March 12, 2015, the Court entered orders approving the sale of the Debtor's trademarks, domain names and customer lists to TiVo, Inc. for \$1 million, its patents to RPX Corp. for \$325,000 and its equipment to Alliance Technology Solutions, Inc. for \$320,000.

10. On February 27, 2015, the Debtor filed its Disclosure Statement to the Chapter 11 Plan of Aereo, Inc. (the "Disclosure Statement") together with a proposed Chapter 11 Plan of Aereo, Inc. (the "Plan").

11. To date, approximately 76 proofs of claims have been filed totaling over \$108 million. (*See* Claims Register.) The Broadcasters have collectively filed 19 claims against the Debtor seeking over \$99 million in damages for copyright infringement plus additional unliquidated amounts for attorneys' fees.⁴ The Broadcasters' Claims constitute more than 90% of the asserted unsecured claims filed against the Debtor.

⁴ The "Broadcasters' Proofs of Claim" refer to the following proofs of claim filed by the following Broadcasters in the above-captioned case: CBS Broadcasting, Inc. (Claim No. 41), CBS Studios, Inc. (Claim No. 42), Fox

12. On March 9, 2015, the Debtor commenced an adversary proceeding against the Broadcasters (the “Adversary Proceeding”) seeking, among other things, the equitable subordination of the Broadcasters’ Claims. (See Adv. Case No. 15-01068.) The Broadcasters deny the allegations of the Adversary Proceeding.

13. After vigorous, arms’-length negotiations, on April 17, 2015, the Parties entered into the Agreement. In summary, the Agreement provides:

- The Broadcasters’ Proofs of Claim will be allowed in the amounts filed, and shall not be subject to objection, expungement, setoff, or recoupment. The Broadcasters’ Claims will be deemed satisfied in full by the Debtor’s payment of the sum of Nine Hundred and Fifty Thousand (\$950,000) Dollars (the “Broadcasters’ Settlement Amount”) in cash. The Debtor shall pay the Broadcasters’ Settlement Amount on or before the second business day following the date on which the Bankruptcy Court enters an order approving the Agreement (the “Approval Date”) to an attorney escrow account (the “Escrow Account”) at the instruction of the Broadcasters.
- The “Settlement Effective Date” shall be the date on which each of the following events shall have occurred: (i) the Debtor shall have paid the Broadcasters’ Settlement Amount to the Escrow Account; (ii) the applicable district courts shall have entered the Consent Judgments, as hereinafter defined; and (iii) the Bankruptcy Court shall have dismissed with prejudice the Adversary Proceeding, as hereinafter defined. If the Settlement Effective Date has not occurred on or before June 30, 2015, unless the Parties agree otherwise in writing, the Broadcasters and the escrow agent for the Escrow Account shall return to the Debtor the entire Broadcasters’ Settlement Amount, this Agreement shall be deemed null and void, and each party shall be deemed restored to the position it was in as if this Agreement was never entered into or approved;
- (e) Effective as of the Settlement Effective Date, other than the Broadcasters’ Settlement Amount, the Broadcasters waive any right to

Television Stations, Inc. and Twentieth Century Fox Film Corporation (Claim No. 44), Fox Broadcasting Company (Claim No. 45), The Univision Network Limited Partnership and Univision Television Group, Inc. (Claim No. 47), Open 4 Business Productions LLC (Claim No. 48), Universal Network Television LLC (Claim No. 49), Telemundo Network Group LLC (Claim No. 50), WLIW LLC (Claim No. 55), WPIX LLC (Claim No. 58), WNJU-TV Broadcasting LLC (Claim No. 60), NBCUniversal Media LLC (Claim No. 61), Universal Television LLC (f/k/a NBC Studios LLC) (Claim No. 63), WNET and Thirteen Productions LLC (Claim No. 64), KUTV Licensee LLC (Claim No. 65), Public Broadcasting Service (Claim No. 66), KSTU LLC (f/k/a Community Television of Utah LLC) (Claim No. 67), Disney Enterprises, Inc. (Claim No. 70) and American Broadcasting Companies, Inc. (Claim No. 72). Collectively the Broadcasters’ Proofs of Claim shall be referred to as the “Broadcasters’ Claims”.

payment by the Debtor (including any further distribution under the Plan), or by other person or entity whatsoever (including directors and officers of Aereo, Inc. in their capacities as such) on account of the Broadcasters' Claims and the causes of action asserted in the litigation set forth in Section 3 of the Agreement;

- Within two (2) business days following the Settlement Effective Date, the Broadcasters shall transmit notice to the Debtor's claims agent, with a copy to counsel for the Debtor, authorizing the claims agent to record on the claims register in respect to each of the Broadcasters' Claims that each such claim has been satisfied pursuant to this Settlement Agreement.
- Within two (2) business days following the Approval Date, the Parties shall dismiss the following actions with prejudice, all parties to bear their own costs: (a) the Adversary Proceeding; (b) the declaratory judgment action styled *Aereo, Inc. v. CBS Broadcasting, Inc., et al.*, Case No. 13-CV-3013 (AJN) before the United States District Court for the Southern District of New York; and (c) the Debtor's appeal styled *KSTU LLC, et al. v. Aereo, Inc.*, No. 14-4020 before the United States Court of Appeals for the Tenth Circuit;
- Within two (2) business days following the Approval Date, the Broadcasters shall withdraw their motion to withdraw the reference styled *American Broadcasting Companies, Inc. v. Aereo, Inc.*, Case No. 14-CV-9829 (AJN) before the United States District Court for the Southern District of New York; and the *Broadcasters' Motion for Relief From Stay Pursuant to 11 U.S.C. § 362(d)* [Docket No. 47], Case No. 14-13200 (SHL) before the Bankruptcy Court;
- Within two (2) business days after the Approval Date, the Debtor and the Broadcasters shall take all necessary steps to obtain the entry of consent judgments and permanent injunctions in agreed form with respect to the following actions: (a) the SDNY Copyright Case; and (b) *Community Television of Utah, LLC, et al. v. Aereo, Inc.*, No. 2:13CV910DAK before the United States District Court for the District of Utah;
- Any future sale of material assets shall be subject to an order of the Bankruptcy Court containing language substantially similar to paragraph 15 of the Order at Docket No. 254, and nothing inconsistent with that paragraph;
- The Debtor and the Broadcasters shall be deemed to have requested the destruction of (i) Discovery Material as that term is defined in the *Amended Stipulated Protective Order* in the SDNY Copyright Case [ECF No. 63], and (ii) any material provided by the Debtor to the Broadcasters pursuant to any agreement of the parties or order of the Bankruptcy Court.

The Debtor and the Broadcasters shall promptly take all necessary action to effectuate the terms of the *Amended Stipulated Protective Order* and each shall deliver certificates of compliance within two weeks from the date of the execution of this Agreement. The *Amended Stipulated Protective Order* shall continue in full force and effect post-confirmation.

- The Plan and any amended Plan proposed in the Case and any amended or new Disclosure Statement filed in this Case shall provide for and be consistent with the terms of the Settlement Agreement. On or before the Approval Date, the Debtor shall file amendments to its Plan and the Disclosure Statement to conform with the terms of the Agreement. The Plan and Disclosure Statement shall describe the nature of the disputes among the Parties and the Settlement Agreement substantially in the terms set forth in this Motion, or in such other manner as the Parties may agree. The occurrence of the Settlement Effective Date shall be a condition to the Effective Date of the Plan;
- Provided that the Parties are proceeding with the Settlement Agreement, the Broadcasters shall not (i) seek to terminate the Debtor's exclusive periods arising under Bankruptcy Code section 1121; (ii) object to an extension to the Debtor's exclusivity period for solicitation; nor (iii) file any motion, objection or other papers, or otherwise participate in the Case, except as necessary to effectuate or enforce this Settlement Agreement, or unless this Settlement Agreement is voided in accordance herewith.
- As to the Official Creditors' Committee, the Debtor's exclusivity period for solicitation arising under Bankruptcy Code section 1121 expires as of May 20, 2015.
- As of and following the Settlement Effective Date, for good and valuable consideration, the Debtor, including, without limitation, any person seeking to exercise the rights of the Debtor's estate, including any successor to the Debtor, any estate representative appointed or selected pursuant to Section 1123(b)(3) of the Bankruptcy Code, whether pursuing an action derivatively or otherwise, shall be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action (including any avoidance actions) and liabilities of any kind whatsoever in connection with or related to the Debtor (including Aereo, Inc. before the commencement of the Case), the affairs of the same, the Prior Litigation (as defined in the Agreement) and the Case, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are based on any act, omission, transaction, event or other occurrence taking place on or prior to the Confirmation Date, and that may be asserted by or on behalf of the Debtor or its estate against the Broadcasters and each of their respective

Representatives (as defined in the Agreement), and any of the successors or assigns of the Broadcasters.

- As of and following the Settlement Effective Date, for good and valuable consideration, and except as provided in the Agreement and in the Consent Judgments attached as Exhibit B thereto, the Broadcasters covenant not to sue or seek recovery or any other kind of relief from or against Aereo, Inc. (including Aereo, Inc. before the commencement of the Case) or its Representatives (solely in the Representatives' capacities as agents for the Debtor and solely for actions taken on behalf of the Debtor) based upon any claim or cause of action of any kind whatsoever (including, without limitation, claims or causes of action relating to infringement of copyrights) arising from the Prior Litigation, the Case, or related to the facts alleged in either the Prior Litigation or the Case, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, in law, equity or otherwise, that are based on any act, omission, transaction, event or other occurrence taking place on or prior to the Settlement Effective Date. Notwithstanding anything in the Agreement to the contrary, nothing in the Agreement shall be construed as being applicable to or releasing any person or entity of any liability of any kind arising from or related to any violation of the Permanent Injunctions attached as part of Exhibit B to the Agreement once entered by the courts and/or conduct occurring after the Settlement Effective Date. In the event any of the Debtor's Representatives commence an action against any of the Broadcasters asserting any claims related to those released in paragraph 9(b), the covenant not to sue in this paragraph 9(c) shall be null and void solely as to that Representative, but no other breach or alleged breach of the Agreement shall relieve the Broadcasters from complying with the covenant not to sue in paragraph 9(c) of the Agreement.
- As of the Settlement Effective Date, the parties shall no longer have any obligation to each other to preserve or retain data, information, e-mail, documents or other evidence (the "Preserved Material"), including but not limited to Preserved Material potentially relevant to the pending litigations identified in Section 3 (the "Prior Litigation"), and any other agreements between the parties to retain, store or preserve such Preserved material (including, without limitation, the agreements in the *Court's Superseding Order (I) Approving Bidding Procedures; (II) Establishing Certain Related Deadlines; And (III) Granting Related Relief*, dated January 28, 2015 [Docket No. 176]) shall be deemed terminated and no longer in effect.

Relief Requested

14. By this Motion, the Debtor and the Official Creditors' Committee seek authority to enter into the Agreement pursuant to Fed. R. Bankr. P. 9019(a) and 11 U.S.C. § 363(b) and hereby represent that the Agreement constitutes a fair and reasonable compromise among the Parties, that it will expedite administration of the Estate, and that it is in the best interest of the Estate in light of the costs of litigating any potential claims, the time to pursue such litigation, and the attendant risks of litigation. As such, the Parties respectfully seek the Court's approval of the Agreement.

Basis for the Relief Requested

15. Bankruptcy Rule 9019(a) provides, in part, that, "On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Compromises are a normal part of the bankruptcy process. *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 423 (1968). As a matter of policy, compromises and settlements are favored in order to minimize litigation and expedite administration of the estate. *Meyers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996).

16. The Second Circuit has developed a number of factors courts must consider when ruling on proposed settlements of disputed claims under Rule 9019:

(1) the balance between the litigation's possibility of success and the settlement's future benefits; (2) the likelihood of complex and protracted litigation, "with its attendant expense, inconvenience, and delay," including the difficulty in collecting on the judgment; (3) "the paramount interests of the creditors," including each affected class's relative benefits "and the degree to which creditors either do not object to or affirmatively support the proposed settlement"; (4) whether other parties in interest support the settlement; (5) the "competency and experience of counsel" supporting, and "[t]he experience and knowledge of the bankruptcy court judge" reviewing, the settlement; (6) "the nature and breadth of releases to be obtained by officers and directors"; and (7) "the extent to which the settlement is the product of arm's length bargaining."

Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 463 (2d Cir. 2007) (citing *TMT Trailer Ferry Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)).

17. In addition to those requirements, the Second Circuit has held that a pre-plan settlement agreement which satisfies a creditor's claim prior to confirmation of a plan of reorganization must meet the same "fair and equitable" requirements that a reorganization plan must meet under 1129(b)(2)(B)(ii). *Iridium*, 478 F.3d at 462. Namely, courts should consider whether the settlement would upset the absolute priority rule:

[W]hether a particular settlement's distribution scheme complies with the Code's priority scheme must be the most important factor for the bankruptcy court to consider when determining whether a settlement is "fair and equitable" under Rule 9019 In the Chapter 11 context, whether a settlement's distribution plan complies with the Bankruptcy Code's priority scheme will often be the dispositive factor. However, where the remaining [Rule 9019] factors weigh heavily in favor of approving a settlement, the bankruptcy court, in its discretion, could endorse a settlement that does not comply in some minor respects with the priority rule if the parties to the settlement justify, and the reviewing court clearly articulates the reasons for approving, a settlement that deviates from the priority rule.

Id. at 464-65.

18. The Agreement satisfies both the relevant standards for approval of a settlement and the fair and equitable requirements of Bankruptcy Code Section 1129(b)(2)(B)(ii). *First*, the Agreement reflects a fair resolution of the Broadcasters' claims against the Debtor and the Debtor's claims against the Broadcasters. In the absence of settlement, there is a likelihood of expensive, protracted litigation that will likely consume the Debtor's limited remaining funds and prevent confirmation of a plan for the foreseeable future. The Broadcasters vigorously dispute the allegations made in the Adversary Proceeding and have stated that they intend to move to dismiss the Adversary Proceeding for, among other reasons, that the alleged claims stated therein are barred under the *Noerr-Pennington* doctrine established in *E. R.R. Presidents*

Conference v. Noerr Motor Freight, Inc., 365 U.S. 127 (1961), and *Mine Workers v. Pennington*, 381 U.S. 657 (1965). The Broadcasters also contend that litigation privilege protects the conduct complained of in the Adversary Proceeding. The Debtor and the Committee believe that neither defense would prevail, but agree that litigation as to those issues would be expensive, protracted and of uncertain result.

19. Moreover, according to the Broadcasters, any objections to the amount of the Broadcasters' Proofs of Claim would be difficult and expensive to litigate, given the nature and complexity of those Claims, and the outcome uncertain. Finally, the Broadcasters assert that it is unlikely that a plan could be confirmed over their objection, as their claims exceed 2/3 in dollar amount of the total general unsecured claims. The Debtor and the Committee disagree with the Broadcasters' conclusions, but agree that litigating such issues would likely be expensive and protracted. Accordingly, the Debtor and the Official Creditors' Committee submit that the Broadcasters' agreement to accept less than their *pro rata* share of the Debtor's assets reflects a fair compromise of the Broadcasters' Claims.

20. *Second*, the Settlement avoids protracted, expensive litigation and is in the paramount of interests of creditors because it allows for the confirmation of a Chapter 11 plan. Absent a settlement, it is likely that the litigation over the Broadcasters' Claims could take more than one year to resolve and the Debtor would likely use all of its remaining assets funding the cost of this litigation. The Debtor and Official Creditors' Committee have each therefore determined that the paramount interests of all unsecured creditors are best served by a settlement before any more funds are spent on expensive litigation.

21. *Third*, the Official Creditors' Committee, which represents all general unsecured creditors, supports the Agreement. *Fourth*, the Agreement also was the product of arms'-length negotiations between sophisticated parties.

22. *Finally*, the Agreement does not violate the absolute priority rule and complies with 11 U.S.C. § 1129(b)(2)(B)(ii). Absent a settlement, the Broadcasters believe that they would be entitled to receive over 90% of the Debtor's assets available for distribution to creditors. The Broadcasters have agreed to accept substantially less than their *pro rata* share of available assets in exchange for the Debtor's agreement to pay the Broadcasters immediately upon approval of the Agreement. As a result of this compromise, the Debtor's remaining funds, estimated, after deducting estimated costs and expenses of winding down the Estate, to be \$811,000, will be should be available for distribution to other unsecured creditors, thereby providing those other creditors, which filed claims approximating \$7.5 million with the opportunity for a meaningful recovery without further expensive litigation.

Notice

23. The Debtor and the Official Creditors' Committee have given notice of the Motion to the United States Trustee, all counsel of record, all parties who formally requested notice in the Debtor's bankruptcy case, and all creditors. The Debtor and the Official Creditors' Committee believe this notice is sufficient and requests that the Court waive any further notice requirement.

Conclusion

WHEREFORE, the Debtor and the Official Creditors' Committee respectfully request the Court enter the proposed Order filed herewith authorizing the Debtor to enter into the Settlement Agreement with the Broadcasters attached hereto as Exhibit B and granting such other relief as may be just.

April 20, 2015

Respectfully submitted,

STINSON LEONARD STREET LLP

BROWN RUDNICK LLP

By: /s/ Edwin H. Caldie
Edwin H. Caldie

By: /s/ William R. Baldiga
William R. Baldiga

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*Attorneys for the Official Committee of
Unsecured Creditors*

*Counsel for the Debtor and the
Debtor-in-Possession*

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
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AEREO, INC., : Case No. 14-13200 (SHL)
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Debtor. :
-----X

**ORDER GRANTING JOINT MOTION TO APPROVE
SETTLEMENT AGREEMENT WITH BROADCASTERS**

Upon consideration of the Debtor and the Official Creditors' Committee's Joint Motion To Approve Settlement Agreement With Broadcasters⁵ (the "Motion") and it appearing to the Court that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. § 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A),(M) and (O) and the Court has the constitutional authority to enter a final order on the Motion; (iii) due and sufficient notice of the Motion and the hearing on the Motion having been given and that no other or further notice is necessary; (iv) any objections to the Motion having been withdrawn or overruled; (v) the Court having found that approval of the Motion is in the best interests of the Debtor, its estate and its creditors and that the Motion and Agreement satisfy the standards for approval of settlements set forth in *Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC)*, 478 F.3d 452, 463 (2d Cir. 2007); and (vi) upon the record herein after due deliberation and sufficient cause appearing therefore;

IT IS THEREFORE ORDERED THAT:

1. The Motion is GRANTED.
2. The Agreement and all of its terms, as set forth in the Agreement attached to the

⁵ Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion and Agreement.

Motion as Exhibit B, are approved in all respects.

3. The Debtor and the Official Creditors' Committee are hereby authorized and directed to execute and deliver the Agreement and payments due thereunder and to perform all such actions as are necessary to effectuate the terms of the Agreement.

4. The Court shall retain exclusive jurisdiction over the Parties with respect to any matters related to or arising from the implementation of this Order. Following payment of the Broadcasters' Claims, all parties retain standing to enforce the terms of this Order and the Agreement in the Debtor's Case.

5. Notwithstanding any possible application of Bankruptcy Rules 6004(h), 6006(d), 7062 and 9014 or otherwise, the terms and conditions of this Order shall be effective immediately upon entry and the Debtor and the Official Creditors' Committee are authorized to consummate the Agreement immediately upon entry of this Order.

Dated: New York, NY
_____, 2015

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Settlement Agreement

61930957

AEREO, INC.

SETTLEMENT AGREEMENT

This **SETTLEMENT AGREEMENT** (together with all exhibits attached hereto, this “Settlement **Agreement**”) is made and entered into as of April 20, 2015 by and between the “**Broadcasters**” (listed below),¹ on the one hand, and Aereo, Inc. (the “**Debtor**”), and the official committee of unsecured creditors (the “**Official Creditors’ Committee**”), on the other hand (collectively, the “**Parties**”).

RECITALS

WHEREAS, on November 20, 2014 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), which case has been docketed as Case No. 14-13200 (SHL) (the “**Case**”);

WHEREAS, on January 16, 2015, the United States Trustee for the Southern District of New York appointed the Official Creditors’ Committee;

WHEREAS, each member of the Official Creditors’ Committee and each of the Broadcasters is a holder of a claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtor;

WHEREAS, the Parties have engaged in negotiations regarding a global settlement of the claims and disputes between the Debtor, the Broadcasters, and the Official Creditors’ Committee;

NOW, THEREFORE, in consideration of the foregoing and the premises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. Implementation. The Debtor and the Official Creditors’ Committee, with the support of the Broadcasters, agree to file a motion to obtain court approval of this Settlement Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (“**Motion**”), within two (2) business days from the date of the execution of this Settlement Agreement. The Debtor and the Official Creditors’ Committee shall be co-proponents of the Motion. The Debtor

¹ The “**Broadcasters**” are WNET, THIRTEEN, Fox Television Stations, Inc., Twentieth Century Fox Film Corporation, WPIX, LLC, WLIW, LLC, Univision Television Group, Inc., The Univision Network Limited Partnership, Public Broadcasting Service, American Broadcasting Companies, Inc., Disney Enterprises, Inc., CBS Broadcasting Inc., CBS Studios Inc., NBCUniversal Media, LLC, NBC Studios, LLC, Open 4 Business Productions LLC, Universal Network Television, LLC, Telemundo Network Group LLC, WNJU-TV Broadcasting LLC, Community Television of Utah, LLC d/b/a KSTU Fox 13, KUTV Licensee, LLC d/b/a KUTV, and KMYU, Fox Broadcasting Company, and Nexstar Broadcasting, Inc.

shall use its best efforts to obtain an order shortening time so that the Motion is set for hearing on May 7, 2015, or as soon thereafter as the Bankruptcy Court will permit, and will also use its best efforts to obtain Bankruptcy Court approval of the Settlement Agreement.

Section 2. The Broadcasters' Claims. The Broadcasters have asserted claims against the Debtor (the "**Broadcasters' Claims**") that are documented in nineteen (19) timely filed proofs of claims in this Case (the "**Broadcasters' Proofs of Claims**"), the details of which are set forth in **Exhibit A** to this Settlement Agreement.

- (a) The Broadcasters' Claims shall be deemed to be allowed in the amounts filed, and shall not be subject to objection, expungement, setoff, or recoupment.
- (b) The Broadcasters' Claims shall be satisfied in full as follows pursuant to this Settlement Agreement:
 - (i) Within two (2) business days of the entry of an order approving the Settlement Agreement (the "**Approval Date**"), the Debtor shall pay the sum of nine hundred and fifty thousand dollars (\$950,000) (the "**Broadcasters' Settlement Amount**") in cash to an attorney escrow account designated by the Broadcasters for the benefit of the holders of the Broadcasters' Claims (the "**Escrow Account**") that, together with the other terms of this Settlement Agreement, shall constitute the full and final satisfaction of the Broadcasters' Claims.
 - (ii) The Broadcasters' Settlement Amount may be disbursed thereafter from the Escrow Account to each holder of a Broadcasters' Claim in an amount agreed to amongst the Broadcasters at any time after the Settlement Effective Date.
- (c) The "**Settlement Effective Date**" shall be the date on which each of the following events shall have occurred: (i) the Debtor shall have paid the Broadcasters' Settlement Amount to the Escrow Account; (ii) the applicable district courts shall have entered the Consent Judgments, as hereinafter defined; and (iii) the Bankruptcy Court shall have dismissed with prejudice the Adversary Proceeding, as hereinafter defined. If the Settlement Effective Date has not occurred on or before June 30, 2015, unless the Parties agree otherwise in writing, the Broadcasters and the escrow agent for the Escrow Account shall return to the Debtor the entire Broadcasters' Settlement Amount, this Settlement Agreement shall be deemed null and void, and each party shall be deemed restored to the position it was in as if this Settlement Agreement was never entered into or approved.
- (d) Within two (2) business days following the Settlement Effective Date, the Broadcasters shall transmit notice to the Debtor's claims agent, with a copy to counsel for the Debtor, authorizing the claims agent to record on the claims register in respect to each of the Broadcasters' Claims that each such claim has been satisfied pursuant to this Settlement Agreement.

- (e) Effective as of the Settlement Effective Date, other than the Broadcasters' Settlement Amount, the Broadcasters waive any right to payment by the Debtor (including any further distribution under the Plan), or by other person or entity whatsoever (including directors and officers of Aereo, Inc. in their capacities as such) on account of the Broadcasters' Claims and the causes of action asserted in the litigation set forth in Section 3.

Section 3. Debtor and Broadcaster Undertakings.

- (a) Within two (2) business days after the Approval Date, the Debtor and the Broadcasters shall take all necessary steps to dismiss with prejudice the following:
 - (i) The adversary proceeding styled *Aereo, Inc. v. American Broadcasting Companies, Inc. (In re Aereo, Inc.)*, Adv. Proc. No. 15-01068 before the Bankruptcy Court
 - (ii) The declaratory judgment action styled *Aereo, Inc. v. CBS Broadcasting, Inc., et al.*, Case No. 13-CV-3013 (AJN) before the United States District Court for the Southern District of New York
 - (iii) The Debtor's appeal styled *KSTU LLC, et al. v. Aereo, Inc.*, No. 14-4020 before the United States Court of Appeals for the Tenth Circuit
- (b) Within two (2) business days after the Approval Date, the Debtor and the Broadcasters shall take all necessary steps to withdraw the following:
 - (i) The Broadcasters' motion to withdraw the reference styled *American Broadcasting Companies, Inc. v. Aereo, Inc.*, Case No. 14-CV-9829 (AJN) before the United States District Court for the Southern District of New York
 - (ii) The *Broadcasters' Motion for Relief From Stay Pursuant to 11 U.S.C. § 362(d)* [Docket No. 47], Case No. 14-13200 (SHL) before the Bankruptcy Court
- (c) Within two (2) business days after the Approval Date, the Debtor and the Broadcasters shall take all necessary steps to the entry of consent judgments and permanent injunctions in agreed form (the "**Consent Judgments**") substantially in the form attached hereto as **Exhibit B**, with respect to the following actions:
 - (i) *American Broadcasting Companies, Inc., et al. v. Aereo, Inc.*, Case No. 12 Civ. 1540 (AJN)(HBP) before the United States District Court for the Southern District of New York (the "**SDNY Copyright Case**")

- (ii) *Community Television of Utah, LLC, et al. v. Aereo, Inc.*, No. 2:13CV910DAK before the United States District Court for the District of Utah (the “**Utah Copyright Case**”)

Section 4. The Plan. Any amended or new plan proposed in the Case (the “**Plan**”) and any amended or new disclosure statement filed in this Case (the “**Disclosure Statement**”) shall provide for and be consistent with the terms of this Settlement Agreement.

- (a) On or before the Approval Date, the Debtor shall file amendments to its Plan and the Disclosure Statement to conform with the terms of the Settlement Agreement. The Plan and Disclosure Statement shall describe the nature of the disputes among the Parties and the Settlement Agreement substantially in the terms set forth in the Motion, or in such other manner as the Parties may agree.
- (b) The occurrence of the Settlement Effective Date shall be a condition to the Effective Date of the Plan.
- (c) Provided that the Parties are proceeding with the Settlement Agreement, the Broadcasters shall not seek to terminate the Debtor’s exclusive periods arising under Bankruptcy Code section 1121 and will not object to an extension to the Debtor’s exclusivity period for solicitation.
- (d) As to the Official Creditors’ Committee, the Debtor’s exclusivity period for solicitation arising under Bankruptcy Code section 1121 expires as of May 20, 2015.
- (e) The Broadcasters shall not file any motion, objection or other papers, or otherwise participate in the Case, except as necessary to effectuate or enforce this Settlement Agreement, or unless this Settlement Agreement is voided in accordance herewith.

Section 5. Dissolution of the Debtor. On the effective date of any Plan that may be confirmed in this Case, any remaining operations of the Debtor, other than implementation of the Plan and completion of its duties as a debtor-in-possession in this case, shall cease. The Plan shall provide that, upon completion of all Plan-related activities, the Debtor promptly will be dissolved.

Section 6. Termination of Preservation Obligations. As of the Settlement Effective Date, the parties shall no longer have any obligation to each other to preserve or retain data, information, e-mail, documents or other evidence (the “**Preserved Material**”), including but not limited to Preserved Material potentially relevant to the pending litigations identified in Section 3 (the “**Prior Litigation**”), and any other agreements between the parties to retain, store or preserve such Preserved material (including, without limitation, the agreements in the Bankruptcy Court’s *Superseding Order (I) Approving Bidding Procedures; (II) Establishing Certain Related Deadlines; And (III) Granting Related Relief*, dated January 28, 2015 [Docket No. 176]) shall be deemed terminated and no longer in effect.

Section 7. Protective Orders. The Debtor and the Broadcasters shall be deemed to have requested the destruction of (i) Discovery Material as that term is defined in the *Amended*

Stipulated Protective Order in the SDNY Copyright Case [ECF No. 63], and (ii) any material provided by the Debtor to the Broadcasters pursuant to any agreement of the parties or order of the Bankruptcy Court. The Debtor and the Broadcasters shall promptly take all necessary action to effectuate the terms of the *Amended Stipulated Protective Order* and each shall deliver certificates of compliance within two weeks from the date of the execution of this Settlement Agreement. The *Amended Stipulated Protective Order* shall continue in full force and effect post-confirmation.

Section 8. Exculpation. The Plan's exculpation provisions benefiting the Debtor shall also inure to the benefit of the Broadcasters and each of the Broadcasters' respective current and former officers and directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in its capacity as such).

Section 9. Release and Covenant Not To Sue.

- (a) As used in this Section 9, "**Representatives**" shall mean each of the Parties respective current and former officers and directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in its capacity as such); provided, however, that the term Representatives shall not include any transferee of the Debtor's assets (other than cash, stock or benefits distributed to employees or other representatives in the ordinary course of the Debtor's business).
- (b) As of and following the Settlement Effective Date, for good and valuable consideration, the Debtor, including, without limitation, any person seeking to exercise the rights of the Debtor's estate, including any successor to the Debtor, any estate representative appointed or selected pursuant to Section 1123(b)(3) of the Bankruptcy Code, whether pursuing an action derivatively or otherwise, shall be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action (including any avoidance actions) and liabilities of any kind whatsoever in connection with or related to the Debtor (including Aereo, Inc. before the commencement of the Case), the affairs of the same, the Prior Litigation and the Case, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are based on any act, omission, transaction, event or other occurrence taking place on or prior to the Confirmation Date, and that may be asserted by or on behalf of the Debtor or its estate against the Broadcasters and each of their respective Representatives, and any of the successors or assigns of the Broadcasters.
- (c) As of and following the Settlement Effective Date, for good and valuable consideration, and except as provided herein and in the Consent Judgments attached as Exhibit B hereto, the Broadcasters covenant not to sue or seek recovery or any other kind of relief from or against Aereo, Inc. (including Aereo, Inc. before the commencement of the Case) or its Representatives (solely in the Representatives' capacities as agents for the Debtor and solely for actions taken

on behalf of the Debtor) based upon any claim or cause of action of any kind whatsoever (including, without limitation, claims or causes of action relating to infringement of copyrights) arising from the Prior Litigation, the Case, or related to the facts alleged in either the Prior Litigation or the Case, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, in law, equity or otherwise, that are based on any act, omission, transaction, event or other occurrence taking place on or prior to the Settlement Effective Date. **For the avoidance of doubt**, notwithstanding anything herein to the contrary, nothing in this Settlement Agreement shall be construed as being applicable to or releasing any person or entity of any liability of any kind arising from or related to any violation of the Permanent Injunctions attached as part of Exhibit B hereto once entered by the courts and/or conduct occurring after the Settlement Effective Date. In the event any of the Debtor's Representatives commence an action against any of the Broadcasters asserting any claims related to those released in paragraph 9(b), the covenant not to sue in this paragraph 9(c) shall be null and void solely as to that Representative, but no other breach or alleged breach of this Settlement Agreement shall relieve the Broadcasters from complying with the covenant not to sue in this paragraph 9(c).

Section 10. Subsequent Sales. Any future sale of material assets shall be subject to an order of the Bankruptcy Court containing language substantially similar to paragraph 15 of the Order at Docket No. 254, and nothing inconsistent with that paragraph.

Section 11. Fees and Costs. Each of the Parties shall pay its own fees and costs.

Section 12. Approvals. This Settlement Agreement is subject to the approval of the Debtor's board of directors and the Official Creditors' Committee, which shall be obtained before the Parties enter into this Settlement Agreement. Each of the Broadcasters hereby represent that it has obtained all necessary corporate or other approvals as to this Settlement Agreement.

Section 13. Bankruptcy Court Approval. This Settlement Agreement shall be subject to the approval of the Bankruptcy Court.

Section 14. Choice of Law. This Settlement Agreement shall be governed by and construed under and in accordance with the laws of the State of New York or federal statutory or common law, as may be applicable to decide issues implicating federal copyright law. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ITS RIGHTS, IF ANY, TO A JURY TRIAL FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SETTLEMENT AGREEMENT.

Section 15. Execution and Delivery. This Settlement Agreement may be executed in counterparts, all of which shall be considered one and the same Settlement Agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery of a copy of this Settlement Agreement bearing an original signature by facsimile transmission or via electronic email in "portable documents format" shall have the effect as physical delivery of the paper document with the original signature.

Section 16. Settlement Discussions. Nothing in this Settlement Agreement shall be deemed an admission of any kind. To the extent provided by Federal Rule of Evidence 408 and any applicable state rules of evidence, this Settlement Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than in support of the Motion or in a proceeding to enforce the terms of this Settlement Agreement.

Section 17. Remedies. Each of the Parties retains all remedies available in law or equity for breach of this Settlement Agreement by any Party, including, without limitation, the right of a non-breaching Party to seek specific performance and injunctive or other equitable relief as a remedy for any such breach.

[Remainder of the Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have entered into this Settlement Agreement on the day and year first above written.

AGREED TO AND ACCEPTED BY:

AEREO, INC.

By: _____

Name: _____

Title: _____

WNET

By: _____

Name: _____

Title: _____

THIRTEEN PRODUCTIONS LLC

By: _____

Name: _____

Title: _____

**FOX TELEVISION STATIONS,
INC.**

By: _____

Name: _____

Title: _____

**TWENTIETH CENTURY FOX
FILM CORPORATION**

By: _____

Name: _____

Title: _____

WPIX, LLC

By: _____

Name: _____

Title: _____

**UNIVISION TELEVISION
GROUP, INC.**

By: _____

Name: _____

Title: _____

**THE UNIVISION NETWORK
LIMITED PARTNERSHIP**

By: _____

Name: _____

Title: _____

**PUBLIC BROADCASTING
SERVICE**

By: _____

Name: _____

Title: _____

**AMERICAN BROADCASTING
COMPANIES, INC.**

By: _____

Name: _____

Title: _____

DISNEY ENTERPRISES, INC.

By: _____

Name: _____

Title: _____

CBS BROADCASTING INC.

By: _____

Name: _____

Title: _____

CBS STUDIOS INC.

By: _____

Name: _____

Title: _____

NBCUNIVERSAL MEDIA, LLC

By: _____

Name: _____

Title: _____

NBC STUDIOS, LLC

By: _____

Name: _____

Title: _____

**OPEN 4 BUSINESS
PRODUCTIONS LLC**

By: _____

Name: _____

Title: _____

**UNIVERSAL NETWORK
TELEVISION, LLC**

By: _____

Name: _____

Title: _____

**TELEMUNDO NETWORK
GROUP LLC**

By: _____

Name: _____

Title: _____

**WNJU-TV BROADCASTING
LLC**

By: _____

Name: _____

Title: _____

**COMMUNITY TELEVISION OF
UTAH, LLC D/B/A KSTU FOX 13**

By: _____

Name: _____

Title: _____

**KUTV LICENSEE, LLC D/B/A
KUTV AND KMYU**

By: _____

Name: _____

Title: _____

**FOX BROADCASTING
COMPANY**

By: _____

Name: _____

Title: _____

**NEXSTAR BROADCASTING,
INC.**

By: _____

Name: _____

Title: _____

WLIW LLC

By: _____

Name: _____

Title: _____

|

(SIGNATURE PAGE)

**LEVEL 3 COMMUNICATIONS,
LLC**

As a Member of the Official
Creditors' Committee

By: _____

Name: _____

Title: _____

**QUALITY INVESTMENT
PROPERTIES METRO, LLC**

As a Member of the Official
Creditors' Committee

By: _____

Name: _____

Title: _____

C7 DATA CENTERS, INC.

As a Member of the Official
Creditors' Committee

By: _____

Name: _____

Title: _____

61932281

Exhibit A

Broadcasters' Claims

Claim Number	Creditor Name	Claim Value
72	American Broadcasting Companies, Inc.	\$17,710,000.00
41	CBS Broadcasting Inc.	\$13,320,000.00
42	CBS Studios Inc.	\$14,560,000.00
70	Disney Enterprises, Inc.	\$9,290,000.00
45	Fox Broadcasting Company	\$880,000.00
44	Fox Television Stations Inc.; Twentieth Century Fox Film Corporation	\$26,040,000.00
67	KSTU, LLC (formerly Community Television of Utah, LLC)	\$120,000.00
65	KUTV Licensee, LLC	\$190,000.00
61	NBCUniversal Media, LLC	\$20,000.00
48	Open 4 Business Productions LLC	\$3,670,000.00
66	Public Broadcasting Service	\$210,000.00
50	Telemundo Network Group LLC	\$50,000.00
47	The Univision Network Limited Partnership; Univision Television Group, Inc.	\$420,000.00
49	Universal Network Television LLC	\$950,000.00
63	Universal Television LLC f/k/a NBC Studios LLC	\$11,620,000.00
55	WLIW LLC	\$170,000.00
64	WNET and Thirteen Productions LLC	\$640,000.00
60	WNJU-TV Broadcasting LLC	\$40,000.00
58	WPIX, LLC (formerly WPIX, Inc.)	\$60,000.00

Exhibit B

Form of Consent Judgments

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
AMERICAN BROADCASTING COMPANIES, INC.,	:	
DISNEY ENTERPRISES, INC., CBS BROADCASTING	:	
INC., CBS STUDIOS INC., NBCUNIVERSAL MEDIA,	:	
LLC, NBC STUDIOS, LLC, UNIVERSAL NETWORK	:	
TELEVISION, LLC, TELEMUNDO NETWORK GROUP	:	
LLC, WNJU-TV BROADCASTING LLC,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	12 Civ. 1540 (AJN)
	:	[consolidated]
AEREO, INC.,	:	
	:	
Defendant.	:	
-----X	:	

**[PROPOSED] STIPULATED CONSENT JUDGMENT
AND PERMANENT INJUNCTION**

WHEREAS, on March 1, 2012, Plaintiffs American Broadcasting Companies, Inc., Disney Enterprises, Inc., CBS Broadcasting Inc., CBS Studios Inc., NBCUniversal Media, LLC, NBC Studios, LLC, Universal Network Television, LLC, Telemundo Network Group LLC, and WNJU-TV Broadcasting LLC (the “ABC Plaintiffs”) commenced the above-captioned action asserting claims of copyright infringement against Defendant Aereo, Inc. (“Aereo”) arising from Aereo’s operation of the service offered over the Internet through Aereo’s website, www.aereo.com, beginning February 14, 2012; and

WHEREAS, on March 1, 2012, Plaintiffs WNET, THIRTEEN, Fox Television Stations, Inc., Twentieth Century Fox Film Corporation, WPIX, LLC, Univision Television Group, Inc., The Univision Network Limited Partnership, Public Broadcasting Service (the “WNET Plaintiffs”) (the WNET Plaintiffs, collectively with the ABC Plaintiffs, the “Plaintiffs”)

commenced an action, 12-cv-1543, against Aereo asserting claims of copyright infringement based on the same operative facts; and

WHEREAS, by order dated December 17, 2012 [Dkt. 124], 12-cv-1540 and 12-cv-1543 were consolidated with 12-cv-1540 designated as the Lead Case; and

WHEREAS, on October 17, 2013, the ABC Plaintiffs filed an Amended Complaint; and

WHEREAS, Aereo answered the ABC Plaintiffs' and the WNET Plaintiffs' complaints and the ABC Plaintiffs' Amended Complaint and asserted defenses, as well as counterclaims seeking a declaration of non-infringement;

WHEREAS, on April 22, 2014, the United States Supreme Court held in American Broad. Cos., Inc. v. Aereo, Inc., 134 S. Ct. 2498, 2511 (2014), that Aereo "'perform[s]' [Plaintiffs'] copyrighted works 'publicly,'" in violation of Plaintiffs' public performance rights set forth in Section 106(4) of the United States Copyright Act, 17 U.S.C. § 106(4); and

WHEREAS, on October 23, 2014, the Court, on remand for further proceedings consistent with the Supreme Court's opinion, entered a preliminary injunction in favor of Plaintiffs [Dkt. No. 342] ("Preliminary Injunction");

WHEREAS, Aereo filed a case under chapter 11 of title 11 of the United States Code on November 20, 2014 in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which case is docketed as In re Aereo, Inc., 14-13200 (SHL) (the "Bankruptcy Case"); and

WHEREAS, Plaintiffs and Aereo (the "Parties") have reached agreement for resolution of this action and all disputes of all types among them, the full terms and conditions of which are set forth in the document entitled "Settlement Agreement," dated as of April 17, 2015, and the First Amended Plan of Reorganization dated as of April 17, 2015 (the "Bankruptcy Plan," and

collectively with the Settlement Agreement, the “Settlement”) and have agreed, as one aspect of the agreements embodied therein, to the entry by the Court of a stipulated consent judgment and permanent injunction and the continuing jurisdiction of the Court on the terms and conditions, and to the extent, set forth herein and therein;

THEREFORE, the Parties stipulate and agree that this Court has jurisdiction to enter a stipulated consent judgment and permanent injunction on the following terms and conditions and that the Court shall have continuing jurisdiction solely for purposes of enforcing the stipulated consent judgment and permanent injunction, and request that the Court enter the attached [Proposed] Stipulated Consent Judgment and Permanent Injunction (“Stipulated Consent Judgment and Permanent Injunction”).

IT IS SO STIPULATED.

Respectfully submitted,

[SIGNATURE BLOCKS ON FOLLOWING PAGE]

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Univision Television Group, Inc.; The
Univision Network Limited Partnership; and
Public Broadcasting Service; KSTU LLC;
Fox Broadcasting Company; and KUTV
Licensee, LLC*

By: /s/ Yehudah L. Buchweitz

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and CBS Studios Inc.*

By: /s/ Bruce P. Keller

Bruce P. Keller
M. Natasha Labovitz
Michael Potenza
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Inc.*

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*Counsel for NBCUniversal Media, LLC; NBC
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LLC; Telemundo Network Group LLC; and
WNJU-TV Broadcasting LLC*

By: /s/ William R. Baldiga

William R. Baldiga
R. Benjamin Chapman
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New York, NY 10036
Tel: 212-209-4800

*Counsel for the Debtor and Debtor-in-
Possession*

Pursuant to a Settlement reached between Plaintiffs and Aereo, the foregoing stipulation of the Parties, and for good cause shown, the Court hereby enters the following Stipulated Consent Judgment and Permanent Injunction:

STIPULATED CONSENT JUDGMENT AND PERMANENT INJUNCTION

1. For purposes of this Stipulated Consent Judgment and Permanent Injunction, the following definitions shall apply:

- a. “Plaintiffs” shall mean Plaintiffs WNET, THIRTEEN, Fox Television Stations, Inc., Twentieth Century Fox Film Corporation, WPIX, LLC, Univision Television Group, Inc., The Univision Network Limited Partnership, Public Broadcasting Service, American Broadcasting Companies, Inc., Disney Enterprises, Inc., CBS Broadcasting Inc., CBS Studios Inc., NBCUniversal Media, LLC, NBC Studios, LLC, Universal Network Television, LLC, Telemundo Network Group LLC, and WNJU-TV Broadcasting LLC.
- b. “Defendant” shall mean Defendant Aereo, Inc. (formerly known as Bamboom Labs, Inc.), which is a debtor-in-possession in the Bankruptcy Case , and which shall be dissolved pursuant to the terms of the Bankruptcy Plan.
- c. “Copyrighted Programming” shall mean each of those audiovisual works, or portions thereof, whether now in existence or later created, including but not limited to original programming, motion pictures and newscasts, in which the Plaintiffs, or any of them, owns or controls an exclusive right under the United States Copyright Act, 17 U.S.C. §§ 101 et seq.

2. Defendant is PERMANENTLY RESTRAINED AND ENJOINED from (i) streaming, transmitting, retransmitting, performing, distributing, exhibiting, displaying or otherwise making available to the public, without the prior written consent of the copyright owner, any Copyrighted Programming, simultaneously or non-simultaneously with the over-the-air broadcast thereof, through any device or process, including, without limitation, over the Internet through websites such as aereo.com, via mobile devices, or otherwise, or (ii) engaging in any other activity that infringes, whether directly or indirectly, any Plaintiff’s exclusive rights in

any Copyrighted Programming under Section 106(1)-(5) of the Copyright Act, 17 U.S.C. §§ 101 et seq.

3. The Permanent Injunction replaces the Preliminary Injunction.

4. Violation of this Stipulated Consent Judgment and Permanent Injunction shall be subject to all applicable penalties, including contempt of Court.

5. Plaintiffs shall be awarded damages for Defendant's infringement in the amount of \$10,000 per work as set forth in their allowed proofs of claims filed in the Bankruptcy Case and listed in Exhibit A hereto, with such damages to be paid and collected in accordance with the Settlement.

6. All claims, counterclaims and defenses in this action are hereby resolved by this Stipulated Consent Judgment and Permanent Injunction.

7. All Parties shall bear their own costs.

8. This Court shall retain continuing jurisdiction over the Parties and the action solely for purposes of enforcing this Stipulated Consent Judgment and Permanent Injunction.

IT IS SO ORDERED.

Dated: _____

ALISON J. NATHAN
United States District Court Judge

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Shaunda L. McNeill (14468)
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*Attorneys for Plaintiff,
Nexstar Broadcasting, Inc.*

**IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF UTAH, CENTRAL DIVISION**

COMMUNITY TELEVISION OF UTAH,
LLC d/b/a KSTU FOX 13, KUTV LICENSEE,
LLC d/b/a KUTV and KMYU, and FOX
BROADCASTING COMPANY

Plaintiffs,
vs.

AEREO, Inc.,
Defendant.

NEXSTAR BROADCASTING COMPANY,
Plaintiffs,

vs.

AEREO, Inc.,
Defendant.

**[PROPOSED] STIPULATED CONSENT
JUDGMENT AND PERMANENT
INJUNCTION**

Civil No. 2:13-cv-00910

Hon. Dale A. Kimball

Pursuant to the stipulation of the Parties filed on May ____, 2015 and for good cause shown, the Court hereby enters the following Stipulated Consent Judgment and Permanent:

STIPULATED CONSENT JUDGMENT AND PERMANENT INJUNCTION

1. For purposes of this Stipulated Consent Judgment and Permanent Injunction, the following definitions shall apply:
 - a. “Plaintiffs” shall mean Plaintiffs Community Television of Utah, LLC d/b/a KSTU Fox 13, KUTV Licensee, LLC d/b/a KUTV and KMYU, Fox Broadcasting Company, and Nexstar Broadcasting, Inc.
 - b. “Defendant” shall mean Defendant Aereo, Inc. (formerly known as Bamboom Labs, Inc.), which is a debtor-in-possession in the Bankruptcy Case , and which shall be dissolved pursuant to the terms of the Bankruptcy Plan.
 - c. “Copyrighted Programming” shall mean each of those audiovisual works, or portions thereof, whether now in existence or later created, including but not limited to original programming, motion pictures and newscasts, in which the Plaintiffs, or any of them, owns or controls an exclusive right under the United States Copyright Act, 17 U.S.C. §§ 101 et seq.
2. Defendant is PERMANENTLY RESTRAINED AND ENJOINED from (i) streaming, transmitting, retransmitting, performing, distributing, exhibiting, displaying or otherwise making available to the public, without the prior written consent of the copyright owner, any Copyrighted Programming, simultaneously or non-simultaneously with the over-the-air broadcast thereof, through any device or process, including, without limitation, over the Internet through websites such as aereo.com, via mobile devices, or otherwise, or (ii)

engaging in any other activity that infringes, whether directly or indirectly, any Plaintiff's exclusive rights in any Copyrighted Programming under Section 106(1)-(5) of the Copyright Act, 17 U.S.C. §§ 101 et seq.

3. The Permanent Injunction replaces the Preliminary Injunction entered on February 25, 2014 [Dkt. No. 99] ("Preliminary Injunction");
4. Violation of this Stipulated Consent Judgment and Permanent Injunction shall be subject to all applicable penalties, including contempt of Court.
5. Plaintiffs shall be awarded damages for Defendant's infringement in the amount of \$10,000 per work as set forth in their allowed proofs of claims filed in the Bankruptcy Case and listed in Exhibit A hereto, with such damages to be paid and collected in accordance with the Settlement.
6. All claims, counterclaims and defenses in this action are hereby resolved by this Stipulated Consent Judgment and Permanent Injunction.
7. All Parties shall bear their own costs.
8. This Court shall retain continuing jurisdiction over the Parties and the action solely for purposes of enforcing this Stipulated Consent Judgment and Permanent Injunction.

IT IS SO ORDERED.

Dated: _____

Hon. Dale A. Kimball