

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE: : Chapter 11
: :
SFX ENTERTAINMENT, INC., *et al.*,¹ : Case No. 16-10238 (MFW)
: (Jointly Administered)
: :
Debtors. : Re: Docket No. 1174
: :
: :

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF GOOGLE INC.
TO NOTICE OF ASSUMPTION OF EXECUTORY CONTRACTS
AND UNEXPIRED LEASES PURSUANT TO SECTIONS 7.01 TO 7.03 OF THE PLAN**

Google Inc. (“**Google**”), by and through its undersigned counsel, files the following limited objection and reservation of rights to the Notice of Assumption of Executory Contracts and Unexpired Leases Pursuant to Sections 7.01 to 7.03 of the Plan [Docket No. 1174] (the “**Notice**”) filed by the above-captioned debtors and debtors-in-possession (collectively, “**Debtors**”) in connection with the Fifth Amended Joint Plan of Reorganization of SFX Entertainment, Inc. *et al.* Under Chapter 11 of the Bankruptcy Code [Docket No. 1078] (the “**Plan**”),² and states as follows:

¹ The Debtors in these Chapter 11 Cases, along with the last four (4) digits of each Debtor's federal tax identification number, if applicable, are: 430R Acquisition LLC (7350); Beatport, LLC (1024); Core Productions LLC (3613); EZ Festivals, LLC (2693); Flavorus, Inc. (7119); ID&T/SFX Mysteryland LLC (6459); ID&T/SFX North America LLC (5154); ID&T/SFX Q-Dance LLC (6298); ID&T/SFX Sensation LLC (6460); ID&T/SFX TomorrowWorld LLC (7238); LETMA Acquisition LLC (0452); Made Event, LLC (1127); Michigan JJ Holdings LLC (n/a); SFX Acquisition, LLC (1063); SFX Brazil LLC (0047); SFX Canada Inc. (7070); SFX Development LLC (2102); SFX EDM Holdings Corporation (2460); SFX Entertainment, Inc. (0047); SFX Entertainment International, Inc. (2987); SFX Entertainment International II, Inc. (1998); SFX Intermediate Holdco II LLC (5954); SFX Managing Member Inc. (2428); SFX Marketing LLC (7734); SFX Platform & Sponsorship LLC (9234); SFX Technology Services, Inc. (0402); SFX/AB Live Event Canada, Inc. (6422); SFX/AB Live Event Intermediate Holdco LLC (8004); SFX/AB Live Event LLC (9703); SFX-94 LLC (5884); SFX-Disco Intermediate Holdco LLC (5441); SFX-Disco Operating LLC (5441); SFXE IP LLC (0047); SFX-EMC, Inc. (7765); SFX-Hudson LLC (0047); SFX-IDT N.A. Holding II LLC (4860); SFX-LIC Operating LLC (0950); SFX-IDT N.A. Holding LLC (2428); SFX-Nightlife Operating LLC (4673); SFX-Perryscope LLC (4724); SFX-React Operating LLC (0584); Spring Awakening, LLC (6390); SFXE Netherlands Holdings Cooperatief U.A. (6812); SFXE Netherlands Holdings B.V. (6898). The Debtors' business address is 902 Broadway, 15th Floor, New York, NY 10010.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Plan.



BACKGROUND

1. On February 1, 2016 (the “**Petition Date**”), each of Debtors filed a voluntary petition for Chapter 11 relief in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”).

2. On September 30, 2016, Debtors filed the Plan, which provides for all executory contracts to be deemed rejected as of the Effective Date, unless (1) designated for assumption in Debtors’ Plan Supplement, (2) previously assumed or rejected; (3) previously expired or terminated; or (4) subject to a pending motion to assume or reject. Plan § VII(a).

3. On October 26, 2016, Debtors filed the Notice, which, in pertinent part, designates the following contracts with Google and/or its wholly owned subsidiary, YouTube, LLC (“**YouTube**”), for assumption:

Debtor	Contract Counterparty	Executory Contract or Unexpired Lease To Be Assumed	Sum of Cure Amount
Beatport, LLC	Google Apps	IT & Website Services	\$784.24
SFX Entertainment, Inc.	YouTube	YouTube Channel Content Ownership Transfer – Life in Color	\$0.00
SFX Entertainment, Inc.	YouTube	YouTube Channel Content Ownership Transfer – Stereosonic	\$0.00

RESPONSE

4. Under Section 365(b)(1) of the Bankruptcy Code, a contract may be assumed as an executory contract only if the debtor, at the time of such assumption, cures or provides adequate assurance that the debtor will promptly cure outstanding defaults. Based upon the

descriptions provided in the Notice, Google has been unable to conclusively identify the alleged contracts sought to be assumed by the Debtors or the corresponding cure amounts, if any.

5. Google and SXFE entered into a certain DoubleClick Advertising Platform Agreement dated April 27, 2015 (the “**APA**”). According to SXFE, it entered into the APA on behalf of its wholly owned subsidiary Beatport, LLC. *See* Docket No. 703. However, Debtors moved to reject the APA effective as of June 3, 2016. *See* Docket Nos. 703 and 788. Without more information about the contracts listed in the Notice, Google cannot confirm whether they are separate and distinct from the APA that was previously rejected. According to Google’s records, SFXE owes a balance of \$93,792.98 (\$63,800.81 pre-petition and \$29,992.17 post-petition) to Google. A true and correct copy of the Google’s account statement for SFXE is attached as Exhibit “**A**” hereto. If SFXE wishes to continue using its account with Google post-confirmation, the associated cure amount is \$93,792.98 as reflected in the account statement for SXFE.

6. Additionally, Google and another Debtor – Made Event, LLC (“**Made Event**”) – are parties to a Master Service Agreement (the “**MSA**”) pursuant to which Google provides advertising services under its AdWords program to and for the benefit of Made Event. Google’s AdWords program is an online advertising program that, among other things, allows advertisers (here, Made Event) to reach potential customers as they search for designated words and phrases (i.e., keywords) or browse websites with themes similar to the advertisers’.

7. The MSA is not listed in the Plan Supplement, and based upon its omission, it will be deemed rejected under Plan § VII(a). However, based upon recent discussions with Made Event, Google understands that Made Event may wish to continue receiving the benefit of the MSA post-confirmation. To the extent that Made Event wishes to continue using its

AdWords account and receiving services under the MSA post-confirmation, the cure amount associated with assumption of the MSA is \$23,307.03 (\$9,223.75 for pre-petition defaults and \$14,083.28 for post-petition defaults). A true and correct copy of Google's account statement for Made Event is attached as Exhibit "**B**" hereto.

8. Google reserves its right to supplement and/or amend this limited objection and to introduce evidence at any hearing related to the Notice and this limited objection.

WHEREFORE, Google Inc. respectfully requests that this Honorable Court (a) condition SXFE's continued use of its account(s) with Google/You Tube on the assumption of the applicable contracts and the payment of a \$93,792.98 cure amount; (b) condition Made Event's continued use of its AdWords account on the assumption of the MSA and the payment of a \$23,307.03 cure amount; and (c) provide such further relief as this court deems just and proper.

Dated: November 2, 2016

WHITE AND WILLIAMS LLP

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Attorneys for Google Inc.

EXHIBIT "A"

SFX Entertainment, Inc. - Account Statement
Chapter (11) Bankruptcy Filing - February 1, 2016

SFX Entertainment, Inc.	AG332373	450574453944 US	100951428815	3358797944	9/30/2015	10/30/2015 USD	6,418.34	7,016	7,016	14,408.96	14,408.96	Google Inc	KFP
SFX Entertainment, Inc.	AG332373	450574453944 US	1022280292815	3359013857	10/31/2015	11/30/2015 USD	14,408.96	14,408.96	14,408.96	14,408.96	14,408.96	Google Inc	KFP
SFX Entertainment, Inc.	AG332373	450574453944 US	104456929815	3359213352	11/30/2015	12/30/2015 USD	14,413.73	14,413.73	14,413.73	14,413.73	14,413.73	Google Inc	KFP
SFX Entertainment, Inc.	AG332373	450574453944 US	104708809815	3359867959	12/31/2015	1/30/2016 USD	14,413.73	14,413.73	14,413.73	14,413.73	14,413.73	Google Inc	KFP
SFX Entertainment, Inc.	AG332373	450574453944 US	88890967815	2317852299	1/30/2016	12/30/2016 USD	(1,24)	(1,24)	(1,24)	(1,24)	(1,24)	Google Inc	KFP
SFX Entertainment, Inc.	AG332373	450574453944 US	106040049815	3359513866	1/31/2016	3/1/2016 USD	14,598.42	14,598.42	14,598.42	14,598.42	14,598.42	Google Inc	KFP
SFX Entertainment, Inc.	772832	450574453944 US	INV00019884	INV00019884	7/18/2014	9/17/2014 USD	5,657.00	5,657.00	5,657.00	5,657.00	5,657.00	Google Inc	WLDHRE
SFX Entertainment, Inc.	9138861315138930	450574453944 US	913886131513893-3	395,432343	7/31/2016	9/30/2016 USD	7,785.10	7,785.10	7,785.10	7,785.10	7,785.10	Google Inc	KFP
SFX Entertainment, Inc.	9138861315138930	450574453944 US	913886131513893-3	395,432343	8/31/2016	9/30/2016 USD	8,450.95	8,450.95	8,450.95	8,450.95	8,450.95	Google Inc	KFP
SFX Entertainment, Inc.	9138861315138930	450574453944 US	913886131513893-3	335244097	9/30/2016	10/30/2016 USD	13,776.12	13,776.12	13,776.12	13,776.12	13,776.12	Google Inc	KFP
							\$ 99,501.81	\$ 93,792.96	\$ 63,800.81	\$ 29,992.17			

EXHIBIT "B"

Made Event, LLC - Account Statement
 Chapter (11) Bankruptcy Filing - February 1, 2016

Made Event LLC	Made Event LLC	BG414574	773007946583 US	110022810635	336020845	4/30/2016	5/30/2016	USD	2,490.06	2,490.06	820.57	820.57	2490.06	Google	AdWords
Made Event LLC	Made Event LLC	BG414574	773007946583 US	106071588415	336957508	1/31/2016	3/1/2016	USD	820.57	820.57	820.57	820.57	2490.06	Google	AdWords
Made Event LLC	Made Event LLC	BG414574	773007946583 US	103521698845	336957509	1/29/2016	12/30/2016	USD	889.51	644.02	644.02	644.02	2,637.45	Google	AdWords
Made Event LLC	Made Event LLC	BG414574	773007946583 US	104747208845	336957510	12/31/2015	1/30/2016	USD	3,655.78	1,018.33	1,018.33	1,018.33	2,637.45	Google	AdWords
Made Event LLC	Made Event LLC	BG414574	773007946583 US	4145214059411840	336957511	5/31/2016	1/30/2016	USD	6,740.83	6,740.83	6,740.83	6,740.83	3,888.65	Google	AdWords
Made Event LLC	Made Event LLC	4145214059411840	773007946583 US	4145214059411840	336957512	6/30/2016	6/30/2016	USD	3,407.35	3,388.65	3,407.35	3,388.65	3,888.65	Google	AdWords
Made Event LLC	Made Event LLC	4145214059411840	773007946583 US	4145214059411840	336957513	6/30/2016	7/30/2016	USD	3,901.59	3,901.59	3,901.59	3,901.59	3,901.59	Google	AdWords
Made Event LLC	Made Event LLC	4145214059411840	773007946583 US	4145214059411840	336957514	8/31/2016	9/30/2016	USD	1,665.53	1,665.53	1,665.53	1,665.53	1,665.53	Google	AdWords
									\$ 23,571.72	\$ 23,307.03	\$ 9,223.75	\$ 14,083.28			

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SFX ENTERTAINMENT, INC., <i>et al.</i> ,	:	Case No. 16-10238 (MFW)
	:	(Jointly Administered)
	:	
Debtors.	:	Re: Docket No. 1174
	:	
	:	

CERTIFICATE OF SERVICE

I, Marc S. Casarino, hereby certify that a true and correct copy of the foregoing Limited Objection and Reservation of Rights of Google Inc. to Notice of Assumption of Executory Contracts and Unexpired Leases Pursuant to Sections 7.01 to 7.03 of the Plan was filed electronically with the Court on this 2nd day of November, 2016. Notice of this filing will be sent today to all parties, including the parties on the attached service list, via the Court’s electronic filing system.

Dated: November 2, 2016

WHITE AND WILLIAMS LLP

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SERVICE LIST

<p><u>Counsel to the Debtors:</u></p> <p>Greenberg Traurig, LLP The Nemours Building 1007 North Orange Street, Suite 1200 Wilmington, Delaware 19801 Attn: Dennis A. Meloro, Esquire</p> <p>And</p> <p>Greenberg Traurig, LLP The MetLife Building 200 Park Avenue New York, New York 10166 Attn: Maria J. DiConza, Esquire Matthew L. Hinker, Esquire</p>	<p><u>Counsel to the DIP Lenders and the Ad Hoc Group:</u></p> <p>Stroock & Stroock & Lavan LLP 180 Maiden Lane New York, New York 10038 Attn: Kristopher M. Hansen, Esquire Jonathan D. Canfield, Esquire and Elizabeth Taveras, Esquire</p> <p>And</p> <p>Young Conaway Stargatt & Taylor, LLP 1000 North King Street Wilmington, Delaware 19801 Attn: Matthew Lunn, Esquire and Ashley Jacobs, Esquire</p>
<p><u>Counsel to the Official Committee of Unsecured Creditors:</u></p> <p>Pachulski Stang Ziehl & Jones LLP 150 California Street, 15th Floor San Francisco, California 94111 Attn: Debra I. Grassgreen, Esquire Joshua M. Fried, Esquire</p> <p>And</p> <p>Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor Wilmington, Delaware 19801 Attn: Bradford J. Sandler, Esquire Colin R. Robinson, Esquire</p>	<p>Office of the United States Trustee 844 King Street, Suite 2207 Lockbox 35 Wilmington, Delaware 19801 Attn: Hannah McCollum, Esquire</p>