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Chris Daniel - District Clerk Harris County
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By: Ruth McDugle
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No. _____

IPIC-GOLD CLASS ENTERTAINMENT, LLC and IPIC TEXAS, LLC,	§	IN THE DISTRICT COURT
Plaintiffs,	§	
v.	§	OF HARRIS COUNTY, TEXAS
REGAL ENTERTAINMENT GROUP, AMC ENTERTAINMENT HOLDINGS, INC., AMC ENTERTAINMENT, INC., and AMERICAN MULTI-CINEMA, INC.,	§	
Defendants.	§	_____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION AND VERIFIED APPLICATION FOR TRO AND TEMPORARY INJUNCTION

Plaintiffs iPic-Gold Class Entertainment, LLC and iPic Texas, LLC (together, "iPic"), through their attorneys, file this Original Petition and Verified Application for Temporary Restraining Order and Temporary Injunction against defendants Regal Entertainment Group ("Regal") and AMC Entertainment Holdings, Inc., AMC Entertainment, Inc., and American Multi-Cinema, Inc. (together, "AMC"), and respectfully allege these facts and causes of action:

DISCOVERY CONTROL PLAN

1. Discovery is to be conducted under Level 3 of TEX. R. CIV. P. 190.4.

NATURE OF THE CLAIMS

2. iPic offers the public an extraordinary movie-viewing experience that is singularly different from the experience viewers receive at a typical large movie theater. Two weeks ago, it opened a new theater in this County, which has met with an enthusiastic response from Houston consumers. It also is opening a new theater in the Dallas area in early 2017.

3. AMC and Regal are two of the big three movie exhibitors in our nation. Contrary to law and established industry custom, they have conspired to use their market power to squeeze

out iPic's new theater in Houston and planned theater in Dallas. They have threatened film studios with an illegal boycott: studios must license top first-run films to defendants but not to iPic; and if a studio should license a film to iPic, defendants will refuse to play that film in their much larger, higher-grossing theaters. The boycott forces studios to choose between playing films in defendants' theaters or iPic's theaters, despite their preference to play the films at all locations. Defendants' dominant market power ensures that studios must choose them over iPic, and a number of studios already have succumbed to these demands.

4. This anticompetitive scheme threatens to close down two Texas iPic theaters, inflict irreparable harm on iPic, and eliminate the public's choice of movie-viewing experience. If successful, defendants will reduce the quality of this experience in our County and State.

5. Unless restrained, defendants' actions will cause substantial, irreparable harm to iPic and the public in this County and State. Plaintiffs are seeking injunctive relief and damages under the Texas Free Enterprise and Antitrust Act of 1983 and the common law of Texas.

PARTIES

6. Plaintiff iPic-Gold Class Entertainment, LLC is a Delaware limited liability company with its principal place of business in Florida. It has three members, including Village Roadshow Attractions USA, Inc., a Delaware corporation.

7. Plaintiff iPic Texas, LLC is a Texas limited liability company with its principal place of business in Florida. It is a wholly-owned subsidiary of iPic-Gold.

8. iPic operates 12 movie theaters with a total of 89 screens in Texas, California, Arizona, Florida, Illinois, Maryland, Washington, and Wisconsin. They are establishments with premium amenities, like full beverage service, upscale dining, and reserved seating.

9. Defendant Regal Entertainment Group is a Delaware corporation with its principal place of business in Tennessee. It may be served through its registered agent for

service of process, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

10. Regal operates movie theaters across the U.S., and its subsidiaries include Edwards Theatres, Inc. and United Artists Theatre Company. Regal is the largest theater circuit in the country, operating about 7,357 screens in 571 theaters, including theaters in this County. It has theaters in 46 of the top 50 U.S. designated market areas. In the Houston area, Regal operates three theaters with a total of 60 screens.

11. Defendant AMC Entertainment Holdings, Inc. is a Delaware corporation with its principal place of business in Missouri. It may be served through its registered agent for service of process, Corporate Creations Network, Inc., 3411 Silverside Road, #104 Rodney Building, Wilmington, Delaware 19801.

12. Defendant AMC Entertainment Inc. is a Delaware corporation with its principal place of business in Missouri. It is a direct, wholly-owned subsidiary of AMC Holdings. It may be served through its registered agent for service of process, Corporate Creations Network, Inc., 3411 Silverside Road, #104 Rodney Building, Wilmington, Delaware 19801.

13. Defendant American Multi-Cinema, Inc. is a Missouri corporation with its headquarters in Missouri. It is a direct, wholly-owned subsidiary of AMC Entertainment. It may be served through its registered agent for service of process, Corporate Creations Network, Inc., 4265 San Felipe, # 1100, Houston, Texas 77027.

14. As of June 30, 2015, AMC held interests in 350 theaters in the U.S. with a total of 5,031 screens, including theaters in this County. AMC is the second-largest theater circuit in the country, with 40% of the population living within ten miles of an AMC theater. In the top ten

metropolitan markets in the country, AMC holds a market share position of #1 or #2. In the Houston area, AMC operates 8 theaters with a total of 180 screens.

15. AMC is owned by a private Chinese conglomerate, Dalian Wanda Group Co., Ltd., which owns 80% of the common stock and 92% of the voting power of AMC Holdings. Wanda's acquisition of AMC in 2012 was the largest U.S. acquisition ever made by a private Chinese company, as well as the largest overseas acquisition in China's culture industry. Wanda touts itself as the world's largest movie theater operator, operating China's largest theater chain in addition to AMC; the largest commercial real estate company in the world; and Asia's largest property owner. Its principal owner is reportedly the wealthiest man in Asia.

JURISDICTION AND VENUE

16. Jurisdiction and venue are proper in this court pursuant to Article 5, Section 8 of the Texas Constitution and TEX. BUS. & COM. CODE ANN. §15.21 and §15.26, as defendants do substantial business in this County and State.

17. This case could not be filed in and is not removable to federal court. There is no diversity of citizenship between the parties, as iPic and defendants have Delaware citizenship, and no federal claim is raised in this petition. *See American Airlines, Inc. vs. Sabre Inc.*, 694 F.3d 539 (5th Cir. 2013).

FACTS GIVING RISE TO THIS ACTION

1. Industry Structure

18. Movie exhibitions in theaters offer a unique form of entertainment which differs substantially from other forms of entertainment. It is unlike viewing live entertainment, such as plays or sports events, and it is also unlike viewing a movie on a smaller screen in one's home. It cannot be substituted with viewing other live events. The experiences appeal to different tastes, preferences, and interests. A large segment of the public may desire to watch a movie in a

theater, but not to watch a play onstage or football game at a stadium. Different forms of live entertainment also carry different prices, with most forms being typically more expensive than the cost of a movie ticket.

19. Likewise, viewing a movie at home is too dissimilar from viewing a movie in a theater to be a reasonable substitute. Theaters have advantages in playing films that most homes lack, like large screens, sophisticated sound systems, 3-D capabilities, and a social atmosphere. Theaters also run newly released, or first-run, films before they are available for home use. The prices differ as well, with the cost of renting a movie in DVD format typically being less expensive than buying a movie ticket.

20. Exhibitors are companies that operate theaters which show films to the public. In the early days, they generally had a small number of screens which could play a limited number of films. Since the mid-1990s, exhibitors have developed "megaplexes," that is, movie theaters with many screens, typically over twenty. To make use of all the screens, exhibitors will run the same film on multiple screens.

21. Distributors are responsible to market and license movies for exhibition. Larger movie studios distribute their own films. The six largest studio/distributors are Walt Disney Studios, Warner Bros. Entertainment, 20th Century Fox, Paramount Pictures, Sony Pictures, and Universal Studios.

22. "First run" means the initial showing of a film in a movie theater, until exhibitors stop showing it. In general, the first-run exhibition life of a movie is a few weeks in theaters. A movie's first run often will be the only time it is exhibited in theaters, as well as the only time that there is significant demand from the public to see the movie in theaters, before it is released in other formats for home viewing. This limited time frame means that an exhibitor who does

not have the license to a movie for its first run likely will never run the movie, or it will only have the opportunity to run the film when the market is greatly diminished and the value of the film for exhibition is exhausted.

23. Prior to licensing first-run films, studios do market research which assists them in making promotional and advertising budget decisions. From this research, studios have a solid factual basis for estimating their likely revenues before licensing the films.

24. As a rule of thumb, the more screens that play a film, the higher the revenue will be for studios. Studios are aware that when a film runs in two theaters, even if the theaters are nearby, the total revenue for the studio will be greater than if the film is shown in only one theater. For example, Regal Ontario Palace Stadium 22 is across the street from AMC Ontario Mills 30, yet studios have seen more revenue from having two theaters play the same films at that location in California, as compared to having only one theater play them. Studios thus prefer to license films to play at many theaters on many screens.

25. Exhibitors often view the market for films in zones in connection with licensing and exhibition. Zones are geographic or trade areas in an area of significant population. In some zones, there is only one theater, which has no competition for exhibiting films to the public or for licensing them from distributors to exhibit. Other zones are "competitive," in that there is more than one theater operating in the zone and competing to exhibit films to the public and license films from distributors for exhibition.

26. The three major exhibitors in the U.S. control the market for exhibiting films: AMC, Regal, and Cinemark Holdings, Inc. They operate many theaters in non-competitive zones, where an exhibitor is effectively a monopolist for licensing and exhibiting films. Within competitive zones, they often control the market share.

27. Decades ago, exhibitors bid against each other to license a film from a studio. The winner would pay for promoting and advertising the film, and it guaranteed a certain amount of revenue to the studio. As a result, exhibitors had a financial investment to protect. This practice led to the granting of "clearances," which were agreements between a studio and the winning exhibitor that other exhibitors could not license a film from that studio to run at the same time (called "day-and-date" play) as the winning exhibitor, or from licensing the film at all. The practice, while arguably promoting competition between similar theaters, often was abused.

28. Since the decision in *United States v. Paramount*, 334 U.S. 131 (1948), exhibitors have *not* been permitted to obtain clearances against theaters not in substantial competition with them. In fact, clearances can be deemed unreasonable and illegal restraints of trade.

29. In the 1980s, rather than bid for films and clearances, which carried the risk of losing money on a given deal, exhibitors came to prefer that studios simply allocate films on an equitable basis in markets where the theaters were deemed to be in substantial competition with each other. For instance, an exhibitor might receive an exclusive license to one popular film from one studio, but not the next popular film from the same studio. Studios were to allocate their own films independently, without coordinating with each other. Around this time, bidding for film licenses began to phase out.

30. In 1995, AMC built the first megaplex theater (with 24 screens) in this country in Dallas. AMC followed a new strategy: obtain *all* films to fill all of its auditoriums. Other exhibitors quickly followed suit building similar megaplexes, with huge industry growth over the next decade. From about 28,000 movie screens around the country in 1995, there were 40,000 by 2005. In addition, around that time, film ceased to be provided on reels, becoming digital and cheaper for studios to create and supply. Allocation and clearances made no sense, as every

megaplex needed access to all films. Bidding for product became a thing of the past. In addition, studios did their own marketing and promoting of films, rather than exhibitors, eliminating any remaining financial justification for clearances or allocation.

31. Bidding and allocation ended, making film available to all exhibitors. Studios now pursue a "wide release" strategy for most films, licensing a film to be shown on as many screens and in as many theaters as possible. They track statistics such as "screen count" on a film's release date to measure its success. Studios also get a percentage of every ticket sold to a movie theater customer at every theater.

32. In turn, with no restrictions on licensing, AMC, Regal, and Cinemark built megaplexes anywhere and everywhere. Together, they now control 60% of the revenue from movie ticket sales in the U.S.

33. More specifically, across the country Regal controls 23% of revenue from movie ticket sales, and AMC controls 21.5%. As a result, these two exhibiters together control 44.5% of the market in the U.S. In many geographic zones, the Big Three control in excess of 70% of theater seats. And in Houston alone, the Big Three control 60% of the screens and 69% of the box office revenue. Together and each alone, the Big Three exhibitors have dominant market power based on their ability to provide numerous exhibition locations and screens to studios, in both competitive and non-competitive zones.

2. History of Anticompetitive Practices in the Industry

34. Anticompetitive conduct has been endemic to the movie industry for decades. Major film studios distribute their own films, and also, dating back to the silent film era, they owned many theaters. Theaters which were not owned by studios often entered into exclusive deals with studios to run their films. This vertical integration in creating, processing, distributing, and exhibiting films came under federal scrutiny, as did the practice of clearances.

35. In 1928, the Federal Trade Commission brought an antitrust lawsuit against Paramount's predecessor and nine other film studios. Although the studios were found to have violated antitrust law, they essentially suffered no penalty after crafting a deal under the National Industrial Recovery Act during the Great Depression.

36. The Department of Justice followed up in 1938, filing a new suit against all major movie studios for violations of the Sherman Act. This case was initially settled with a consent decree in 1940, which had a number of conditions intended to reduce the studios' power. In 1943, after the studios failed to meet requirements of the consent decree, the suit was reinstated and proceeded to trial, with verdicts rendered against all defendants.

37. The verdicts were appealed, and in 1948, the Supreme Court affirmed, in *United States v. Paramount*, 334 U.S. 131 (1948). The decision covered a range of industry behavior and remedies, such as requiring studios to divest of their theater chains. In a holding that became a foundation of antitrust law in this industry, the Court held that unreasonable clearances were an antitrust violation. It affirmed the District Court's holding that the studios' clearances were in restraint of trade, and "many clearances had no relation to the competitive factors which alone could justify them." *Id.* at 146. The *Paramount* consent decree, which sets industry standards, is in effect today.

38. The Antitrust Division of the U.S. Department of Justice recently launched an investigation into AMC, Regal, and Cinemark's new anticompetitive practices, as described below. News sources have reported that the Big Three received formal inquiries directed to their attempts to prevent new competition from entering the market, as well as their participation in multiple joint ventures. AMC and Regal received the Justice Department's civil investigative

demands on May 28, 2015, and Cinemark received one the next day. At the same time, a number of state attorney general offices are investigating the same conduct.

3. Defendants' New Anticompetitive Strategies

39. Over the past twenty years, in the current environment of megaplexes and their constant demand for product, exhibitors and studios have seen the advantage of open access to film licenses. Just within the last few years, however, the Big Three have begun a campaign to exploit their market power to prevent or crush new competition entering the market.

40. After getting a new CEO in 2009, AMC changed course from its longstanding policy against bidding, clearances, and allocation. It made unprecedented demands to studios to deny film licenses to new theaters that AMC wanted to exclude from the market, with the threat that AMC would refuse to show the studios' films in its theaters. These were not traditional clearance requests, as they did not depend on competitive bidding, revenue guarantees, or exhibitor advertising. They were threats of naked boycotts, intended to coerce studios to exclude new exhibitors from getting licenses, against the studios' own financial interest, based solely on AMC's dominant market power.

41. Regal and Cinemark acted in lockstep with AMC. During this time period, the Big Three exhibitors threatened a boycott against studios that did not concede to their demands and deny film licenses to new theaters. Often, the new competitors were premium theaters, with amenities such as large comfortable seats, wait service and upscale food, adult beverages, and reserved seating. In contrast, the Big Three's theaters are older, lower quality buildings that lack premium amenities. Fearing this new competition, and initially rather than increase the quality of their own theaters, the Big Three exhibitors decided it would be easier to prevent new theaters from entering the market.

42. AMC compiled a list of "Near-term Predatory Competitors" which it decided to squeeze out of the market. The new "competitors" included several dine-in theaters, a drive-in theater, a single-screen art house, and a Spanish language theater. By any industry standard, the new theaters are not in substantial competition with a traditional megaplex, yet AMC chose to boycott studios' films if they licensed the films to the targeted theaters.

43. The AMC list was not idle brainstorming: the Spanish-language theater on the list was Viva Cinema, located in Houston and opened in May 2013. AMC followed through on its scheme, and it threatened to boycott studios who licensed film to Viva. Due to the threats, Viva was able to obtain only one first-run film during the entire time it was open for business. As promised, AMC refused to play that film in its nearby theater. Viva went out of business after six months due to the AMC-organized boycott.

44. Boycott threats from AMC, Regal, and Cinemark carry significant weight. Even a major studio is hard-pressed to choose to license a film to a small theater, with less revenue, if it means losing the revenue expected from a megaplex or multiplex. Defendants' tactics were calculated to financially coerce studios to participate in the boycott conspiracies.

45. AMC has given other exhibitors credit for creating these new boycott policies. At the Entertainment Experience Evolution Conference on February 19, 2015, its then-CEO said that AMC was for years the only major exhibitor that did not seek clearances. While this is demonstrably false, and warps the meaning of "clearance," his language is telling. He describes a decision not to seek "clearances" as "playing outside of the rules of the industry," and seeking clearances (that is, boycotts) as "joining in" with other major exhibitors.

46. In addition, AMC, Regal, and Cinemark have taken extraordinary steps to extend their threats to third parties. In recent years, they have started pressuring developers and the

developers' lenders that are considering adding premium theaters to developments around the country. Even before ground is broken, and often before a lease agreement is signed, these exhibitors tell developers and lenders that the new theater will be unable to license films, due to defendants' threatened boycotts.

47. The threats jeopardize the core business model of the developers and their ability to service their debt. Not only is a premium theater like iPic expected to be a huge draw to a premier development, but other tenants often have a co-tenancy clause in their lease requiring that iPic be in the project. Consequently, a developer threatened with a boycott of iPic faces an enormous risk in building an iPic theater, knowing the theater will fail if it cannot license films, and the entire development may fail with it. Unsurprisingly, developers are often deterred from choosing to locate any theater, besides those owned by the Big Three, in their projects, or from including any theater at all. This practice is unprecedented in the industry.

48. In addition to conspiring on these boycotts, AMC, Regal, and Cinemark combined forces in various relevant business entities. For instance, they are co-owners of the following:

- Digital Cinema Distribution Coalition provides digital delivery to theaters through a satellite and terrestrial distribution network. It was created by AMC, Cinemark, Regal, Universal Pictures, and Warner Bros. in 2013. It has agreements to deliver content to 2,300 venues and 28,000 screens.

- Digital Cinema Implementation Partners, LLC assists exhibitors to install digital equipment in theaters. It was founded in 2007 by AMC, Cinemark, and Regal.

- National CineMedia, LLC is the country's largest cinema advertising network, providing on-screen advertising in theaters. It was founded in 2005 by AMC, Regal, and Cinemark, and together they own over half of the business today.

- Fathom Events licenses alternative content such as concerts, ballet, and opera to exhibit in theaters. It was a division of National CineMedia until it was restructured as a stand-alone entity in 2013. Now, AMC, Regal, and Cinemark each own 32% of Fathom, with National CineMedia owning the remaining 4%.

- Open Road Films is a leading distribution company for independent films. It was founded by AMC and Regal in 2011. Unlike major studios, which distribute their own films, Open Road does not produce movies, but only distributes films created by smaller, independent studios. It has had a number of releases, including "Nightcrawler," "The Grey," and "End of Watch," which took #1 spots at the box office during their first run.

The Big Three also created online ticket seller Fandango, and then sold their interests.

49. These joint entities have used their own means to control the theater industry. For example, for some time, Fathom refused to license Metropolitan Opera performances to any exhibitor except the Big Three or another co-owner in National CineMedia. In the past year, that policy has changed slightly. While Fathom now allows some outside exhibitors to play the Opera performances, it charges a crippling fee (75% of box office receipts) for a license. While AMC, Regal, and Cinemark are essentially paying that fee to themselves, other exhibitors are deterred by the extraordinary cost.

50. As noted, the anticompetitive behavior by the Big Three exhibitors has drawn the attention of federal agencies, as well as a number of state regulators like the Texas Attorney General. In addition, civil lawsuits are pending against defendants in at least three jurisdictions (New York, Texas, and Georgia) based on similar conduct.

4. The Theaters in this Matter

51. In early November 2015, iPic opened a new theater in Houston, located at 4444 Westheimer Road. With 8 screens and 578 seats, it gives movie-viewers a premium experience. There is full beverage service and upscale dining, with meals designed by a James Beard-awarded chef, and wait service to a patron's seat. Seat locations are reserved online, and iPic members have access to early ticket sales. The theaters are elegant and spacious, with comfortable leather reclining seats, pillows, blankets, all assigned seats, seat side service, free

popcorn, and plenty of space between seats. Ticket prices are higher than those at traditional movie theaters, reflecting the better product and service.

52. The new Houston theater has been hugely popular among members of the public. In its first week of opening, some 12,000 individuals signed up as iPic members.

53. In April 2017, iPic will open a new theater in Frisco, Texas, about 25 miles north of downtown Dallas. It will have 8 screens and 616 seats, with amenities equal to the Houston theater. Construction of this development has begun.

54. In contrast, AMC and Regal theaters typically do not offer upscale dining or any service to a patron's seat. In some theaters, the seats do not recline and cannot be reserved in advance. Patrons are packed together in the theaters and interrupted by children, electronics, and other distractions. Many theaters were built 20 years ago or earlier and have not been renovated in recent years. Ticket prices are correspondingly cheaper, reflecting a lower quality experience.

55. The nearest Regal theater to the new iPic Houston location is Edwards Greenway Grand Palace 24, about 1.4 miles away. Built in 1999, it has 24 screens and over 4000 seats. As with other Regal theaters, it does not offer the amenities or experience that iPic provides: no fine dining, no wait service, no reclining seats, no reserved seating, no adult beverages. Ticket prices are much less than at iPic.

56. The nearest AMC theater to the new iPic Frisco location is AMC Stonebriar 24, about 2.2 miles away. Built in 2000, it has 24 screens and 4,426 seats. As with other AMC theaters, it does not offer the amenities or experience that iPic provides: no fine dining, no wait service, no reclining seats, no reserved seating. Ticket prices are much less than at iPic.

A. Relevant markets

1. Geographic market

57. Aside from iPic, there is one other theater within 3 miles of Edwards Greenway Grand Palace 24 (the "Greenway zone") – the River Oaks Theater, a small, historic theater with 3 screens specializing in independent and foreign language films. Movie-goers who live in this zone are reluctant to travel outside of it to attend a traditional megaplex. Traffic congestion and population density discourages driving outside the zone.

58. In Frisco, the only theater within 3 miles of AMC Stonebriar 24 (the "Stonebriar zone") is Angelika Film Center and Café, a small theater specializing in independent films. iPic will be within this 3-mile zone when it opens. Movie-goers who live in this zone are reluctant to travel outside this zone to attend a traditional megaplex. With traffic congestion, patrons prefer to stay closer to home to go to a theater.

2. Primary product market

59. The primary product market is to license first-run films to show to the public.

60. The exhibitors competing to license first-run films from studios to show in the Greenway zone are Regal, iPic, and River Oaks Theater (which never competes for mainstream commercial films). The exhibitors competing to license first-run films to show in the Stonebriar zone are AMC, iPic, and Angelika (which rarely competes for mainstream films).

61. Market share within a zone can be measured by the number of seats available for paying customers at a specific theater within the zone. Edwards Greenway can seat about 4,000 customers in its theater. So for the Greenway zone, Regal controls about 4000 out of 5278 total exhibitor seats in that zone, or about 76% of the market for film licenses. Excluding River Oaks Theater, to more accurately measure the market for licensing mainstream commercial films, Regal controls 4000 seats out of 4578, or about 87% of the market.

62. Once iPic opens in the Stonebriar zone, AMC will control 4,426 out of 6,242 total exhibitor seats within the zone, or about 71% of the market for film licenses. Excluding the Angelika, to more accurately measure the market for licensing mainstream commercial films, AMC will control 4,426 seats out of 5042, or about 88% of the market.

63. Based on their dominant market shares and power, Regal and AMC each holds a monopoly in the Greenway and Stonebriar zones, respectively.

3. Secondary Product Market

64. The relevant secondary product market is to exhibit first-run films to the public.

65. In the Greenway zone, Regal, iPic, and River Oaks Theater are the only exhibitors competing to show films to the public, and River Oaks Theater never competes to show mainstream commercial films. In the Stonebriar zone, AMC, iPic, and Angelika will be the only exhibitors competing to show films to the public, and Angelika rarely competes to exhibit mainstream commercial films.

66. As in the primary product market, market power can be measured based on the number of seats an exhibitor controls within a zone. By that measure, Regal controls about 4000 out of 5278 total exhibitor seats in the Greenway zone, or about 76% of the market for exhibiting films. Excluding the River Oaks Theater, to more accurately measure the market for exhibiting mainstream commercial films, Regal controls about 4000 seats out of 4578, or about 87% of the market. Once iPic opens in the Stonebriar zone, AMC will control 4,426 out of 6,242 total exhibitor seats, or about 71% of that market for exhibiting films. Excluding the Angelika, to more accurately measure the market for exhibiting mainstream commercial films, AMC will control 4,426 seats out of 5042, or about 88% of that market.

67. Based on their dominant market shares and power, Regal and AMC each holds a monopoly in the Greenway and Stonebriar zones, respectively.

5. Defendants' Anticompetitive Conduct and Effects

A. Regal's Conduct in the Greenway Zone

68. Based on research into the Houston market, iPic concluded that no exhibitor had sought boycotts, clearances, or allocations in recent history. Rather, the megaplexes benefitted by playing all popular first-run films, based on their number of screens and seating capacities. Smaller, independent theaters operated without boycott concerns for years, including River Oaks Theater, Studio Movie Grill, Alamo Drafthouse, and Sundance Cinemas. These independent theaters operated in close proximity, generally about a mile and half, from one of the Big Three, and they played movies day-and-date with each other. As a result, iPic decided to open a Houston location that provided a premium experience unlike any theater in the area.

69. With no clearance or allocation concerns, iPic would get all first-runs films on a day-and-date basis, just like any other theaters, from the studios, including Paramount, 20th Century Fox, Walt Disney, Warner Brothers, Universal, and Sony. What iPic did not know was that certain studios had been coerced to allocate first-run films between iPic's Houston location and Regal's Greenway theater, contrary to industry custom, precedent, and economic sense.

70. On July 10, 2014, Regal called every major studio with the same message: if the studio licenses a film to play at iPic, Regal will refuse to play that film at its Greenway theater. This threat was calculated to coerce the studios to refuse to license films to iPic. In addition, on the same day, AMC made the same threat regarding iPic's Frisco location to the same studios.

71. AMC and Regal are conspiring in this anticompetitive boycott. The illicit nature of their joint threats is also apparent from, among other things, statements by the then CEO of AMC that he chose to "join in" and play by "the rules of the industry." After years without allocation or clearances, defendants deliberately moved in lockstep to stifle new competition.

72. The threat is real and substantial, as it is directed to the popular first-run films that iPic needs to show on its screens to survive. Studios face significant financial loss if a Regal megaplex refuses to play what is otherwise a high-grossing film, with the studio losing its share of potential ticket sales. In contrast, with its small number of screens and seats, iPic is unable to sell enough tickets to equal the expected revenue of a Regal megaplex.

73. Studios generally prefer to play films on as many screens as possible, even if the theaters are near each other, as they gain additional revenue by playing a film at two theaters at the same time. In short, it is in their financial best interest to play at both iPic and Regal.

74. Here, iPic's new Houston location is expected to grow the market for movie-viewers, not reduce Regal's sales. In the past, when a new iPic location has opened, the sales of an existing megaplex nearby generally have been unaffected, while iPic has drawn in a new consumer base. For instance, an iPic theater was built less than a mile from a Regal theater in Redmond, Washington. Since then, Regal's revenue in Redmond continued to track the national average, and iPic generated over $2 million in new revenue. A similar situation has taken place in Austin, where iPic's theater is just over a mile from a Regal theater, and both theaters have operated successfully without any exclusive licensing.

75. This is because iPic and Regal are not substantially competing for the same customers. Rather, they attract different customers, and a new iPic actually increases the total number of movie-viewing patrons. Studios share in that revenue, and they have every incentive for both Regal and iPic to thrive.

76. Despite the financial benefits studios will receive from the new iPic location, Regal's boycott threat is significant. While studios would prefer to earn revenue from both iPic

and Regal theaters, if forced to choose between the two, Regal's dominant market power will compel the studio to choose Regal's greater revenue over iPic's lesser revenue.

77. Beyond that, Regal can take punitive action against a studio or distributor in other ways, such as by limiting the number of weeks it shows a film, playing it on fewer screens, and showing it less frequently.

78. Regal's threat has been effective. Three major studios – Universal, Sony, and Fox – changed course and told iPic that they will be allocating films, and they have refused to explain their decision. While iPic was able to get licenses to certain films to show in 2015, it has been able to license only one film for the first quarter of 2016 from these studios to date. It also was denied licenses to a number of movies that it tried to exhibit in 2015, including:

- "The Night Before," starring Joseph Gordon-Levitt and Seth Rogen (Sony).
- "Concussion," starring Will Smith (Sony).
- "Sisters," starring Tina Fey and Amy Poehler (Universal).
- "Alvin and the Chipmunks: The Road Trip" (Fox).
- "The Martian," starring Matt Damon (Fox).
- "Steve Jobs," starring Michael Fassbender and Kate Winslet (Universal).
- "Bridge of Spies," starring Tom Hanks (Fox).
- "Krampus," starring Allison Tolman (Universal).
- "The Revenant," starring Leonardo DiCaprio (Fox).
- "Victor Frankenstein," starring Daniel Radcliffe and James McAvoy (Fox).

79. This boycott is contrary to the economic self-interest of Regal. The only rationale for its decision is the desire to exclude a new competitor from the market, by coercing studios to refuse licenses to iPic and penalizing those that do not comply with its boycott demands.

80. iPic's ability to license first-run films for its Houston location in 2016 is in serious jeopardy. Regal's threats have prevented iPic from obtaining needed licenses. Regal's resolve in continuing its boycotts will take an expensive toll on any studio that does not capitulate. The result is catastrophic for iPic, as its business model depends on licensing first-run films.

81. These boycotts, even if iPic gets a handful of popular titles, will destroy its Houston theater. The movie-going public expects a theater to have all top films, and if it doesn't, the theater's reputation immediately suffers. When a theater does not have the movie a customer wants to see, the loss of reputation and goodwill is serious; customers quickly learn that theater is inferior and go elsewhere. A premium theater that gets only some top films cannot survive.

82. Further, the average first run of a movie is about three weeks. If iPic is unable to obtain the usual variety of first-run films to fill its schedule, it cannot support itself financially. If iPic is excluded from licensing first-run films on the same basis as other theaters, it will not be able to draw patrons, it will lose goodwill and revenue, and it will shut down.

83. In addition, Regal's threats will have a significant negative impact on the movie-going public. Where studios are coerced to license films to only Regal, patrons will not be able to choose to view a first-run film at a premium location, as opposed to a lower-quality venue. The public in the Greenway zone will be forced to view a first-run film at Regal Greenway 24 or not at all, and their movie-going experience will be reduced in both quality and choice.

84. Regal's conduct also deprives studios of their ability to license films to show in multiple theaters within a zone. They will lose revenue based on their reduced ability to license films and earn money off tickets sales at additional theaters.

85. Regal's conduct deprives iPic of a competitive opportunity to license and exhibit first-run films, violating the antitrust laws of Texas. This conduct also constitutes actual and/or attempted monopolization, in that it has used its dominant market power to keep and expand its monopoly in the market for licenses in the Greenway zone. By eliminating iPic as a competitor, Regal will be able to preserve and strengthen its monopoly within that zone.

86. The same conduct constitutes actual and/or attempted monopolization of the market for exhibition of films in the Greenway zone, in that Regal did and will use its dominant market power to keep and expand its monopoly power in the market for the exhibition of films in this zone. Regal intends to exclude and eliminate iPic's Houston location, to keep its monopoly.

87. In addition, Regal's effort to obtain exclusive license agreements with studios constitutes a contract, combination, or conspiracy in restraint of trade and commerce in the market for film licenses and exhibition in the Greenway zone. These efforts have the intended effect of maintaining and expanding Regal's dominant market power and monopoly power and foreclosing competition in this zone.

88. Regal's conspiracy with AMC in an effort to obtain exclusive license agreements with the studios constitutes a contract, combination, or conspiracy in restraint of trade and commerce in the market for film licenses and exhibition in the Greenway zone. These efforts have the intended effect of maintaining and expanding Regal's dominant market power and monopoly power and foreclosing competition within the Greenway zone.

B. AMC's Conduct in the Stonebriar Zone

89. iPic is in the process of developing a new theater in Frisco, Texas, which is set to open in April 2017. This theater is within 3 miles of AMC Stonebriar. Aside from the Angelika, which specializes in independent films (not mainstream commercial films), it will be the only other theater operating in the Stonebriar zone. The iPic Frisco theater will have amenities like its Houston location: upscale dining and drinks, wait service, reclining seats, pillows, blankets, and spacious auditoriums.

90. As in Houston, iPic researched the Frisco and Dallas market and found no clearances or allocations had been sought between exhibitors in recent history between theaters within two miles of each other, so it could enter the market without an issue. In fact, at the time,

it understood that two years earlier LOOK Cinemas opened a theater 2.4 miles from the AMC Valley View 16, and both theaters played all films on a day-and-date basis. Only much later did iPic learn that AMC opened a new theater less than a mile from LOOK Cinema, and notified the studios that it would boycott films licensed to LOOK Cinemas.

91. On July 10, 2014, before iPic had even signed its lease with the developer, AMC sent an email to all major studios threatening boycotts of the planned new iPic location:

> In the last twelve months, AMC Stonebriar 24 has grossed $9.7M, and has more than enough capacity to fully serve the movie-going demand in this zone that has a 3-mile population of 82,651 people. Accordingly, AMC will not license [studio's] films to be played day-and-date with this proposed new theater, but instead requests that each film be licensed pursuant to clearances in this particular film licensing zone.

AMC's boycott threats regarding iPic's Frisco location were made on the same day Regal called the same studios and threatened boycotts regarding iPic's Houston location.

92. The nature of these threats also is apparent from the statements by AMC's then CEO that he chose to "join in" and play by "the rules of the industry." After years without allocation or clearances, AMC and Regal moved in lockstep to stifle new competition.

93. The boycott threat as to iPic's Frisco location, before the lease was even signed, is unprecedented. Historically, exhibitors never sought clearances prior to a theater's opening. The tactic was intended here to threaten not only the studios, but also the developer of the new iPic theater. There are 20-30 tenants in the Frisco development with co-tenancy clauses in their lease requiring an iPic theater to be located in that development. The financial risk to the developer in going forward with the project is enormous.

94. There is every reason to believe AMC will follow through on its threats to boycott films licensed to iPic in Frisco. Indeed, AMC previously enforced similar boycott threats against Viva Cinema and successfully drove it out of business.

95. As in Houston, the business model of iPic's Frisco location is based on licensing and exhibiting first-run films. If studios capitulate to boycott demands in the Stonebriar zone, as they have in Houston, iPic's Frisco location faces losses to its goodwill and revenue and certain closure. AMC's tactics against Viva also will be effective against iPic. It will deprive iPic of a competitive opportunity to license and show first-run films, violating the antitrust laws of Texas.

96. These boycotts will have a significant negative impact on the movie-going public. They will prevent patrons from viewing first-run films at premium locations, as opposed to a standard theater like AMC Stonebriar. The public in this zone will be forced to view most first-run films at AMC Stonebriar or not at all, and their movie-going experience will be reduced in both quality and choice.

97. AMC's conduct will deprive studios of the option and preference to license films to exhibit in multiple theaters within a zone. They will lose revenue based on this reduced ability to license films and earn money off tickets sales at additional theaters.

98. This conduct constitutes actual and/or attempted monopolization. AMC has used its dominant market power to maintain and expand its monopoly in the market for licenses in the Stonebriar zone. Eliminating iPic will preserve and strengthen AMC's monopoly in the zone. It also constitutes actual and/or attempted monopolization of the market to exhibit films in this zone, as AMC did and will use its dominant market power to maintain and expand its monopoly to exhibit films in the Stonebriar zone. AMC intends to exclude and eliminate iPic's Frisco location, preserving and strengthening AMC's monopoly.

99. AMC's efforts to obtain exclusive license agreements with studios will result in contracts, combinations, or conspiracies in restraint of trade and commerce in the market for film

licenses and exhibition in the Stonebriar zone. These efforts will have the intended effect of maintaining and expanding AMC's monopoly and foreclosing competition in the zone.

100. AMC's conspiracy with Regal in an effort to obtain exclusive license agreements with studios constitutes a contract, combination, or conspiracy in restraint of trade and commerce in the market for film licenses and exhibition in the Stonebriar zone. It will have the intended effect of foreclosing competition in the zone.

C. Extended Anticompetitive Practices

101. Defendant's anticompetitive behavior goes beyond targeting iPic in Texas. The Big Three have engaged in anticompetitive behavior towards iPic in other geographic areas, as part of an ongoing conspiracy to prevent small theaters from successfully opening.

102. In Newport, California, iPic tried to open a premium theater inside a mall. Regal operated a nearby theater. While iPic was negotiating a letter of intent, Regal pressured the mall to reject iPic by indicating that iPic would not receive first-run films from studios. The mall bowed to the pressure and took a lower-value management deal for a new Regal theater instead.

103. Similarly, in Seattle, Washington, iPic was in the process of negotiating with a developer to place an iPic in a new development, near an existing theater of Cinemark, one of the Big Three exhibitors. Cinemark informed the developer that a new iPic theater would be unable to obtain first run films from studios. As a result, the Seattle development was abandoned.

104. After learning that AMC was threatening the planned iPic Frisco location, even before a lease was signed, iPic had to reevaluate its strategy in entering new markets. Based on the threats, which are likely to be repeated in other areas, iPic has been forced not to enter about 40 markets, based on the fear that defendants will prevent it from receiving film licenses, should iPic try to enter those zones. Defendants have created high barriers to enter these markets.

105. iPic has been prevented from entering film licensing and exhibition markets due to the risk and threat of defendants' anticompetitive behavior. This has solidified and expanded defendants' monopolies in those zones. Consumers have suffered, as they are left with low-quality options for movie-viewing and deprived of options. This exclusionary campaign will continue to injure iPic and the public unless it is enjoined.

6. Damages and Continuing Injury

106. Defendants have engaged in a continuing course of conduct that violates Texas law by their acts, practices, and conduct, which has injured competition and iPic irreparably. Unless enjoined, the scheme did and will injure competition, consumers, the public, and iPic's business and property.

107. This injury is all but certain. In Houston, AMC already has driven a small theater out of business. Viva Cinema was an independent 8-screen theater with 2,242 seats that opened in 2013. Its business model was based on exhibiting first-run films in Spanish or with Spanish subtitles. Prior to its opening, the local AMC theater played virtually no such films. Viva intended to cater to an underserved Spanish-language market.

108. The closest movie theater to Viva, about 3 miles away, was AMC Studio 30 with 30 screens and 5,630 seats. AMC, which had played virtually no Spanish-language films at its Studio 30, decided to exhibit Spanish subtitled films and drive out the new theater. It demanded that studios refuse to license films to Viva, lest any film that was licensed to Viva be boycotted by AMC. During the time that Viva operated, AMC changed its policies to play a few Spanish-language or subtitled films. Meanwhile, Viva was able to obtain only one film during its first three-week run, and true to its word, AMC refused to exhibit the film. Viva went out of business seven months after opening, due to its inability to show first-run movies after AMC's threats. AMC has not shown Spanish-language or subtitled films since Viva's closure.

109. Like Viva, iPic will suffer irreparable injury and loss of its business, property, reputation, and goodwill, for which there is no adequate remedy at law, unless the Court enjoins defendants from their unlawful conduct and violations of the antitrust laws.

FIRST CAUSE OF ACTION
RESTRAINT OF TRADE: VIOLATION OF TEXAS ANTITRUST ACT, SECTION A

110. iPic re-alleges the material fact allegations in the preceding paragraphs.

111. Defendants possess dominant market power and monopolies in the markets for film licenses and theater customers in a substantial number of zones, including in the Greenway and Stonebriar zones. This is demonstrated by factors such as their high market shares in the zones, their circuit power, their actual exclusion of competition and control over studios, and the barriers to entry in the zones.

112. Defendants have used their dominant market power and monopolies and conspired to coerce studios to agree to boycott iPic, denying it a chance to secure film licenses and theater customers. By their acts, practices, and conduct, defendants have insulated themselves from and foreclosed competition with iPic for film licenses and theater customers in the Greenway and Stonebriar zones.

113. By their acts, practices, and conduct, defendants have pursued a course of conduct that unreasonably restrains trade in violation of TEX. BUS. & COM. CODE ANN. §15.05(a). This unlawful conduct has been willful and flagrant.

114. Defendants' conduct and conspiracy have significant anticompetitive effects and no pro-competitive benefits or justification. The public has been deprived of the freedom to choose where and how to view films and to choose the quality of its movie-viewing experience.

115. As a direct and proximate result of defendants' unlawful conduct, iPic has been injured in its business and property, including by being foreclosed from competitive access to markets for film licenses and exhibition.

116. The injuries to the public and iPic are injuries to the competitive process and are the type that antitrust laws are intended to prohibit and thus constitute antitrust injuries in Texas.

117. iPic will suffer irreparable injury and loss of its business and property, for which there is no adequate remedy at law, unless the Court enjoins defendants' continuing violations.

118. iPic has been forced to retain attorneys to protect its rights and prosecute this claim. Pursuant to TEX. BUS. & COM. CODE ANN. §15.21, it is entitled to recover its reasonable attorney fees and costs necessarily expended in this matter.

SECOND CAUSE OF ACTION
MONOPOLIZATION: VIOLATION OF TEXAS ANTITRUST ACT, SECTION B

119. iPic re-alleges the material fact allegations in the preceding paragraphs.

120. Defendants possess dominant market power and monopolies in the markets for film licenses and theater customers in a substantial number of zones, including in the Greenway and Stonebriar zones. This is demonstrated by factors such as their high market shares in the zones, their circuit power, their actual exclusion of competition and control over studios, and the barriers to entry in the zones.

121. Defendants have used their dominant market power and monopolies to coerce studios into denying iPic the opportunity to secure film licenses and theater customers, having a direct adverse effect on competition.

122. By such acts, practices, and conduct, defendants have insulated themselves from competition with iPic for film licenses and theater customers, and have willfully maintained or

expanded their dominant market power and monopolies in markets for licenses and exhibition, including in the Greenway and Stonebriar zones.

123. By their acts, practices, and conduct, defendants have pursued a course of conduct that amounts to monopolization or unlawful exercise of dominant market and monopoly power in violation of TEX. BUS. & COM. CODE ANN. §15.05(b). This unlawful conduct has been willful and flagrant.

124. Defendants' conduct and conspiracy have significant anticompetitive effects and no pro-competitive benefits or justification. The public has been deprived of the freedom to choose where and how to view films and to choose the quality of its movie-viewing experience.

125. As a direct and proximate result of defendants' unlawful conduct, iPic has been injured in its business and property, including by being foreclosed from competitive access to markets for film licenses and exhibition.

126. These injuries to the public and iPic are injuries to the competitive process and are the type that antitrust laws are intended to prohibit and thus constitute antitrust injuries in Texas.

127. iPic will suffer irreparable injury and loss of its business and property, for which there is no adequate remedy at law, unless the Court enjoins defendants' continuing violations.

128. iPic has been forced to retain attorneys to protect its rights and prosecute this claim. Pursuant to TEX. BUS. & COM. CODE ANN. §15.21, it is entitled to recover its reasonable attorney fees and costs necessarily expended in this matter.

THIRD CAUSE OF ACTION
ATTEMPTED MONOPOLIZATION: VIOLATION OF TEXAS ANTITRUST ACT, SECTION B

129. iPic re-alleges the material fact allegations in the preceding paragraphs.

130. Through their anticompetitive conduct, defendants did and do intend to secure dominant market power and monopolies in markets for film licenses and exhibition, including in

the Greenway and Stonebriar zones. As evidenced by their market shares in most zones, including the Greenway and Stonebriar zones, their circuit power, their abuse of market power, their ability to exclude or foreclose competition and control studios, and the high barriers of entry into the relevant markets, defendants' anticompetitive schemes have had a direct adverse effect on competition and, at a minimum, have a dangerously high probability of success.

131. Defendants' conduct constitutes attempted monopolization in violation of TEX. BUS. & COM. CODE ANN. §15.05(b). This unlawful conduct has been willful and flagrant.

132. As a direct and proximate result of defendants' unlawful conduct, iPic has been injured in its business and property, including by being foreclosed from competitive access to markets for film licenses and exhibition.

133. These injuries to the public and iPic are injuries to the competitive process and are the type that antitrust laws are intended to prohibit and thus constitute antitrust injuries in Texas.

134. iPic will suffer irreparable injury and loss of its business and property, for which there is no adequate remedy at law, unless the Court enjoins defendants' continuing violations.

135. iPic has been forced to retain attorneys to protect its rights and prosecute this claim. Pursuant to TEX. BUS. & COM. CODE ANN. §15.21, it is entitled to recover its reasonable attorney fees and costs necessarily expended in this matter.

FOURTH CAUSE OF ACTION
TORTIOUS INTERFERENCE UNDER THE COMMON LAW OF TEXAS

136. iPic re-alleges the material fact allegations in the preceding paragraphs.

137. Defendants have wrongfully and intentionally interfered with iPic's contracts and business relationships with a number of individuals and entities, including studios, real estate developers, and members of the public. In their scheme, defendants committed independently tortious acts.

138. This conduct has proximately caused iPic to suffer irreparable injury and loss of its business and property, for which there is no adequate remedy at law, unless the Court enjoins defendants' continuing violations.

APPLICATION FOR TEMPORARY RESTRAINING ORDER

139. iPic re-alleges the material fact allegations in the preceding paragraphs.

140. A number of crucial documents are in the hands of defendants in this case. For instance, their coordinated behavior indicates that they communicated prior to making their July 10 demands to studios. In addition, while iPic has been able to see a portion of AMC's list of "Near-term Predatory Competitors," it believes there are additional internal documents detailing AMC's boycott policies. Many other relevant documents no doubt exist as well.

141. The documents in the possession and control of defendants are at risk of being altered, discarded, or destroyed, intentionally or unintentionally, at any time. iPic brings this TRO application requiring immediate preservation of relevant documents and materials. It will ensure that all evidence relevant to this matter is preserved.

142. Without a TRO, relevant documents may be altered or destroyed, and iPic will suffer immediate and irreparable injury, loss, or damage, in that it will be impeded in prosecuting its claims. No monetary amount may compensate for the loss of evidence essential to its claims.

143. iPic is therefore entitled to a TRO restraining defendants, their agents, employees, and attorneys, together with all persons in active concert with them, from taking any action to alter, dispose of, or destroy, or permit to be altered, disposed of, or destroyed, any evidence of their actions and scheme described in this Petition, including their communications, any internal documents, and any communications with third parties such as studios.

144. If such relief is not granted, iPic will suffer irreparable harm before a trial on the merits can be conducted. Issuance of a TRO will preserve the status quo and cause no harm.

APPLICATION FOR TEMPORARY AND PERMANENT INJUNCTION

145. iPic re-alleges the material fact allegations in the preceding paragraphs.

146. Due to defendants' conduct, iPic did and will suffer irreparable injury and has no adequate remedy at law.

147. After defendants have been cited to appear and answer, iPic requests the Court to enter a temporary injunction to enjoin defendants, their agents, employees, and attorneys, together with all persons in concert with them, from engaging in anticompetitive and unlawful conduct, including demanding or requesting exclusive film licenses or the right to exhibit films from studios, to the exclusion of any iPic theater; indicating to studios, directly or indirectly, that defendant will refuse to play a film at one or more of its theaters, due to the fact that a studio has licensed the film to iPic; or carrying out any such conduct. If such relief is not granted, iPic will suffer irreparable harm before a trial on the merits of this case can be conducted.

148. iPic further requests that, following a trial on the merits in this case, the Court enter a permanent injunction enjoining defendants from their unlawful scheme.

SERVICE ON ATTORNEY GENERAL

149. Plaintiffs have mailed a copy of this petition to the Attorney General of Texas, in compliance with TEX. BUS. & COM. CODE ANN. §15.21(c).

DEMAND FOR JURY TRIAL

150. iPic demands a trial by jury of all issues properly decided by a jury.

PRAYER FOR RELIEF

Accordingly, plaintiffs iPic-Gold Class Entertainment and iPic Texas respectfully request that, after final trial or hearing, the Court enter judgment and grant relief as follows:

a. Adjudge defendants to have violated and to be in continuing violation of Sections A and B of Texas Antitrust Act;

b. Order defendants to pay actual damages to iPic, plus treble damages, plus its costs and reasonable attorney fees incurred in prosecuting this action;

c. Order defendants to pay pre-judgment and post-judgment interest as may be allowed by law;

d. Enter permanent injunctive relief prohibiting defendants from engaging in further anticompetitive and unlawful conduct, including by enjoining defendants from:

(1) demanding or requesting exclusive film licenses or the right to exhibit films from studios to the exclusion of any iPic theater;

(2) indicating to studios, directly or indirectly, that defendant will refuse to play a film at one or more of its theaters due to the fact that a studio has licensed it to iPic; or

(3) carrying out any such conduct;

e. Grant such other equitable relief, including disgorgement of all unlawfully obtained profits that the Court finds just and proper to address and to prevent recurrence of defendants' unlawful conduct; and

f. Grant iPic all other and further equitable or legal relief as is just and proper.

Respectfully submitted,

YETTER COLEMAN LLP

By: _____

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ATTORNEYS FOR PLAINTIFFS
IPIC-GOLD CLASS ENTERTAINMENT, LLC
AND IPIC TEXAS, LLC

No. _____

IPIC-GOLD CLASS ENTERTAINMENT, LLC and IPIC TEXAS, LLC,	§	IN THE DISTRICT COURT
Plaintiffs,	§	
v.	§	OF HARRIS COUNTY, TEXAS
REGAL ENTERTAINMENT GROUP, AMC ENTERTAINMENT HOLDINGS, INC., AMC ENTERTAINMENT, INC., and AMERICAN MULTI-CINEMA, INC.,	§	
Defendants.	§	_____ JUDICIAL DISTRICT

DECLARATION FOR APPLICATION FOR TEMPORARY RESTRAINING ORDER

1. My name is Hamid Hashemi. I am over 18 years of age, of sound mind, and capable of making this declaration. I am President and CEO of plaintiff iPic-Gold Class Entertainment, LLC. Based upon my personal knowledge, I am authorized to make this declaration on behalf of both plaintiffs in this case.

2. I have read the Application for Temporary Restraining Order in Plaintiffs' Original Petition and Verified Application for TRO and Temporary Injunction.

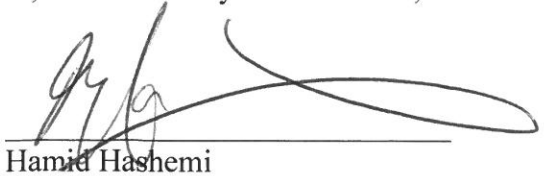
3. A number of crucial documents are in the hands of defendants in this case. For example, while iPic has been able to see a portion of AMC's list of "Near-term Predatory Competitors," we believe there are additional internal AMC documents detailing its boycott policies, as well as many other relevant documents in defendants' possession.

4. Unless preserved, the documents in defendants' possession are at risk of being altered, discarded, or destroyed at any time, intentionally or not. This TRO application is brought to require defendants to immediately preserve all of their relevant documents and materials.

5. Unless preserved, these relevant documents may be altered or destroyed, and iPic will suffer imminent and irreparable injury and loss, in that it will be impeded in prosecuting its claims. No monetary amount may compensate for the loss of evidence essential to this case.

6. I declare under penalty of perjury that these facts are true and correct.

Signed in Palm Beach County, State of Florida, on the 17th day of November, 2015.



Hamid Hashemi