

# DATA AND ANALYTICS FOR THE ENTERTAINMENT INDUSTRY



 **RIGHTSCORP**  
OTCQB: RIHT

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# FILESHARING EPIDEMIC

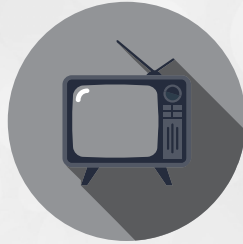
Most forms of media are available illegally on the internet:



**MUSIC**



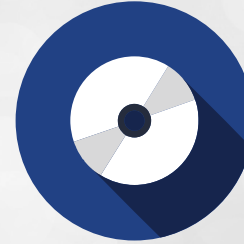
**FILM**



**TV SHOWS**



**BOOKS**



**SOFTWARE**



**GAMES**

# MULTI-BILLION DOLLAR DILEMMA

## **INTERNET BANDWIDTH**

18% of all global internet bandwidth used for online piracy.

## **LOST WAGES**

\$2.7 BILLION in workers' earnings lost annually due to online piracy.

## **MUSIC INDUSTRY**

\$12.5 BILLION in economic losses due to piracy annually.

## **SOFTWARE**

\$59 BILLION global commercial value of pirated software in 2010.

*Sources: Online Piracy Statistics Infographic; Business Software Alliance*

# RIGHTSCORP BY THE NUMBERS

**2011**

year of company  
founding and launch of  
proprietary technology

**230,000+**

peer-to-peer  
infringements  
successfully collected on

**300,000+**

copyrights  
active  
in system

**296**

ISPs to date –  
by far highest  
in industry

**35**

Colleges and Universities

**50/50**

split on all  
collections with  
copyright holders

# SPREAD AND IMPACT

## **SITUATION**

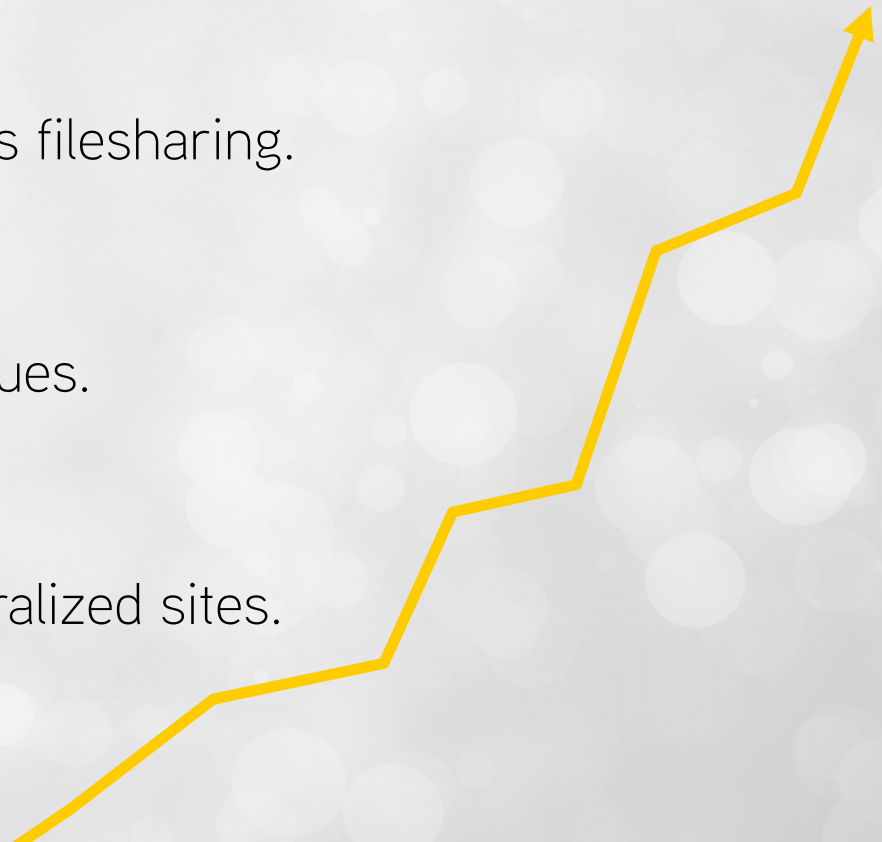
27% of upstream internet in North America is filesharing.

## **REVENUE IMPACT**

Majority is unauthorized leading to lost revenues.

## **DIFFICULT TO IDENTIFY**

Computers send file to one another, not centralized sites.

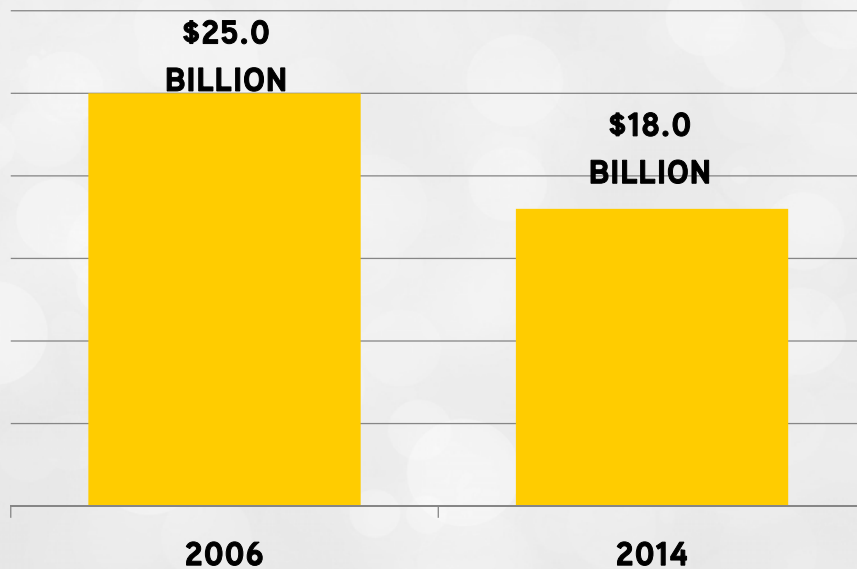




# IMPACT ON MEDIA REVENUES

## U.S. HOME VIDEO

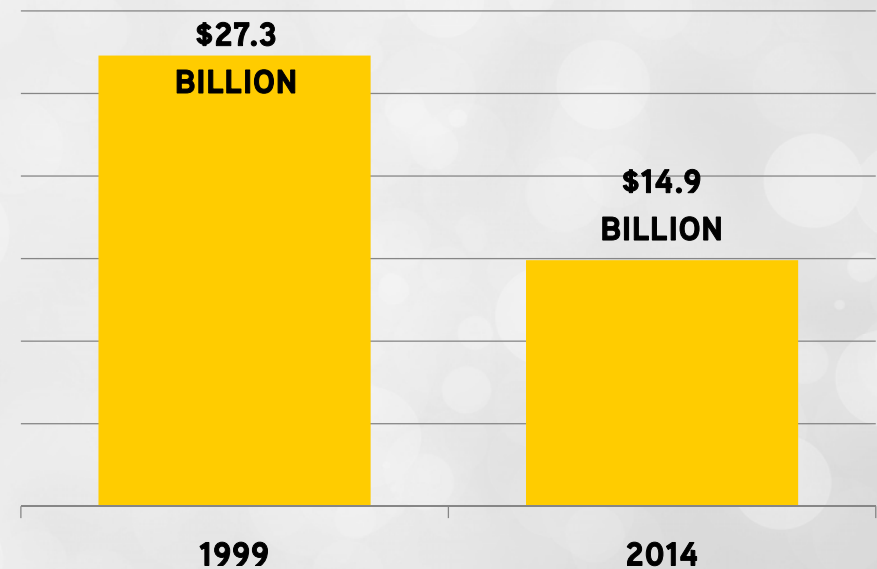
(BlueRay, DVD, PPV, Digital, Streaming)



■ U.S. Home Video Revenue

## WORLDWIDE MUSIC

(iTunes, Physical, Digital, Streaming)



■ World Wide Revenue

[1] Futuresource, December 2008 ([forums.highdefdigest.com/high-definition-smackdown/117934-futuresource-consulting-blu-ray-top-50-sales-2014-od-still-33b-72-share.html](http://forums.highdefdigest.com/high-definition-smackdown/117934-futuresource-consulting-blu-ray-top-50-sales-2014-od-still-33b-72-share.html))

[2] [www.isuppli.com/Media-Research/News/Pages/Network-Delivery-of-Video-Fails-to-Live-Up-to-Hype-in-2010.aspx](http://www.isuppli.com/Media-Research/News/Pages/Network-Delivery-of-Video-Fails-to-Live-Up-to-Hype-in-2010.aspx)

[3] <http://www.billboard.com/biz/articles/news/global/5937645/ifpi-music-report-2014-global-recorded-music-revenues-fall-4>

# SELECTED CLIENTELE

REPRESENTING INDUSTRY LEADERS IN **FILM, TELEVISION, MUSIC, PUBLISHING, GAMING AND SOFTWARE**, INCLUDING:



Gravity; Big Bang Theory; Gossip Girl; Vampire Diaries; Friends; Two and a Half Men; Argo

**BMG**  
RIGHTS MANAGEMENT

13+ songs in Billboard Hot 100  
Bruno Mars; Foo Fighters



Shapiro Bernstein

Rihanna  
David Guetta



5 Beatles songs



Eric Clapton; Rolling Stones; Nine Inch Nails; Tammy Wynette; Pete Seeger

**IMAGE  
MUSIC**

Eric Clapton  
Rolling Stones



# KEY PERSONNEL

## **CHRISTOPHER SABEC, CEO**

- Experienced Entertainment Executive
- CEO, Jerry Garcia Estate
- Managed Multi-Platinum Hanson
- Helped Launch Dave Matthews Band

## **ROBERT STEELE, PRESIDENT & COO**

- Transaction Processing GMAC, FedEx, Amgen, Nalco
- Software Integration for ABB, AOL, Berkshire Hathaway

## **BRETT M. JOHNSON, CHAIRMAN OF THE BOARD**

- Founder of Benevolent Capital Partners, a \$50 million private equity and consulting company
- Former CEO and President of Forward Industries

## **CRAIG HARMON, OUTSIDE COUNSEL**

- 25 years McGuireWoods (full partner)

## **BILL ZYSBLAT, ADVISOR**

- Business manager for David Bowie, Sting, Rolling Stones, U2

## **MALCOLM CASSELLE, ADVISOR**

- xfire.com; Groupon China; Medipass CEO

## **GREG BOSWELL, LEAD DEVELOPER**

- 25+ years of software development w/ Department of Defense

## **PETER PATERNO, ADVISOR**

- Attorney for Metallica, Dr. Dre
- Filed lawsuit that brought down Napster

## **GREGORY NOVECK, ADVISOR**

- Senior Vice President, Syfy Films

# CAPITALIZATION TABLE (6/30/15)

	EXPIRATION/ MATURITY DATE	EXERCISE PRICE RANGE	SHARES
<b>Total Current Shares Outstanding</b>			<b>92,896,421</b>
Warrants and Options	6/22/2016 to 6/5/2025	\$0.0862 to \$0.38	24,470,128
<b>Fully Diluted Shares (as reported)</b>			<b>117,366,561</b>
Hartford Equity Inc. Ownership <sup>1</sup>			3,552,000
<b>Insider ownership percentage (based on shares outstanding) <sup>2</sup></b>			<b>29%</b>

<sup>1</sup> Hartford agreed to invest \$2 million under the following terms: \$0.50 a share. Hartford has funded \$1.8 million to date.

<sup>2</sup> Includes shares owned by Co-founder and Senior Software Developer.

# DATA SERVICES

RIGHTSCORP PROVIDES PROPRIETARY DATA SERVICES REGARDING P2P INFRINGEMENT TO:

**CLIENTS RECEIVE:**

- BROWSER WITH REAL-TIME DATA ON P2P INFRINGEMENT
- REPEAT INFRINGER ACTIVITY
- CASES SETTLED
- DETAILED DATA CAPTURE TO SUPPORT LITIGATION

**ISPS RECEIVE:**

- BROWSER WITH REAL-TIME DATA ON P2P INFRINGEMENT
- REPEAT INFRINGER ACTIVITY
- CASES SETTLED

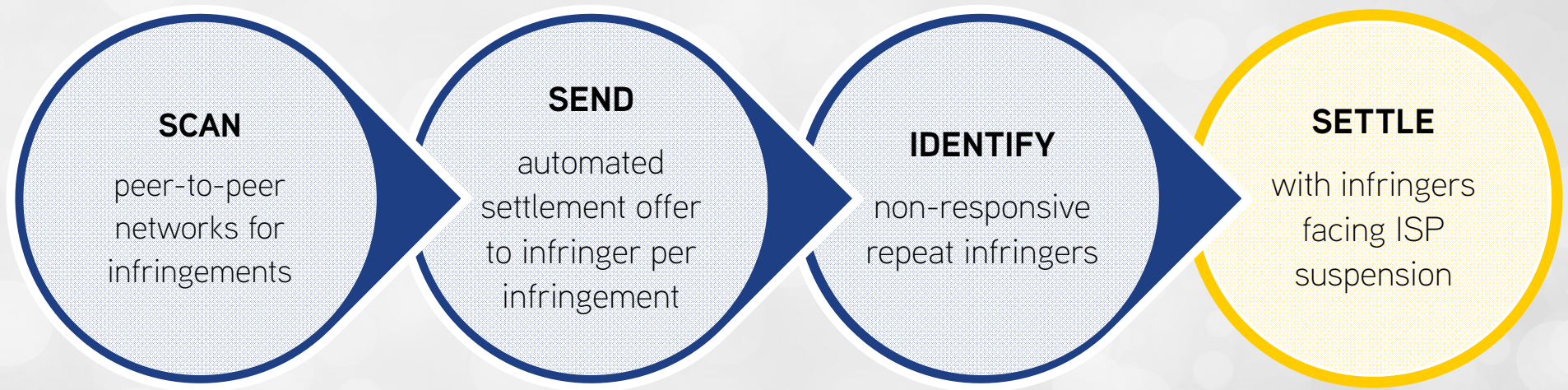
**INDUSTRY ORGANIZATIONS**

**MPPAA - PROVIDED DATA ON PROLIFERATION OF FILE SHARING ACTIVITY AND REPEAT INFRINGEMENT**

**CONTENT PROTECTION SUMMIT 2015**



# PROCESS [U.S. MODEL]



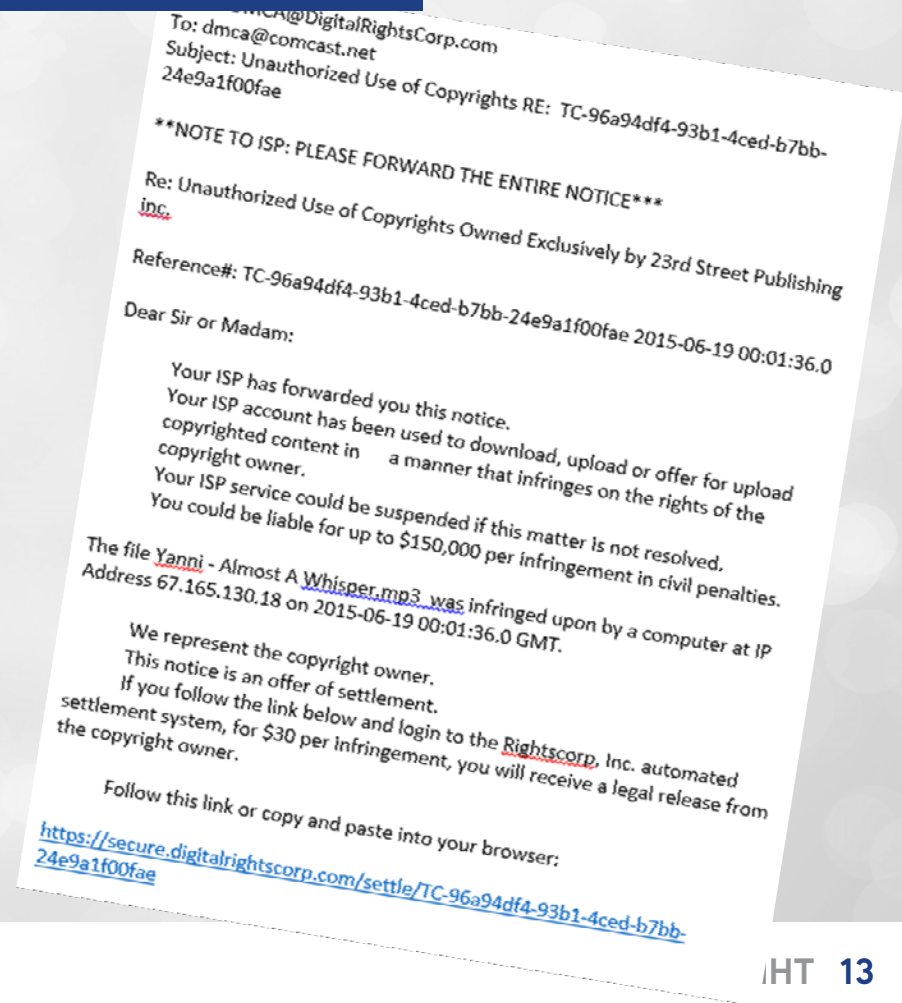
## RIGHTSCORP HAS:

**Most scalable anti-piracy technology:** designed to find every infringement worldwide

**Most effective anti-piracy technology:** tracks repeat infringers over time

# SETTLEMENT NOTICE PROCESS

1. **RECORD** evidence of infringer distributing material.
2. **SEND OUT** notice to ISP with data detailing offense.
3. **ISP FORWARDS** notice to subscriber we have identified as violating law while using their ISP.
4. **ISP MAY SUSPEND** subscriber until, or unless subscriber settles.



# QUICK AND EASY SETTLEMENTS

Users **gets** notice.

User **makes**  
**payment.**

User **removed** from  
suspension queue.

The screenshot shows a web browser displaying the 'Pay a Notice' page. At the top, there's a navigation bar with links like 'Home', 'Members', 'DMCA', 'FAQ', 'About Copyrights', and 'Contact'. Below the navigation bar, there's a section titled 'Pay a Notice' with the Warner Bros. Entertainment logo. The page contains a form for entering payment information, including fields for 'First Name', 'Middle Name', 'Last Name', 'Company Name', 'Address - Line 1', 'Address - Line 2', 'City', 'State', 'Country', 'Phone Number', and 'Email Address'. There's also a section for 'Select and Enter Payment Information' with fields for 'Credit Card Number', 'CVC', 'Month', and 'Year'. A 'VISA' logo is visible. The page also features a 'URGENT FINAL NOTICE' banner and a 'Call Us: (310) 751-7510' contact number.



# ISP COOPERATION

## **EVERY U.S. ISP HAS RIGHTSCORP WEB PAGE HIGHLIGHTING 17 USC 512 (I) LIABILITY.**

Motivates forwarding notices to reduce repeat Infringers.

## **REDUCES OPERATING COSTS THROUGH REDUCED BANDWIDTH AND MAINTENANCE EXPENSE.**

Less illegal content distributed means lower upload/download traffic.

## **ACTION BY ISPS FOSTERS GOOD RELATIONSHIP WITH CONTENT PROVIDERS.**

Content providers to ISPs include Warner Brothers, BMG, etc.

## **ISPS OFTEN SUSPEND REPEAT INFRINGERS REDUCE POTENTIAL LIABILITY.**

Growing percentage of infringers settle to avoid suspension.

# 29 PATENTS PENDING GLOBALLY

## **US PATENT APPLICATION NO. 13/437,756 FAMILY**

System to Identify Multiple Copyright Infringements

*(also filed and pending in Europe, Canada, Australia, India, and China)*

## **US PATENT APPLICATION NO. 13/103,795**

System and Method for Determining Copyright Infringement and Collecting Royalties

## **US PATENT APPLICATION NO. 13/485,178 FAMILY**

System to Identify Multiple Copyright Infringements and Collecting Royalties

*(also filed and pending in Europe, Canada, Australia, India, China, Israel, Brazil, and Japan)*

## **US PATENT APPLICATION NO. 61/942,707**

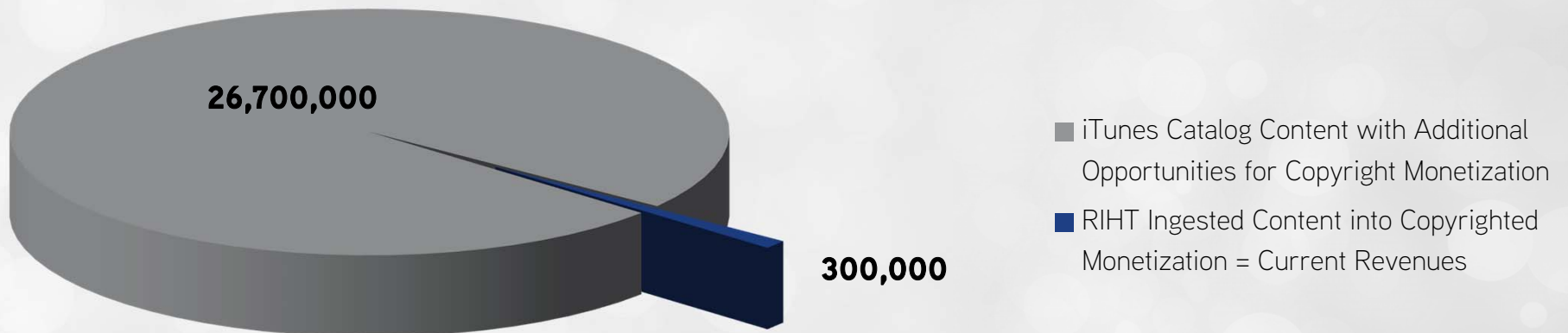
Print Anti-Piracy Campaign

## **US PATENT APPLICATION NO. 13/594,596 FAMILY**

System to Identify Multiple Copyright Infringements

*(also filed and pending in Europe, Canada, Australia, India, China, Israel, Brazil, and Japan)*

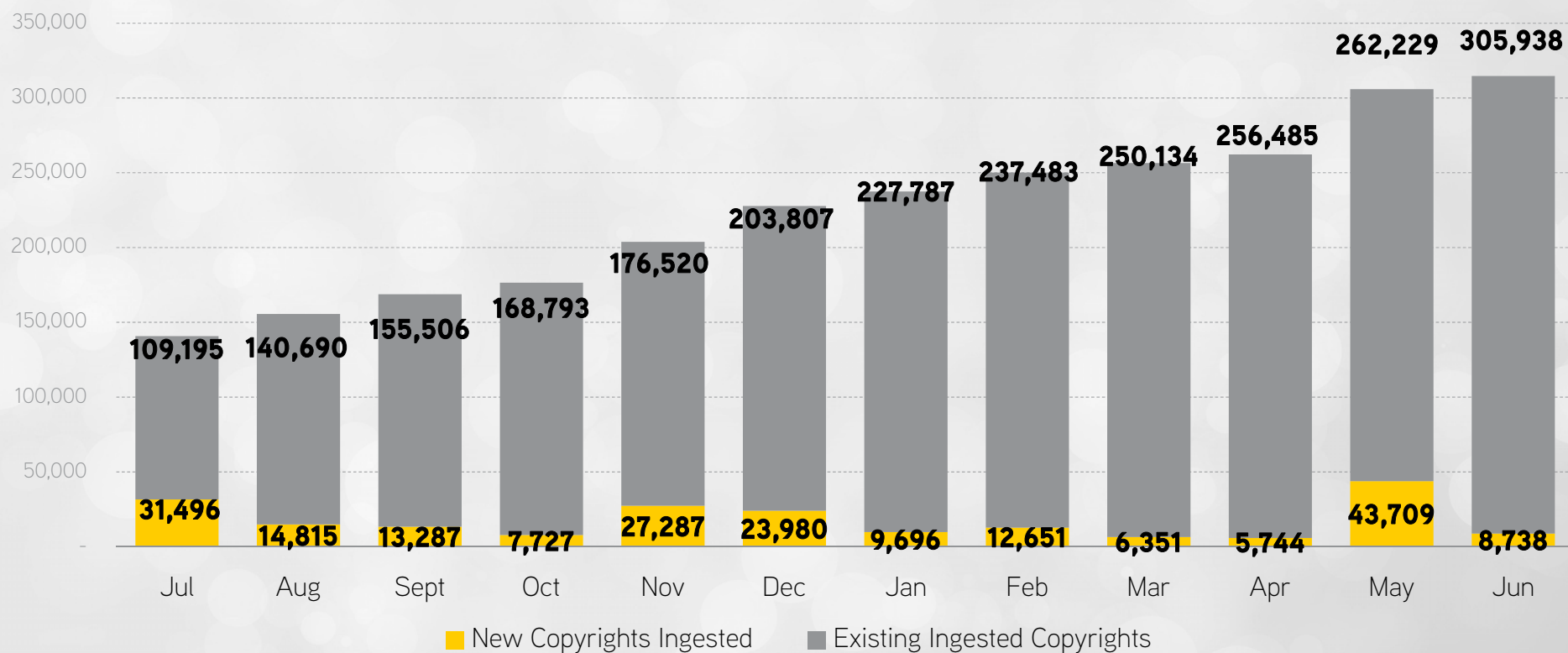
# RIGHTSCORP MARKET SHARE



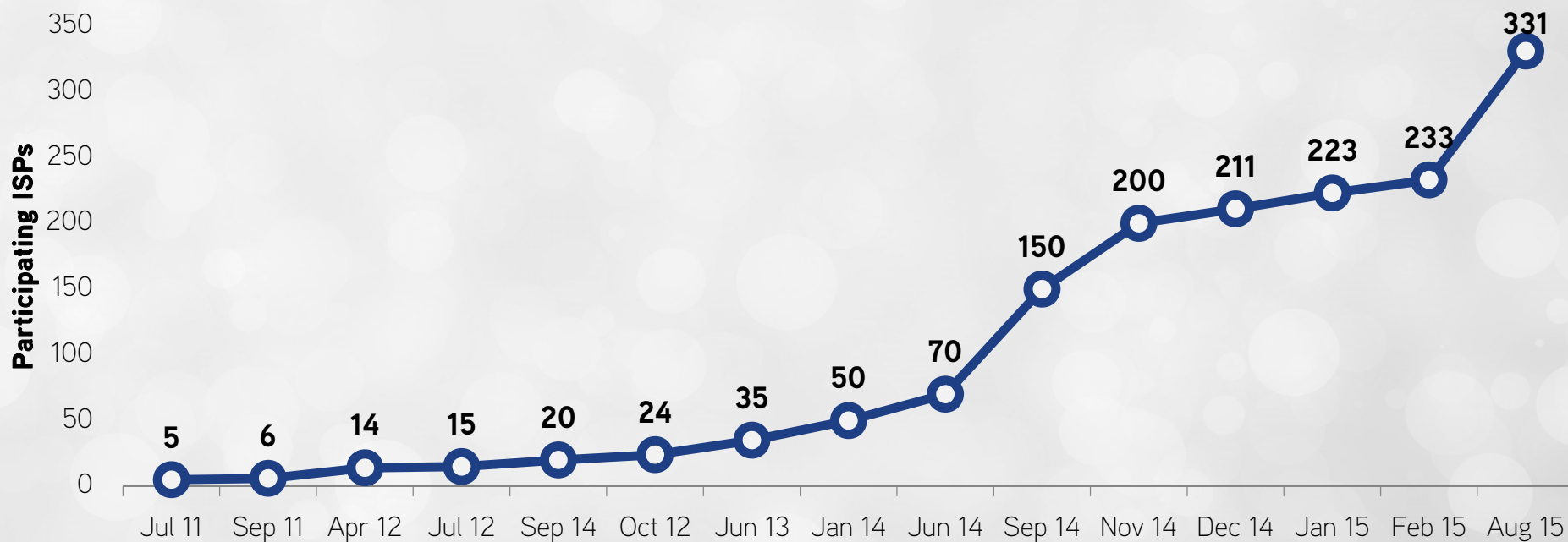
Out of 27 million items available on iTunes, Rightscorp **HAS INGESTED 300,000** of this current catalog into their proprietary copyright monetization system.

*Source: 2012 Apple® press release, according to which their catalog at that time represented ~27 Million titles ([www.apple.com/pr/library/2012/09/12Apple-Unveils-New-iTunes.html](http://www.apple.com/pr/library/2012/09/12Apple-Unveils-New-iTunes.html))*

# INGESTED COPYRIGHTS

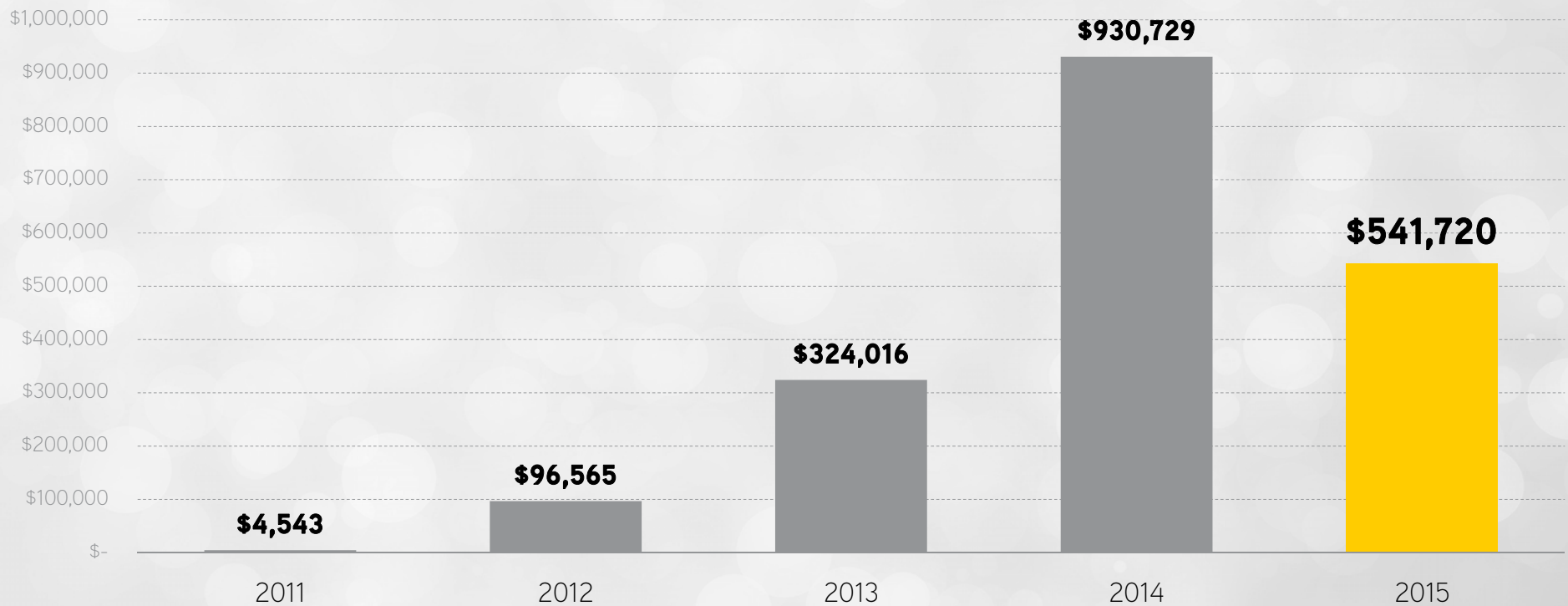


# ISP GROWTH TREND



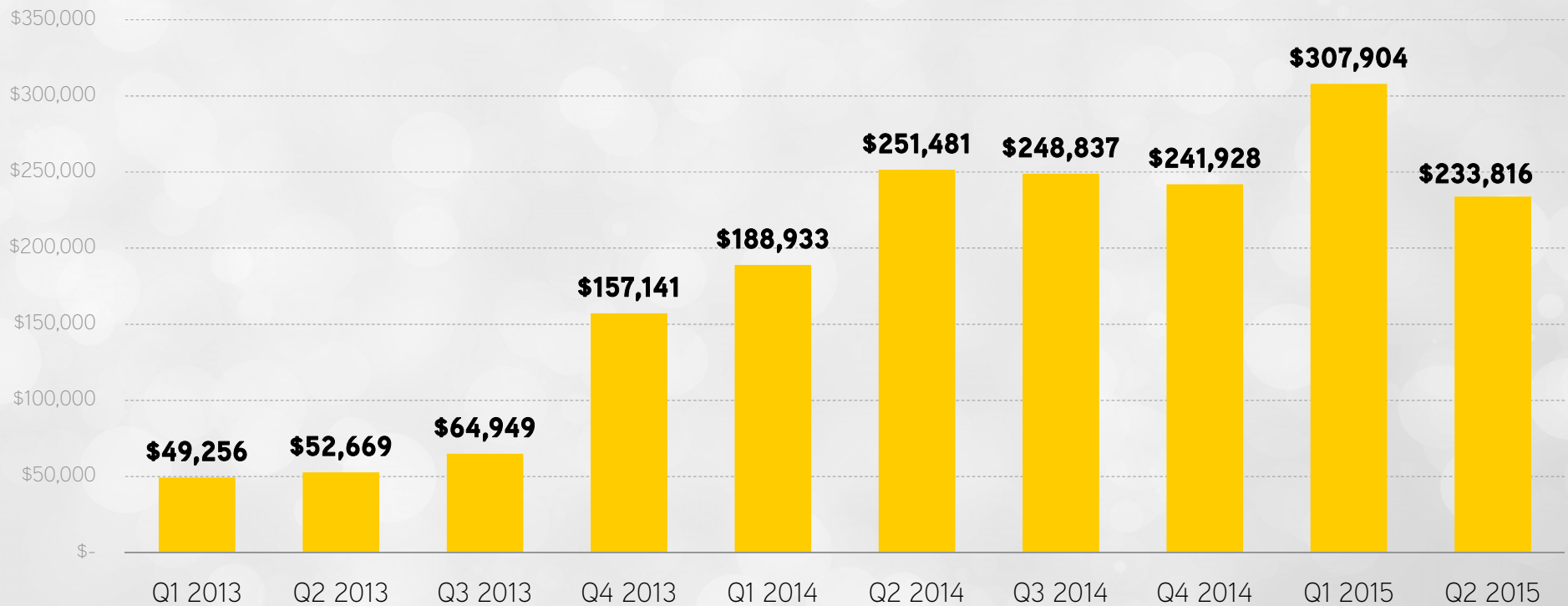
Rightscorp estimates 1,800 ISPs in US; current coverage of 331 ISPs represents 5 of the top 10, and **roughly 15% of US population**

# ANNUAL REVENUE GROWTH





# QUARTERLY REVENUE GROWTH

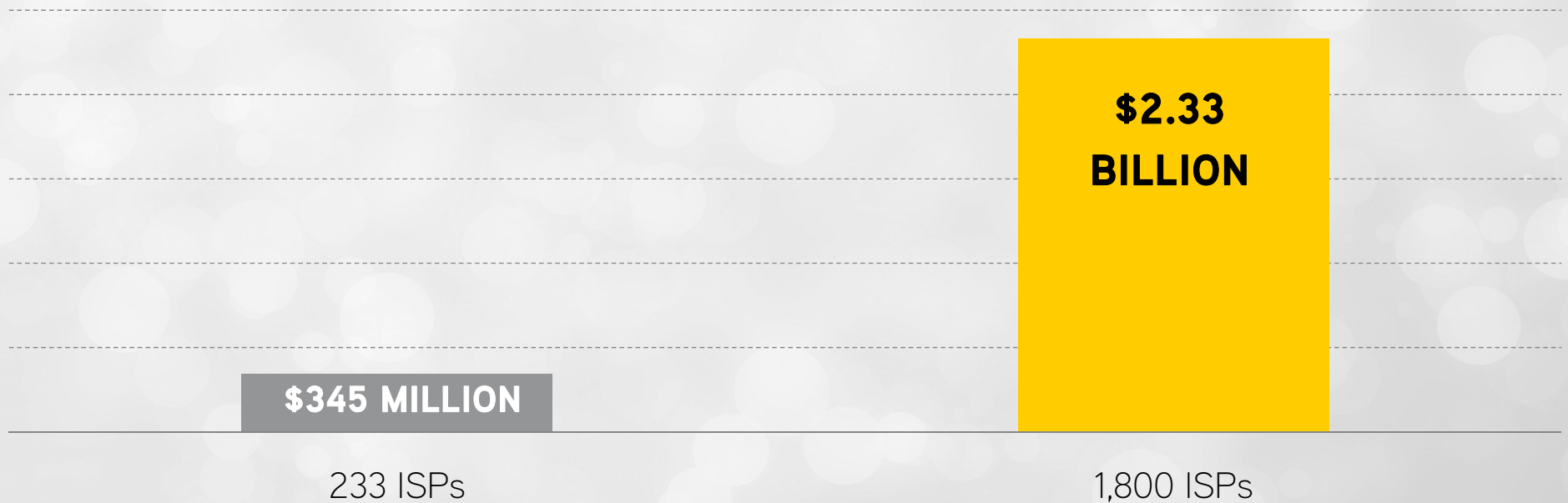


Note: unaudited historical revenue

# ANNUAL REVENUE POTENTIAL

## REVENUE BASED ON ISP CONTACTS

(assuming current 27 million copyrights)



# TRADING SNAPSHOT

TICKER	(OTCQB) RIHT
PRICE (08/19/15):	\$0.12
52 WEEK RANGE:	\$0.05 - \$0.42
AVG. VOLUME (90 DAY):	286,522
SHARES OUTSTANDING:	92.9 million
MARKET CAP:	\$10.2 million
FLOAT:	68.9 million
FISCAL YEAR END:	December 31
OTHER:	Blue Sky qualified; DTC eligible; fully reporting

**“Property is surely a right of mankind as real as liberty.”**

- John Adams

**“Private property began the instant somebody had a mind of his own.”**

- e. e. cummings

# WHY INVEST IN RIGHTSCORP...

- **POTENTIAL TO MONETIZE BILLIONS** of dollars in illegally distributed content globally.
- **PROPRIETARY TECHNOLOGY** implements existing copyright laws and generates results.
- **DELIVERING CONSISTENT** yearly revenue growth.
- **INCREASED ISP PARTICIPATION** to over 331.
- **CLOSED OVER 200,000+** cases to date.
- **GREW INGESTION** to 300,000+ copyrights.
- **REWARDS CREATORS AND OWNERS** of copyrighted their IP fair share.
- **IN DISCUSSIONS WITH MAJORITY** of major music publishers.



# CONTACTS

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