



Rightscorp, Inc.  
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## Executive Summary

Rightscorp (OTCQB: RIHT) is a leading provider of data and analysis services for artists and holders of copyrighted Intellectual Property (IP). The Company's technology focuses on unauthorized online distribution of content such as music, movies, software, and games and works to ensure that owners and creators are rightfully paid for their IP. Rightscorp implements existing laws to solve copyright infringements by collecting payments from illegally downloaded activities via notifications sent through Internet Service Providers (ISPs). The Company's technology identifies repeat copyright infringers, who are then offered a reasonable settlement option when compared to the legal liability defined in the Digital Millennium Copyrights Act (DMCA). The Institute for Policy Innovation estimates that due to piracy of music alone, the U.S. economy loses \$12.5 billion in total output annually. In September 2014, the Company secured \$2.65 million in equity financing to be used for general working capital purposes and to expand automation and accelerate growth. Rightscorp grossed \$541k in revenue during the first half of 2015, up 23% from the same period last year.

### Company Statistics

Ticker: RIHT

Price (08/19/15): \$0.12

52 Week Range: \$0.05 - \$0.42

Avg. Volume (90 day): 286,522

Shares Outstanding: 92.9M

Market Cap: \$10.2M

Float: 68.9M

Fiscal Year End: December 31

Q2 2015 Revenues: \$233,816

*Information compiled from Yahoo Finance*

### Currently Representing

- Major motion picture studios.
- Current platinum artists.
- Academy Award-winning films.
- Bestselling Author.
- Top 10 television shows.

### Industry Stats

↓53%	U.S. MUSIC SALES DECLINE (1999-2014) <sup>1</sup>
8BIL	SONGS ILLEGALLY DOWNLOAD IN US LAST 12 MONTHS <sup>2</sup>
18%	GLOBAL BANDWIDTH USED FOR DIGITAL MEDIA THEFT <sup>3</sup>
27MM	COPYRIGHTS CURRENTLY MONETIZABLE
<b>Rightscorp Stats</b>	
331	ISPs and Universities Involved
230K+	CASES SETTLED TO DATE BY RIGHTSCORP
300K	COPYRIGHTS CURRENTLY MONITORED
20	BILLBOARD HOT 100 SONGS CURRENTLY REPRESENTED

### Investment Catalysts

#### \$2.3 Billion Immediate Opportunity

The Recording Industry Association of America (RIAA) states that since peer-to-peer (P2P) copyright infringement emerged in 1999, music sales in the U.S. have dropped 53%, from \$14.6 billion to \$7.0 billion in 2013<sup>1</sup>. According to the RIAA, approximately 30 billion songs were illegally downloaded on file-sharing networks between 2004 and 2009. The digital theft of music, movies and copyrighted content accounts for 18% of global internet bandwidth, according to the Information Technology & Innovation Foundation<sup>3</sup>. There are an estimated 27 million copyrights that can be monetized. Rightscorp currently represents over 300,000 of these and is in talks with a majority of major music publishers.

#### Strategic Relationships Representing Hundreds of Thousands Copyrights

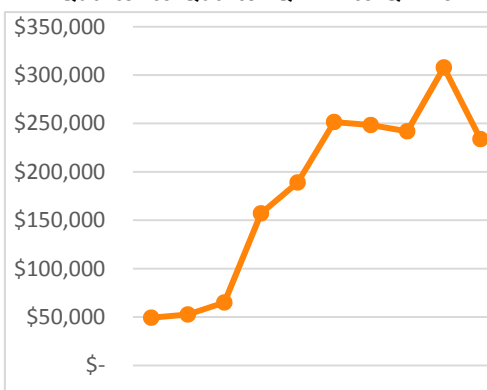
Rightscorp currently represents more than 300,000 copyrights including 20 songs on the Billboard Hot 100 from copyright holders including Round Hill Music, Shapiro/Bernstein, Sunflower Entertainment and some of the biggest names in music. The Company has settled and collected on over 230,000 cases to date. The system is monitoring over 300,000 copyrights and thousands of new copyrights are being added every month.

#### High Margin: Scalable Business Model

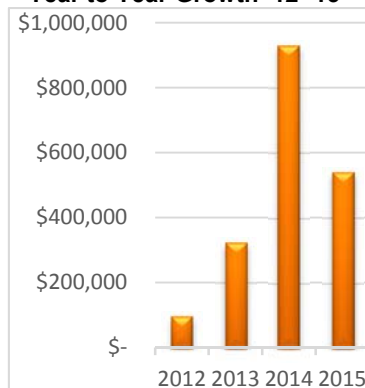
By operating a high margin, scalable business model and utilizing automated proprietary technology, the Company has enjoyed double digit revenue growth. By increasing copyrights to its portfolio and growing the number of settlement notices sent, revenue potential continues to grow.

### Revenue Growth

Quarter to Quarter Q1 '12 to Q1 '15



Year to Year Growth '12-'15



The Company has reported a CAGR of **141% per year** from Q1 2012 to the most recent reported quarter (Q2 2015).

## **Management**

### **Christopher Sabec – CEO**

Experienced entertainment executive. Served as CEO of The Jerry Garcia Estate, managed multi-platinum Hanson, helped launch Dave Matthews Band and licensed major label catalogues for online distribution.

### **Robert Steele – President and COO**

20+ years of experience in internet networks and software development as a corporate officer. Delivered transaction processing solutions to GMAC, FedEx, Amgen, Nalco. Designed and delivered software integration systems for ABB, AOL, Berkshire Hathaway.

### **Cecil Bond Kyte – CFO**

Former CEO and Chairman of Save the World, Air, Inc. (STWA), a California based publically traded energy technology company. Mr. Kyte spearheaded the company's restructuring and pioneered its development of Applied Oil Technology. Under Kyte's leadership grew STWA from roughly \$10 million in market capitalization in 2007 to an excess of \$350 million by 2013 and secured over \$40 million in capital.

### **Craig Harmon – General Counsel**

25 years at McGuire Woods, (full partner).

## **Advisors**

### **Bill Zysblat**

Business manager for David Bowie, Sting, Rolling Stones and U2. Invested over \$200K in Company to date.

### **Peter Paterno**

Attorney for Metallica, Dr. Dre. Successfully sued Napster in 2002.

### **Gregory Noveck**

Senior Vice President, Production for SYFY Films, a joint venture between SYFY and Universal Pictures.

## **Company Contact:**

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#### **Disclaimer:**

This fact sheet contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are valid only as of today, and we disclaim any obligation to update this information. Actual results may differ significantly from management's expectations.

## **Technology & Business Process**

Rightscorp's proprietary patent-pending software identifies infringers, sends settlement notices to infringers via their ISPs, and collects settlements. Rightscorp does not sue, rather it warns and educates. Repeat offenders are suspended by their ISPs. Only distributors of content are delivered notices, not downloaders. The Company recently launched a Streaming Rights Monitoring (SRM) Service for broadcasters and content owners that want to prevent unauthorized rebroadcast of their content. The new service includes optional 365x24x7 monitoring of mobile streaming networks and associated data collection and reporting services.

### **Proprietary Technology Solution has Proven Efficacy**

Rightscorp's proprietary technology identifies infringers and works with their ISPs to offer a reasonable settlement fee to remedy the infringer's legal liability. The Company's patent-pending technology can legally trigger major ISPs to suspend customers who do not pay the settlement notices. The platform utilizes 30,000 lines of code to send notices of infringing activity to ISPs, identifying the date, time, content title and other specific indicators to confirm the infringement by the ISP's customer. The platform implements existing copyright laws and costs copyright holders nothing, while helping them recapture the revenues they lost when their copyrighted material was illegally distributed.

### **Data and Analytics For The Entertainment Industry**

ISPs and content owners get detailed, real-time information on subscribers who are repeatedly infringing copyrights. The Company is first to market with an approach that provides an effective solution to the ongoing infringement of digital content such as music, movies, books, software, and games. Rightscorp's database includes more than half a billion records. Rightscorp's technology has the ability to identify and act upon this illegal activity to support existing laws, and generate considerable revenues for the original creators and owners of IP.

### **Settlements & Collections Through 331 ISPs and Universities**

To date, Rightscorp has received settlements from subscribers of over 331 ISPs and Universities, including five of the top 10 ISPs: Qwest, CenturyLink, Charter, Suddenlink and Mediacom. As the Company continues to send notices on every infringement it finds to all U.S. ISPs, more ISPs are compelled to cooperate in order to comply with copyright laws. Under threat of losing internet connectivity, infringers are motivated to settle. Rightscorp sends automated settlement offers to infringers via their ISPs for \$30 per infringement vs. the \$150,000 legal liability per infringement that is created if the infringer does not settle. Rightscorp collects a settlement amount per infringement and pays the copyright owner a percentage of these settlements.

### **The Incentive for ISPs to Work with Rightscorp**

As per the Digital Millennium Copyright Act (DMCA), ISPs only have Safe Harbor from third-party liability from infringements that occur on their network if they have reasonably implemented a policy that calls for the termination of repeat infringers. As Rightscorp continues to notify ISPs of repeat infringers on their systems, liability grows unless the ISP suspends service to the infringer. Rightscorp believes that it offers a win-win solution for ISPs to improve their bottom line by reducing the enormous cost created by illegal traffic.

### **Patents and Proprietary Software Fortify Competitive Edge**

Rightscorp has 5 U.S. patents pending and 29 patents pending worldwide and is building a growing infrastructure of copyright holders it represents and ISPs through which it delivers settlement notices. Tens of millions of lines of code and data were written and collected to develop the proprietary software, a scalable, low cost settlement solution. As a result, every day Intellectual Property is being monetized for copyright holders.

### **Analyst Coverage**

Ajay Tandon

SeeThruEquity

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