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**M.8065 - VERIZON COMMUNICATIONS / HEARST CORPORATION / COMPLEX MEDIA HOLDINGS**

**SECTION 1.2**

**Description of the concentration**

Pursuant to the Agreement and Plan of Merger of 15 April 2016, by and among CM Partners, LLC (a joint venture company between HDS II, Inc. (a member of the Hearst Group, “Hearst”), Verizon Media LLC (“Verizon”),<sup>10</sup> Rhino Merger Sub (a wholly-owned subsidiary of CM Partners, LLC), Complex Media Inc. (“Complex”) and Shareholder Representative Services LLC, as representative of the current stockholders of Complex, CM Partners, LLC will acquire 100% of Complex (the “proposed Concentration”). As a result, Verizon and Hearst will acquire joint control of Complex.

Complex is a digital media company offering content (predominantly text articles and short-form video) focused on American popular culture, including entertainment news, sneakers, hip hop music, food, fashion, sports and technology, targeted at male millennials aged 18-34. Complex currently primarily distributes its original content via its own websites and/or YouTube or similar platforms/social media accounts, licensing limited amounts of content to third-party platforms. Complex also sells advertising space on its websites.

Complex will produce digital content under the Content Output License Agreement for an initial period of two years that it will license to Verizon on a worldwide exclusive basis for three years (and non-exclusively for up to an additional twelve years) for exploitation either on its own platforms or by sub-licensing third parties. While the strategic plan is yet to be developed, Verizon anticipates that Complex will expand its licensing activities outside the U.S.

The proposed Concentration does not create material horizontal overlaps between Verizon, Hearst and Complex in the EEA. Further, the proposed Concentration will not give rise to anti-competitive vertical effects in the EEA.