

**PENDING LITIGATION**  
**(Response to Item 39)**

*State Consumer Investigations.* A Multistate Working Group of 31 State Attorneys General, led by the Attorney General of the State of Ohio, is investigating certain of Sirius XM's consumer practices. The investigation focuses on practices relating to the cancellation of subscriptions; automatic renewal of subscriptions; charging, billing, collecting, and refunding or crediting of payments from consumers; and soliciting customers.

A separate investigation into our consumer practices is being conducted by the Attorneys General of the State of Florida and the State of New York. Sirius XM is cooperating with these investigations and believes its consumer practices comply with all applicable federal and state laws and regulations.

*Carl Blessing et al. v. Sirius XM Radio Inc.* Sirius XM has settled the case titled Carl Blessing et al. v. Sirius XM Radio Inc. and the settlement has been approved by the United States District Court for the Southern District of New York. Appeals have been filed by 11 individuals seeking to overturn the settlement.

In December 2009, Carl Blessing, a subscriber, filed a lawsuit against Sirius XM in the United States District Court for the Southern District of New York. Mr. Blessing and several other plaintiffs purported to represent all subscribers who were subject to: an increase in the price for additional-radio subscriptions from \$6.99 to \$8.99; the imposition of the US Music Royalty Fee; and the elimination of free Internet service. The suit claimed that the pricing changes showed that the Sirius merger with XM lessened competition or led to a monopoly in violation of the Clayton Act and that the merger led to monopolization in violation of the Sherman Act. Earlier the Court dismissed the plaintiffs' claims for breach of contract and granted Sirius XM's motion for summary judgment as to various state law claims.

As part of the settlement, Sirius XM agreed to: not raise the price of our basic satellite radio service or other programming packages or its Internet services; not increase our US Music Royalty Fee; and not decrease its multi-radio discount prior to January 1, 2012. Existing subscribers were also permitted to renew their current subscription plans at current rates prior to December 31, 2011. Former subscribers who terminated their subscriptions after July 29, 2009 are entitled to receive, at their election, either: one month of Sirius XM's basic satellite radio service or one month of its Internet service, at no charge. Sirius XM also paid the costs of providing notice to the plaintiff class and reimbursed counsel for the plaintiffs for \$13 million of their fees and expenses.

*One Twelve, Inc. and Don Buchwald v. Sirius XM Radio Inc.* In March 2011, One Twelve, Inc., Howard Stern's production company, and Don Buchwald, Stern's agent, commenced an action against Sirius XM in the Supreme Court of the State of New York, County of New York. The action alleged that, upon the merger with XM, Sirius failed to honor our obligations under the performance-based compensation provisions of the prior agreement dated October 2004 with

One Twelve and Buchwald, as agent; One Twelve and Buchwald each assert a claim of breach of contract. In April 2012, the Court granted Sirius XM's motion for summary judgment and dismissed with prejudice the suit. The Court found the agreement unambiguous. One Twelve and Buchwald have filed an appeal.

*Other Matters.* In the ordinary course of business, Sirius XM is a defendant in various lawsuits and arbitration proceedings, including derivative actions; actions filed by subscribers, both on behalf of themselves and on a class action basis, actions filed by former employees, parties to contracts or leases, and owners of patents, trademarks, copyrights or other intellectual property. None of these other actions are, in Sirius XM's opinion, likely to have a material adverse effect on the company's business, financial condition or results of operations.