

[REDACTED]

From: [REDACTED]
Sent: Friday, 15 December 2023 8:28 am
To: Registrar
Subject: AlphaTheta application to acquire Serato

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To whom it may concern,

I trust this email finds you well. I am a [REDACTED] with over [REDACTED] years of professional experience. I have [REDACTED] over the years and was partially responsible for the [REDACTED]

[REDACTED]. I would like to contribute a few observations to the discussion of the AlphaTheta Corporation (Pioneer DJ) application to acquire Serato Audio Research Limited (Serato).

As the combined users of Pioneer DJ and Serato represent over 80% of the world DJ market, this merger would create a monopoly. The merger has the potential to bring huge gains to Pioneer DJ at the expense of the DJ community. It will extinguish innovation and competition from other companies and cause irreparable damage to the industry.

Although the Pioneer DJ "S" series controllers were innovative, there have been none since 2018. The Serato specific controllers built by Pioneer DJ since then have been intended solely for the club DJ market. Mobile DJs, who make up the vast majority of independent professionals, have been compelled to buy controllers from other companies: Rane, Roland DJ, Denon DJ, Hercules, Reloop, and Numark. If Serato is sold to Pioneer DJ, these hardware alternatives will no longer be available.

Pioneer DJ's mainstream hardware is designed for Rekordbox software. Pioneer DJ's Rekordbox was initially a library management tool, but evolved to become a performance application in direct competition with Serato. Although most of Pioneer DJ's mainstream hardware works with Serato, it is engineered for Rekordbox. Several Serato specific features are not easily accessible on these controllers, and some are not available at all. Again, it should be noted that Pioneer DJ has not made a general-purpose controller designed specifically for Serato since 2018.

Pioneer DJ's Rekordbox software uses a subscription model and cannot be purchased outright. Whereas, Serato DJ Pro has an option to buy. The fully featured Serato DJ suite costs \$449 USD. The fully featured Rekordbox Professional costs \$360 per year. Over a five-year period, the Rekordbox cost is \$1800. Thus, for small DJ businesses around the world, the loss of Serato's purchase outright model would be harmful.

Reckordbox is not as stable as Serato. One of the reasons mobile DJs choose Serato, even though the program is mostly manual and has few DJ aids, is because its stability. I have personally spent hundreds of hours operating both Serato and Rekordbox systems, and have never seen Serato fail without user error. Whereas Rekordbox will occasionally quit unexpectedly without any user input whatsoever. Again, for small DJ businesses around the world, the loss of a stable platform would be harmful.

Finally, in the mid 2000s, one of the most popular DJ programs in the world was Mixmeister. The most common mobile DJ setup was a laptop with Mixmeister alongside one of Numark's CDMIX series of CD Player/Mixers. Subsequently, Numark purchased Mixmeister in 2007. Two years later, Numark released a new version of the software and a new Mixmeister controller. However, the new software was not as stable, and the new hardware did not sell. Thus, development of Mixmeister was shelved.

In conclusion, AlphaTheta Corporation should not be permitted to acquire Serato Audio Research Limited as the merger would create a monopoly. If the deal is approved, hardware alternatives from other companies will no longer be available, Serato will be relegated to the club DJ market, small businesses will have to pay substantially more for a less reliable system, and Serato DJ will likely be discontinued or shelved after a few years.

Thank you for your time.

Best regards,

A black rectangular redaction box covering the signature area.