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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PAMELA FAUST, LEN MARAZZO, LISA
McCARTHY, DEBORAH RUBINSOHN,
and GARY TALEWSKY,

Plaintiffs,
vs.

PARAMOUNT SKYDANCE
CORPORATION (formerly Paramount
Global), and SKYDANCE MEDIA, LLC,

Defendants.

Case No.

**COMPLAINT FOR VIOLATION OF
SECTION 7 OF THE CLAYTON ACT;
TREBLE DAMAGES UNDER SECTION
4; AND INJUNCTIVE RELIEF UNDER
SECTION 16**

I. INTRODUCTION

1. This is a private antitrust action for violation of Section 7 of the Clayton Act, 15 U.S.C. § 18, seeking treble damages under Section 4 of the Clayton Act, 15 U.S.C. § 15, and injunctive relief under Section 16 of the Clayton Act, 15 U.S.C. § 26. It charges that Paramount

COMPLAINT FOR VIOLATION OF SECTION 7 OF THE CLAYTON ACT; TREBLE DAMAGES UNDER SECTION 4; AND INJUNCTIVE RELIEF UNDER SECTION 16 **CASE NO.**

1 Skydance’s proposed \$110 billion acquisition of Warner Bros. Discovery violates Section 7 of
2 the Clayton Act because it may substantially lessen competition by eliminating a significant
3 rival. Plaintiffs are threatened with loss or damage due to increased prices, reduced production,
4 reduced quality, and reduced consumer choice.

5
6 2. The violation was preceded by Skydance Media’s \$8 billion acquisition of
7 Paramount Global, which also constitutes a violation of Section 7. That acquisition lessened
8 competition and had anticompetitive effects, including increased prices, decreased quality, and
9 decreased consumer choice.

10
11 3. Plaintiffs are subscribers and individual viewers of streaming and cable television
12 programming, consumers of news media, and consumers of theatrical exhibition.

13 4. Plaintiffs seek an order prohibiting Paramount’s acquisition of Warner Bros.
14 Discovery and an order divesting Paramount Skydance of any interest in Paramount Global.

15 5. On April 23, 2026, Warner Bros. Discovery stockholders voted to approve the
16 proposed transaction with Paramount Skydance. That approval removed a major condition to the
17 transaction and materially increased the immediacy of the threatened antitrust injury alleged in
18 this Complaint. The transaction has not closed and remains subject to regulatory approvals and
19 other closing conditions, meaning effective injunctive relief remains available before the
20 competitive harm becomes locked in.

21
22 6. As a private action, this case is brought separately and apart from, and without
23 regard to, any prosecution by any governmental agency.

24 25 **II. LEGAL STANDARDS**

26 7. Section 7 of the Clayton Act prohibits a person engaged in commerce, or in any
27 activity affecting commerce, from acquiring, “directly or indirectly,” the whole or any part of the
28

1 stock, share capital, or assets of another person engaged in commerce, where, in any line of
 2 commerce and in any section of the country, “the effect of the acquisition may be substantially to
 3 lessen competition, or tend to create a monopoly.” A company’s growth through acquisitions
 4 reflects a different economic reality than growth through internal expansion. Internal expansion
 5 typically responds to increased demand and tends to increase investment, jobs, and output. By
 6 contrast, expansion through acquisition is more likely to reduce consumer choice without
 7 increasing industry capacity, jobs, or output. For these reasons, Congress disapproved of
 8 successive acquisitions, and Section 7 was enacted to prevent even small acquisitions that
 9 contribute to industry concentration. *Brown Shoe Co. v. United States*, 370 U.S. 294, 345 n.72
 10 (1962).
 11
 12

13 8. Competitive harms are not limited to price. Competition includes output, quality,
 14 variety, and innovation, and a transaction may substantially lessen competition by reducing
 15 rivalry on any of these dimensions. *Brown Shoe*, 370 U.S. at 320–23. In news markets, firms
 16 compete through investments in newsgathering, investigative reporting, editorial resources,
 17 programming formats, and viewpoint diversity. By eliminating an independent competitor and
 18 reducing the number of meaningful rivals, the challenged acquisition may substantially lessen
 19 competition by weakening incentives to compete on these non-price dimensions. It would make
 20 it more likely that Paramount will cut costs by reducing news output, lowering quality, and
 21 narrowing the variety of news programming, including flagship public-affairs programming.
 22
 23

24 9. Section 7 also reaches acquisitions that contribute to or accelerate a trend toward
 25 concentration by eliminating an independent competitor and narrowing the field of meaningful
 26 rivals. *United States v. Von’s Grocery Co.*, 384 U.S. 270 (1966); *United States v. Pabst Brewing*
 27 *Co.*, 384 U.S. 546 (1966). Skydance’s nontrivial acquisition of Paramount Global is itself
 28

1 powerful evidence of the very “rising tide” of concentration that Section 7 is designed to arrest in
 2 its incipency. That consolidation trend is further demonstrated by other recent major
 3 combinations in the motion picture and streaming industries, including Disney’s acquisition of
 4 21st Century Fox for approximately \$71 billion in 2019 and Amazon’s acquisition of MGM for
 5 approximately \$8.5 billion in 2021. Taken together with the Skydance–Paramount transaction,
 6 these acquisitions show an industry moving by successive combinations toward fewer
 7 independent rivals, exactly the consolidation backdrop that heightens the competitive threat
 8 posed by the next merger, even if the combined firm remains smaller than the largest platforms.
 9

10
 11 10. Even where the post-acquisition firm remains smaller than the largest industry
 12 player, Section 7 condemns acquisitions that eliminate an independent competitor. In *Pabst*, the
 13 Supreme Court enjoined a merger between the nation’s tenth-largest brewer and the fifth-largest,
 14 even though the combined firm accounted for only 4.49% of national beer sales. *Pabst*, 384 U.S.
 15 at 550–52. Likewise, in *Von’s*, the Court enjoined a merger between the No. 3 and No. 6 firms in
 16 the market even though their combined share was only 7.5%, because the merger eliminated an
 17 independent rival and advanced a consolidation trend. *Von’s*, 384 U.S. at 272–73, 277–78. These
 18 cases foreclose any defense that an acquisition is lawful merely because the acquiring entity
 19 remains smaller than Netflix, Amazon, or Disney; the question is whether the deal removes a
 20 meaningful competitor and, against the backdrop of industry consolidation, may substantially
 21 lessen competition in the relevant line of commerce.
 22

23
 24 11. Courts do not require proof that an acquisition will necessarily produce
 25 coordinated or oligopoly pricing effects before intervening. As the Seventh Circuit explained, the
 26 Supreme Court’s core Section 7 decisions “establish the illegality of any nontrivial acquisition of
 27 a competitor,” because “the elimination of a significant rival was thought by itself to infringe”
 28

1 the values embodied in Section 7's incipency standard, and "[n]one of these decisions has been
2 overruled." *Hospital Corp. of Am. v. FTC*, 807 F.2d 1381, 1385 (7th Cir. 1986).

3 12. Section 16 authorizes injunctive relief against threatened loss or damage from
4 antitrust violations. Because the harms alleged here flow from market structure and the loss of
5 independent competitive constraints, they are irreparable in the antitrust sense. Structural relief is
6 appropriate where the structure is the source of the harm. *Brown Shoe*, 370 U.S. at 344.

7 13. Laches does not bar a timely Section 16 action brought to prevent a threatened
8 acquisition before closing. Laches requires unreasonable delay and resulting prejudice. A
9 plaintiff does not unreasonably delay by filing after a proposed transaction becomes concrete,
10 imminent, and judicially fit for injunctive review, particularly where the transaction has not
11 closed and the requested relief would preserve competition rather than unwind completed
12 reliance interests. Transaction parties cannot create laches by racing toward closing while
13 publicly acknowledging that completion remains subject to stockholder approval, regulatory
14 review, and other closing conditions.

15 14. Here, Skydance's nontrivial acquisition of Paramount Global and the proposed
16 nontrivial acquisition of Warner Bros. Discovery reflect the same strategy of refusing to compete
17 by building better products, investing, innovating, or winning customers through rivalry on the
18 merits, but instead pursuing scale through consolidation that eliminates independent rivals and
19 weakens the competitive constraints that protect consumers. That is exactly the consolidation
20 logic Section 7 rejects. The Clayton Act assumes firms should create value by competing harder,
21 not by buying up competitors to achieve scale and eliminate competitive constraints. Section 7
22 protects competition, not a company's preference to grow through acquisition rather than earn its
23 position in the market. *Brown Shoe*, 370 U.S. at 344; *Von's Grocery*, 384 U.S. at 277–79;

1 *Hospital Corp. of Am.*, 807 F.2d at 1385.

2 15. Courts have also recognized that media-consolidation transactions can generate
 3 unique incentives for political “horse trading” that have nothing to do with competition on the
 4 merits and everything to do with leveraging editorial power to obtain political or regulatory
 5 support. In *Reilly v. Hearst Corp.*, the court described sworn testimony that a newspaper
 6 publisher offered to “horse trade favorable editorial coverage of the mayor in return for [the
 7 mayor’s] support” for its acquisition of a rival, treating editorial treatment as bargaining currency
 8 to advance a transaction and eliminate governmental challenge. The *Reilly* court further found
 9 evidence that the transaction structure was selected not because it was economically justified, but
 10 because it was perceived as necessary to secure political and regulatory clearance, stating that
 11 “Hearst has no economic reason or justification ... except its belief that this transaction was
 12 necessary to shake loose political and regulatory approval.” The court described the resulting
 13 arrangement as “the product of politics ... grossly inefficient and probably anticompetitive.”
 14 *Reilly v. Hearst Corp.*, 107 F. Supp. 2d 1192, 1209 (N.D. Cal. 2000).

15 16. Plaintiffs allege that the same dynamic is present here. On information and belief,
 16 the challenged transactions involve behind-the-scenes political machinations regarding news
 17 assets and editorial direction as a condition of the challenged acquisitions. Plaintiffs allege that
 18 such political horse trading is anticompetitive and reduces consumers’ access to credible,
 19 independent, and diverse national news programming.

20 **III. PARTIES**

21 17. Plaintiffs Pamela Faust, Len Marazzo, Lisa McCarthy, Deborah Rubinsohn, and
 22 Gary Talewsky are five natural persons residing in the United States. Plaintiffs are consumers of
 23 video and news media who watch entertainment and news programming via streaming services,
 24 cable television, and/or theatrical distribution and are exposed to the competitive effects of

1 Defendants' conduct through price and non-price terms, programming availability, quality, and
 2 viewpoint diversity.

3 18. Defendant Paramount Skydance Corp. ("Paramount") is a corporation organized
 4 under the laws of the State of Delaware, with its principal place of business in New York, New
 5 York. Paramount is a global media and entertainment company operating through three principal
 6 business segments: Studios, Direct-to-Consumer, and TV Media. Paramount Skydance owns and
 7 controls a portfolio of major entertainment, broadcast, cable, streaming, news, sports, animation,
 8 film, television, interactive/games, and related media assets, including Paramount Pictures,
 9 Paramount Television, CBS, CBS News, CBS Sports, Nickelodeon, MTV, BET, Comedy
 10 Central, Showtime, Paramount+, Paramount TV, and Skydance's Animation, Film, Television,
 11 Interactive/Games, and Sports divisions.

14 19. Defendant Skydance Media ("Skydance") was, before Paramount Global's
 15 acquisition by Skydance, an independent production company producing high-budget, prestige
 16 film and television programming to multiple competing distributors and platforms. Following
 17 consummation, Paramount and Skydance operated as a single entity, Paramount Skydance Corp.,
 18 under the leadership of David Ellison as Chairman and CEO and Jeff Shell as President.

20 20. The targeted company, Warner Bros. Discovery, is a global media and
 21 entertainment company that creates and distributes branded content across television, film,
 22 streaming, and gaming. Warner Bros. Discovery owns and controls a broad portfolio of major
 23 entertainment, news, sports, cable, streaming, motion-picture, television-production, animation,
 24 and gaming assets, including Discovery Channel, HBO Max, discovery+, CNN, DC, TNT
 25 Sports, Eurosport, HBO, HGTV, Food Network, OWN, Investigation Discovery, TLC, Magnolia
 26 Network, TNT, TBS, truTV, Travel Channel, Animal Planet, Science Channel, Warner Bros.
 27
 28

1 Motion Picture Group, Warner Bros. Television Group, Warner Bros. Pictures Animation,
 2 Warner Bros. Games, New Line Cinema, Cartoon Network, Adult Swim, Turner Classic Movies,
 3 Discovery en Español, Hogar de HGTV, and related brands and properties.

4 **IV. JURISDICTION AND VENUE**

5
 6 21. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1337
 7 because this action arises under federal antitrust law, including Sections 4, 7, and 16 of the
 8 Clayton Act, 15 U.S.C. §§ 15, 18, and 26.

9 22. This Court has personal jurisdiction over Defendants because they conduct
 10 business throughout the United States and purposefully direct their conduct toward U.S.
 11 consumers, including Plaintiffs.
 12

13 23. Venue is proper under 28 U.S.C. § 1391 and Section 12 of the Clayton Act, 15
 14 U.S.C. § 22, because Defendants transact business and the challenged conduct has effects in this
 15 District.

16 **V. STANDING AND ANTITRUST INJURY**

17 24. Plaintiffs are individual consumers who purchase and consume filmed
 18 entertainment and news programming through multiple channels, including monthly streaming
 19 subscriptions, cable or pay-TV packages, per-title digital rentals and premium rentals, and
 20 theatrical exhibition. Plaintiffs are directly exposed to the price and non-price competitive effects
 21 of Defendants' lessening of competition.
 22

23 25. Plaintiffs do not assert a generalized grievance about media consolidation.
 24 Plaintiffs are purchasers and consumers in the affected markets. They pay for streaming services,
 25 cable or live-TV packages, theatrical movie tickets, and related premium video products, and
 26 they personally receive less value when competition is reduced through higher prices, reduced
 27 output, narrowed content choice, reduced promotional availability, diminished news quality, and
 28

1 fewer independent sources of premium programming.

2 26. The acquisition of Paramount Global by Skydance Media has already occurred.
3 By reason of that nontrivial acquisition, Plaintiffs have been injured in fact, as prices have
4 increased, consumer choice has diminished, and output and quality have been reduced, including
5 the quality of news programming.
6

7 27. Plaintiffs are threatened with imminent loss or injury if the proposed acquisition
8 of Warner Bros. Discovery by Paramount is consummated. These injuries include increased
9 prices, diminished consumer choice, reduced output and quality of entertainment and news
10 programming, less consumer choice, and degradation of non-price dimensions of competition in
11 national news, including credibility, editorial independence, investigative vigor, output, and
12 viewpoint diversity.
13

14 28. Plaintiffs Len Marazzo, Deborah Rubinsohn, and Gary Talewsky are current
15 Paramount+ subscribers and have been since approximately 2021. After consummation of the
16 Paramount Global acquisition on August 7, 2025, Paramount implemented a Paramount+ price
17 increase effective January 15, 2026, increasing the Essential tier price by 12.516% and the
18 Premium tier price by 7.698%. Each of these Plaintiffs paid the increased amount on or after
19 January 15, 2026, and therefore suffered direct out-of-pocket harm in the form of subscription
20 charges that were higher by a percentage than they would have paid absent the acquisition.
21

22 29. The Paramount+ price increase was a concrete monetary injury to Plaintiffs
23 Marazzo, Rubinsohn, and Talewsky. Each paid money out of pocket for Paramount+ after the
24 January 15, 2026 price increase, and each paid more than he or she would have paid absent the
25 acquisition. That overcharge is an injury to business or property and is redressable through
26 damages under Section 4 of the Clayton Act.
27
28

1 30. Plaintiffs Pamela Faust and Lisa McCarthy are not current Paramount+
2 subscribers. Ms. Faust maintains multiple paid streaming subscriptions, including Netflix and
3 Apple TV+, and Ms. McCarthy subscribes to Amazon Prime Video and uses other streaming
4 services primarily when offered through free promotions. Ms. Faust and Ms. McCarthy are
5 prospective Paramount+ subscribers who would consider subscribing to access Paramount+
6 premium programming. The post-acquisition Paramount+ price increase, effective January 15,
7 2026, raised the cost of entry and reduced Ms. Faust's and Ms. McCarthy's ability to add
8 Paramount+ as a competitive alternative or to rotate subscriptions among services. Plaintiffs
9 further allege that Paramount+ reduced consumer-friendly promotional mechanisms, including
10 the retirement of free trials and reduced discounting, increasing the up-front cost and risk of
11 sampling the service and raising switching and sampling costs. Ms. Faust and Ms. McCarthy
12 were deterred from subscribing or re-subscribing by these increased costs and reduced consumer-
13 friendly terms.

14 31. Plaintiffs Faust and McCarthy are not asserting injury as mere observers of the
15 market. Each has purchased streaming services, considers streaming services reasonably
16 interchangeable at the margin, and would consider purchasing Paramount+ if it were offered at
17 competitive prices and consumer-friendly terms. The post-acquisition price increase and
18 reduction in promotional mechanisms made Paramount+ a less attractive substitute and reduced
19 their practical ability to rotate subscriptions among competing services. Their injury is the loss of
20 a competitive purchasing option and the increased cost of adding Paramount+ to their streaming
21 mix.

22 32. Plaintiffs purchase multi-channel video programming that includes access to
23 nationally significant television news programming, including CNN and CBS. Plaintiff Len
24
25
26
27
28

1 Marazzo subscribes to DirecTV and Hulu+Live TV and watches CNN. Plaintiff Lisa McCarthy
2 subscribes to DirecTV (Ultimate package) and watches CNN. Plaintiff Deborah Rubinsohn
3 subscribes to Verizon FiOS, Hulu+Live TV, and Philo and watches CNN. Plaintiff Gary
4 Talewsky subscribes to Hulu+Live TV through a T-Mobile package and also receives traditional
5 cable service. Skydance's acquisition of Paramount was approved on the explicit condition that
6 CBS News operate under viewpoint restraints, in a context where Skydance understood it needed
7 to align CBS News's editorial posture with the Trump Administration, which reduced the
8 credibility, editorial independence, and investigative vigor of its reporting and therefore
9 diminished the value of the CBS News channel as part of the paid cable packages that Plaintiffs
10 purchase.

11
12
13 33. Plaintiffs pay for packages that include national television news programming,
14 and the value of those packages depends in part on the availability of credible, independent, and
15 competing national news sources. When acquisition-related conditions and common ownership
16 reduce editorial independence, investigative vigor, and viewpoint diversity, Plaintiffs receive a
17 product of lower quality and lower value than the product for which they paid. Plaintiffs' injury
18 is not disagreement with any particular viewpoint; it is the diminished quality, independence, and
19 competitive value of national television news programming included in the paid packages they
20 purchase.

21
22
23 34. Plaintiffs purchase and use multiple streaming subscriptions and/or video
24 packages and choose among services based on price, availability, and quality of premium
25 programming. Ms. Faust subscribes to Netflix and Apple TV+ and attends theatrical films. Mr.
26 Marazzo subscribes to streaming services including Paramount+, Netflix, and Max and maintains
27 multiple subscriptions. Ms. McCarthy subscribes to Prime Video and uses additional services
28

1 primarily when offered through free promotions. Ms. Rubinsohn subscribes to streaming
2 services, including Paramount+, Netflix, Max, Hulu/Disney+, and others, and maintains multiple
3 subscriptions. Mr. Talewsky subscribes to Netflix and Paramount+ through a T-Mobile package.
4 Plaintiffs allege that the Paramount acquisition eliminated Skydance as an independent producer
5 that previously produced premium programming for multiple competing distributors, thereby
6 diminishing the independent sources of premium programming available across competing
7 platforms used by Plaintiffs.
8

9 35. Plaintiff Len Marazzo intends to continue subscribing to Paramount+, Netflix,
10 Max, DirecTV, Hulu+Live TV, and other premium video or live-TV services, and intends to
11 continue watching CNN and other national television news programming through paid video
12 packages. He also intends to continue attending theatrical movies.
13

14 36. Plaintiff Deborah Rubinsohn intends to continue subscribing to Paramount+,
15 Netflix, Max, Hulu/Disney+, Verizon FiOS, Hulu+Live TV, Philo, and other premium video or
16 live-TV services, and intends to continue watching national television news programming
17 through paid video packages. She also intends to continue attending theatrical movies.
18

19 37. Plaintiff Gary Talewsky intends to continue receiving Paramount+, Netflix,
20 Hulu+Live TV, cable service, and other premium video or live-TV services, and intends to
21 continue watching national television news programming through paid video packages. He also
22 intends to continue attending theatrical movies.
23

24 38. Plaintiff Pamela Faust intends to continue purchasing paid streaming services,
25 including Netflix and Apple TV+, and would consider purchasing Paramount+ or other premium
26 video services if offered at competitive prices and terms. She also intends to continue attending
27 theatrical movies.
28

1 39. Plaintiff Lisa McCarthy intends to continue purchasing or using Prime Video,
2 DirecTV, promotional streaming services, and other premium video or live-TV services, and
3 would consider purchasing Paramount+ or other premium video services if offered at
4 competitive prices and terms. She also intends to continue attending theatrical movies and
5 watching CNN through her paid DirecTV package.
6

7 40. Plaintiffs are threatened with further imminent loss or injury if Paramount's
8 proposed acquisition of Warner Bros. Discovery is consummated because it would eliminate
9 Warner Bros. Discovery as an independent competitor and further concentrate control over
10 premium programming and nationally significant news assets, diminishing consumer choice and
11 increasing the combined firm's ability and incentive to worsen consumer-facing terms, reduce
12 output and variety of premium content, and degrade non-price competition in national television
13 news.
14

15 41. Plaintiffs are all routine theatrical moviegoers. Plaintiffs allege that if
16 Paramount's proposed acquisition of Warner Bros. Discovery is consummated, the combined
17 firm will reduce theatrical film output and narrow release slates, leaving moviegoers with fewer
18 theatrical titles, less genre and budget variety, and fewer meaningful alternatives at local theaters,
19 thereby diminishing the value of the theatrical experience by making trips to the movies less
20 likely to offer appealing options and reducing the ability to substitute among titles when a
21 particular film is unavailable, sold out, or unappealing.
22
23

24 42. Plaintiffs intend to continue attending theatrical motion pictures in the future.
25 They choose whether to attend movies based on the availability, variety, quality, release timing,
26 and theater placement of first-run films. If Paramount acquires Warner Bros. Discovery,
27 Plaintiffs will face fewer independent theatrical-distribution decisionmakers, fewer competing
28

1 release slates, reduced genre and budget variety, and fewer meaningful alternatives at local
2 theaters. Those injuries are concrete to Plaintiffs as moviegoers because they reduce the value
3 and availability of theatrical choices Plaintiffs expect to purchase.

4
5 43. Plaintiffs' injuries are fairly traceable to Skydance's acquisition of Paramount
6 Global. The acquisition's elimination of an independent producer increased Paramount's ability
7 and incentive to raise consumer prices and worsen consumer-facing terms, as evidenced by the
8 post-acquisition price increases for Paramount+ effective January 15, 2026. The acquisition also
9 reduced competition on non-price dimensions in national television news, including editorial
10 independence, credibility, and investigative output, which threatens consumers with degraded
11 news quality and diminished viewpoint diversity.

12
13 44. Plaintiffs' threatened injuries are fairly traceable to Paramount's proposed
14 acquisition of Warner Bros. Discovery. By consolidating ownership and control over premium
15 video programming assets and nationally significant news properties, the acquisition may
16 substantially lessen competition and increase Paramount's ability and incentive to raise
17 consumer prices and worsen consumer-facing terms, reduce theatrical output, and diminish
18 independent editorial rivalry and the quality and diversity of news programming.

19
20 45. Plaintiffs' threatened injuries became more imminent after Warner Bros.
21 Discovery stockholders approved the Paramount transaction on April 23, 2026. That approval
22 increased the likelihood of consummation and shortened the path to closing, thereby heightening
23 Plaintiffs' threatened loss or damage in the Premium Video Distribution Market, National TV
24 News Market, and Theatrical Distribution Market.

25
26 46. Plaintiffs' injuries are redressable by the relief requested. Treble damages would
27 compensate Plaintiffs Marazzo, Rubinsohn, and Talewsky for the overcharges they paid after the
28

Paramount+ price increase. Divestiture of Paramount Global would restore Skydance and Paramount to independent competitive decision-making and reduce the continuing effects of the completed acquisition. An injunction prohibiting Paramount's acquisition of Warner Bros. Discovery would prevent further consolidation before it occurs and preserve Warner Bros. Discovery as an independent competitor in premium video distribution, national television news, and theatrical distribution.

VI. FACTUAL BACKGROUND AND TRANSACTION TIMELINES

A. Skydance Acquisition of Paramount Global (Consummated August 7, 2025)

47. On July 2, 2024, Skydance reached a preliminary agreement regarding a three-way transaction involving Skydance, National Amusements, and Paramount, referred to as "New Paramount."

48. On July 7, 2024, Skydance Media announced an \$8 billion deal to acquire Paramount Global, forming a new entity, Paramount Skydance Corporation, with an enterprise valuation of approximately \$28 billion.

49. The acquisition was structured in phases, including the purchase of National Amusements by a Skydance investor group, payments to Paramount shareholders, and an infusion of capital into Paramount.

50. During the period in which Skydance's acquisition of Paramount Global was pending regulatory approval, Paramount paid \$16 million to settle litigation brought by President Donald Trump, in his individual capacity, against CBS, the Paramount-owned network that broadcasts *60 Minutes*. On information and belief, the lawsuit was baseless because it was premised on editorial decisions regarding an interview of then-Vice President Kamala Harris, and Paramount had no legitimate economic reason or justification to pay \$16 million to settle that suit during the regulatory-approval period except its belief that doing so was necessary to

1 secure political and regulatory approval for Skydance’s acquisition of Paramount Global,
 2 mirroring the type of political “horse trading” condemned in *Reilly v. Hearst Corp.*, 107 F. Supp.
 3 2d 1192, 1209 (N.D. Cal. 2000). On information and belief, Paramount’s \$16 million settlement
 4 payment to President Trump was not an ordinary litigation settlement, but a quid pro quo
 5 intended to secure governmental approval of Skydance’s acquisition of Paramount Global,
 6 including FCC approval of the broadcast-license transfers and the United States Department of
 7 Justice’s decision not to bring an action to enjoin the acquisition.
 8

9 51. After the settlement, CBS announced that it would not renew *The Late Show with*
 10 *Stephen Colbert*, whose host was a prominent critic of the Trump Administration and had
 11 publicly criticized Paramount’s settlement of President Trump’s lawsuit against CBS. On
 12 information and belief, CBS canceled or terminated *The Late Show with Stephen Colbert* because
 13 of Colbert’s status as a critic of the Trump Administration and his criticism of Paramount’s
 14 settlement of President Trump’s lawsuit against CBS.
 15

16 52. After consummation of Skydance’s acquisition of Paramount Global, CBS
 17 implemented changes to CBS News leadership and practices that Plaintiffs allege were aligned
 18 with the preferences of the Trump Administration.
 19

20 53. Paramount’s broadcast-license transfers required Federal Communications
 21 Commission approval as part of the approval process for Skydance’s acquisition of Paramount
 22 Global.
 23

24 54. The FCC approved the broadcast-license transfers associated with Skydance’s
 25 acquisition of Paramount Global by a 2–1 vote.
 26

27 55. The dissenting FCC commissioner issued a public dissent criticizing the approval
 28 and the conditions associated with it, describing the agency’s actions as an erosion of First

1 Amendment protections and warning that the American public will ultimately pay the price.

2 56. In that dissent, the commissioner described the FCC's involvement and conditions
3 as "unprecedented" and identified conditions and requirements imposed in connection with
4 approval, including the elimination of corporate DEI programs and requirements affecting CBS
5 News governance and newsroom decision-making.
6

7 57. As part of the FCC's approval conditions, CBS agreed to appoint an
8 ombudsperson to monitor CBS News, including receiving and evaluating complaints regarding
9 bias and related concerns, and to report within the CBS News organizational structure as
10 specified in the FCC-related commitments.
11

12 58. The acquisition closed on August 7, 2025, after Paramount paid \$16 million to
13 settle President Trump's lawsuit against CBS during the regulatory-approval period, CBS
14 announced the end of *The Late Show with Stephen Colbert* after Colbert criticized the settlement,
15 and the FCC approved the license transfers subject to conditions affecting CBS News
16 governance, newsroom oversight, and corporate policy, all of which Plaintiffs allege reflected
17 political pressure and transaction-related concessions to the Trump Administration rather than
18 ordinary competition on the merits.
19

20 59. After closing, Skydance CEO David Ellison became Chairman and CEO of
21 Paramount Skydance, and Jeff Shell became President.
22

23 **B. Proposed Paramount Acquisition of Warner Bros. Discovery**

24 60. In September 2025, David Ellison met with Paramount's board to discuss buying
25 Warner Bros. Discovery as the way to "compete" with Amazon, Disney, and Netflix, signaling
26 that the company's chosen response was to eliminate an independent competitor and aggregate
27 scale rather than earn competitiveness through better programming, better pricing, and better
28 consumer-facing offerings.

1 61. A few days later, Ellison visited Warner Bros. Discovery CEO David Zaslav's
2 home to propose a \$19-per-share cash-and-stock bid, later formalized in a letter that set the cash
3 component at approximately 60%. At the time, Zaslav was planning to split Warner Bros.
4 Discovery into a movie studio and streaming company and a television network business, and
5 Warner Bros. Discovery refused the deal.

7 62. Paramount increased its offers repeatedly. Later in September 2025, Paramount
8 raised its proposal to \$22 per share, with approximately 67% cash, included a \$2 billion payment
9 if Paramount's proposed acquisition of Warner Bros. Discovery did not pass regulatory review,
10 and proposed that Zaslav remain as co-CEO and co-chairman of the combined company.

12 63. A third offer on October 13 increased the bid to \$23.50 per share with
13 approximately 80% cash, again without success.

14 64. After Paramount's attempts, Warner Bros. Discovery announced it was reviewing
15 strategic alternatives after receiving unsolicited interest from multiple parties. Bidders reportedly
16 included Netflix, Comcast (through NBCUniversal), and Paramount Skydance. Warner Bros.
17 Discovery opened an auction process that proceeded through non-binding proposals and binding
18 bids.

20 65. During that process, Paramount Skydance continued to pursue the acquisition of
21 Warner Bros. Discovery, including bids to acquire the full company, including its cable networks
22 and Warner Bros. Discovery's interest in CNN. At the same time, other bidders reportedly
23 focused solely on Warner Bros. Discovery's studios and streaming assets.

25 66. On December 8, 2025, Paramount Skydance launched a hostile all-cash offer of
26 \$30 per share for Warner Bros. Discovery, valuing Warner Bros. Discovery at approximately
27 \$108.4 billion in enterprise value, supported by equity backing and debt commitments. Warner
28

1 Bros. Discovery's board indicated it would review the proposal and later rejected it. At the same
2 time, Warner Bros. Discovery pursued an agreement with Netflix for Warner Bros. Discovery's
3 studios and streaming assets.

4
5 67. On February 17, 2026, Warner Bros. Discovery stated it would reopen
6 negotiations with Paramount Skydance after Netflix granted a limited waiver to permit
7 Paramount to submit a best and final offer, and Warner Bros. Discovery confirmed it received a
8 revised offer from Paramount shortly thereafter.

9
10 68. According to public reporting from February 2026, Paramount CEO David
11 Ellison met privately with President Trump at the White House during the week of February 9–
12 15, 2026, during which they reportedly had two wide-ranging conversations. Shortly thereafter,
13 on February 21, 2026, President Trump posted on Truth Social demanding that Netflix
14 “IMMEDIATELY” remove Susan Rice, a member of the Democratic Party and former director
15 of the United States Domestic Policy Council, from its board “or suffer the consequences,”
16 despite having publicly claimed he was “not involved” in the contemporaneous bidding contest
17 involving Netflix and Paramount for Warner Bros. Discovery.

18
19 69. On February 26, 2026, Warner Bros. Discovery confirmed that it considered
20 Paramount's increased bid superior to Netflix's offer, triggering a contractual period during
21 which Netflix could improve its offer.

22
23 70. Warner Bros. Discovery's February 26, 2026 announcement stated that
24 Paramount's revised proposal valued Warner Bros. Discovery at \$31.00 per share in cash, and
25 included additional deal protections and incentives, including a ticking fee, a regulatory
26 termination fee, and Paramount's agreement to pay the \$2.8 billion termination fee Warner Bros.
27 Discovery would owe Netflix if Warner Bros. Discovery terminated the Netflix agreement. On
28

1 information and belief, these deal protections and payments were anticompetitive acts in
 2 furtherance of the Section 7 violation because they were intended to impede competing bids,
 3 neutralize Netflix's contractual position, induce Warner Bros. Discovery to abandon the Netflix
 4 transaction, and lock up Warner Bros. Discovery for Paramount notwithstanding the
 5 anticompetitive effects of combining Paramount and Warner Bros. Discovery.
 6

7 71. Warner Bros. Discovery further announced that, under the Netflix acquisition
 8 agreement, Warner Bros. Discovery's notice to Netflix of the Company Superior Proposal
 9 triggered a four-business-day match period during which Netflix had the right to propose
 10 revisions so that Paramount's proposal would cease to constitute a Company Superior Proposal.
 11

12 72. Public statements by Netflix confirmed that it declined to match Paramount's
 13 revised proposal. Upon Netflix's decision not to improve its offer, Warner Bros. Discovery
 14 announced Paramount as the winning bidder, positioning Paramount to acquire Warner Bros.
 15 Discovery's assets, including CNN, a nationally significant news property.¹
 16

17 73. On April 23, 2026, Warner Bros. Discovery stockholders voted to approve the
 18 proposed transaction with Paramount Skydance at Warner Bros. Discovery's Special Meeting of
 19 Stockholders. Warner Bros. Discovery announced that, based on the preliminary vote count,
 20 stockholders overwhelmingly approved the adoption of the merger agreement with Paramount.
 21 Warner Bros. Discovery further announced that the transaction was expected to close in the third
 22 quarter of 2026, subject to customary closing conditions, including regulatory clearances.
 23

24
 25 ¹ Plaintiffs allege that Netflix was outbid by Paramount and thereby lost the Warner Bros. Discovery transaction.
 26 Plaintiffs do not allege that the proposed Netflix acquisition of Warner Bros. Discovery would have been lawful or
 27 procompetitive. To the contrary, Plaintiffs allege that a Netflix acquisition of Warner Bros. Discovery also would
 28 have violated Section 7 because it would have eliminated Warner Bros. Discovery as an independent competitor and
 further concentrated premium video distribution, streaming, filmed entertainment, and related media assets in an
 already concentrated market. Plaintiffs allege that Paramount's acquisition presents additional and distinct
 competitive injury, including the common ownership of CBS News and CNN. Plaintiffs further allege that both
 proposed transactions reflect the same unlawful consolidation trend that Section 7 forbids.

1 74. The April 23, 2026, stockholder vote materially changed the posture of the
2 proposed acquisition. Before that vote, the transaction remained contingent on Warner Bros.
3 Discovery stockholder approval. After that vote, a major closing condition had been satisfied,
4 and the threatened injury to Plaintiffs became substantially more imminent because the
5 remaining barriers to consummation were principally regulatory and closing-condition barriers
6 rather than stockholder approval.
7

8 75. Public reporting contemporaneous with these events reflects that CNN was a focal
9 point of political and market attention surrounding the Warner Bros. Discovery bidding process
10 and the identity of the ultimate acquirer.
11

12 76. Public reporting quotes Netflix's co-CEO Ted Sarandos describing President
13 Trump's interest in the Warner Bros. Discovery transaction as materially tied to CNN, stating:
14 "Once it was clear that we weren't in the CNN business, it was a lot less interesting. He didn't
15 care that much more about our deal."
16

17 77. On information and belief, treating the ownership and control of CNN as a matter
18 of political leverage is evidence that the Warner Bros. Discovery sale process was not driven
19 solely by ordinary commercial considerations, but also by political considerations and horse
20 trading over a major national news outlet.
21

22 78. On information and belief, political leverage over the ownership and editorial
23 direction of a major news network is itself a competitive injury in the national television news
24 market, because competition in that market depends on independent editorial decision-making
25 and independent centers of newsroom control, not merely on nominal ownership labels.
26

27 79. By placing CNN and other news assets under Paramount's control as part of a
28 broader consolidation strategy, Paramount's proposed acquisition of Warner Bros. Discovery

1 would reduce the number of independent owners capable of sustaining national television news
2 operations at scale and weaken competitive constraints that protect editorial rivalry, investigative
3 resources, and viewpoint diversity.

4
5 80. On information and belief, during his visit to Washington, David Ellison offered
6 assurances to Trump Administration officials that if he bought Warner Bros. Discovery, he
7 would make sweeping changes to CNN, a common target of President Trump's criticism.
8 According to reporting from The Wall Street Journal and subsequent coverage in December
9 2025, Donald Trump told people close to him that he wanted to see CNN under new ownership
10 and that any sale of its parent company (Warner Bros. Discovery) includes significant changes to
11 the network's programming.

12
13 81. These allegations underscore the foreseeable risk that Paramount's proposed
14 acquisition of Warner Bros. Discovery will constrain editorial independence and lessen non-price
15 competition in the National TV News Market by placing CNN and CBS News under common
16 ownership and subjecting them to heightened political pressures, leaving the public with fewer
17 viable, independent news options.

18
19 **C. Timeliness and Absence of Laches**

20 82. Plaintiffs did not unreasonably delay in bringing this action. The challenged
21 Warner Bros. Discovery transaction developed through a changing, contested sale process
22 involving competing bidders, evolving transaction structures, a Netflix agreement, a later
23 Paramount superior proposal, Netflix's matching rights, Netflix's decision not to match, and then
24 Warner Bros. Discovery stockholder approval. Plaintiffs acted after Paramount emerged as the
25 winning bidder and after the transaction became sufficiently concrete and imminent to support
26 injunctive relief under Section 16.
27
28

83. The April 23, 2026, stockholder vote removed a major condition to closing and made the threatened injury more immediate. Plaintiffs are not required to sue at the first rumor, expression of interest, rejected offer, competing bid, or preliminary proposal. Filing before the transaction became fixed would have invited arguments that the claim was speculative, unripe, or not directed at an actual acquisition likely to proceed.

84. Any alleged delay has prejudiced no Defendant. The transaction has not closed. The requested relief would preserve the status quo by preventing consummation of an unlawful acquisition. Defendants entered and continued the transaction with knowledge that it remained subject to stockholder approval, regulatory clearances, antitrust scrutiny, and possible litigation. Any transaction expenses, integration planning, financing commitments, public-relations efforts, or regulatory submissions undertaken before closing are ordinary and voluntary transaction costs, not cognizable prejudice caused by Plaintiffs.

VII. RELEVANT MARKETS AND COMPETITION; ANTICOMPETITIVE EFFECTS

85. Skydance's completed acquisition of Paramount Global and Paramount's proposed acquisition of Warner Bros. Discovery lessen competition across at least three relevant product markets: (i) premium video programming distribution, (ii) national television news programming, and (iii) theatrical distribution. The completed acquisition provides concrete evidence of how reduced competitive constraints translate into consumer harm, and the proposed transaction would extend and amplify those harms by eliminating additional independent rivals and internalizing competitive decision-making under common ownership.

A. Premium Video Distribution Market

86. One relevant market is the distribution of premium video entertainment

1 programming to consumers in the United States (the “Premium Video Distribution Market”),
2 including subscription streaming services, cable television, and related offerings through which
3 consumers watch premium entertainment programming. Firms compete in this market on price
4 and on non-price terms that matter to consumers, including content availability and variety,
5 release cadence, bundles and tiers, promotions and free trials, and advertising load.
6

7 87. The Premium Video Distribution Market is distinct from non-premium video and
8 other forms of entertainment because consumers demand professionally produced, high-budget
9 film and television programming featuring recognized talent, high production values, and
10 franchise or prestige attributes, and they purchase or subscribe to services to access that
11 programming. Consumers do not view short-form user-generated content, social-media video, or
12 other non-premium entertainment options as reasonably interchangeable substitutes for premium
13 film and television programming, particularly for marquee releases, franchise installments, and
14 premium series.
15

16 88. Providers in the Premium Video Distribution Market compete by setting
17 subscription prices, tiering, and consumer-facing terms, and by controlling content libraries,
18 release cadence, and availability windows. Because consumers typically assemble a bundle of
19 services and cannot feasibly subscribe to every offering at once, changes in pricing, advertising
20 load, promotions, and content availability materially affect consumer choice, churn, and the
21 value consumers receive. These competitive dynamics make the Premium Video Distribution
22 Market a relevant antitrust product market in which the loss of an independent rival can
23 predictably lead to higher prices and worse consumer-facing terms.
24

25 89. The geographic market for Premium Video Distribution is the United States
26 because services are marketed, priced, and offered on a U.S. basis; content rights and licensing
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28

1 are negotiated with U.S. territorial restrictions; and competitive conditions, distributor
2 relationships, and consumer options are substantially uniform nationwide.

3 90. Before the acquisition, Skydance operated as an independent producer, packaging,
4 financing, and producing high-budget, prestige film and television programming for distribution
5 by multiple competing studios and streaming platforms. Skydance's pre-acquisition slate
6 demonstrates its significance as an independent producer of premium programming. Skydance
7 was a producer and financier on *Top Gun: Maverick* (2022), and it produced high-impact
8 television for downstream distributors, including *Reacher* for Amazon Prime Video and *Grace*
9 *and Frankie* for Netflix. Following the acquisition, Skydance Television became part of a
10 revived Paramount Television Studios, while Skydance's film and animation divisions integrated
11 into the broader Paramount studio portfolio. The acquisition may substantially lessen
12 competition by eliminating Skydance as an independent rival to Paramount, thereby reducing the
13 number of separate firms making greenlight, packaging, financing, and allocation decisions for
14 premium projects. With one fewer independent producer, competitive pressure is reduced, and
15 that harm reaches consumers through lower quality and variety, and fewer independent sources
16 of premium programming available across competing platforms.

17 91. The completed transaction also provides direct evidence of consumer harm in the
18 Premium Video Distribution Market. After the acquisition was consummated, Paramount
19 announced and implemented price increases for Paramount+ effective January 15, 2026,
20 reflecting weakened competitive constraints and causing direct out-of-pocket harm and reduced
21 value for consumers.

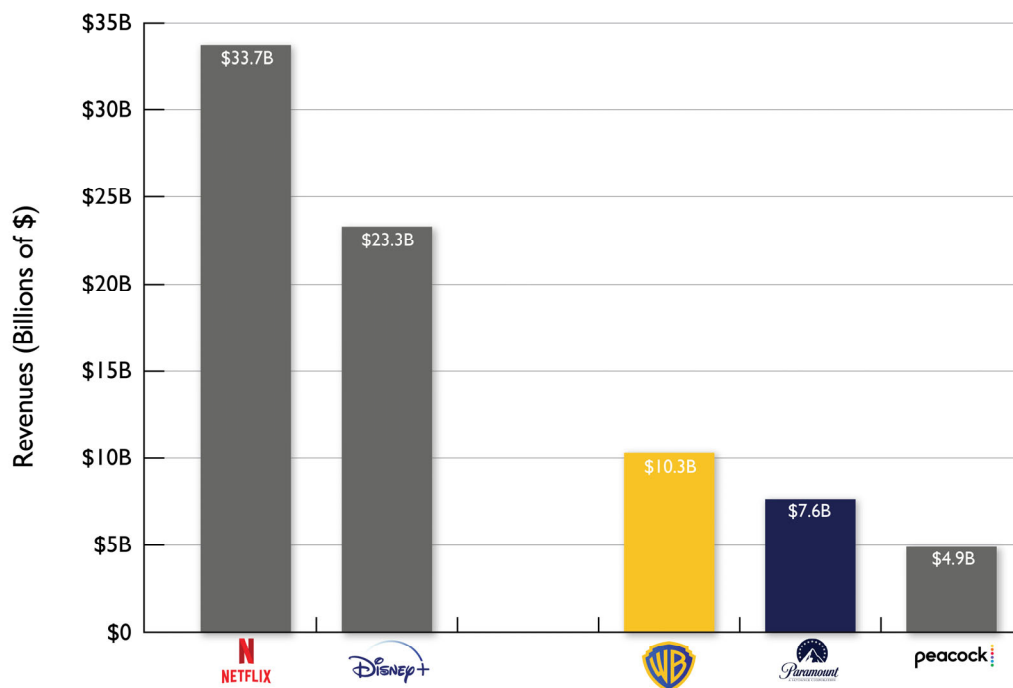
22 92. The foregoing is the opposite of the competitive outcome Section 7 is designed to
23 protect. If Skydance had competed as Congress intended, it would have built its own slate and
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1 expanded as an independent rival, constraining Paramount through head-to-head competition.
2 Instead, Skydance acquired Paramount and integrated its previously independent production
3 operations into Paramount's studio structure, replacing potential rivalry with consolidation.
4

5 93. Paramount's proposed acquisition of Warner Bros. Discovery would further
6 lessen competition in the Premium Video Distribution Market by eliminating Warner Bros.
7 Discovery as an independent rival distributor of premium video programming and placing its
8 streaming offerings, premium brands, and content libraries under Paramount's common
9 ownership and control. That would reduce the number of meaningful alternatives available to
10 consumers and increase the combined firm's ability and incentive to raise prices and worsen
11 consumer-facing terms.
12

94. Warner Bros. Discovery and Paramount are each meaningful independent competitors in premium video distribution. Before the proposed transaction, Warner Bros. Discovery's U.S. streaming revenue was approximately \$10.3 billion, and Paramount's was approximately \$7.6 billion, demonstrating that each separately constrains other major streaming services.

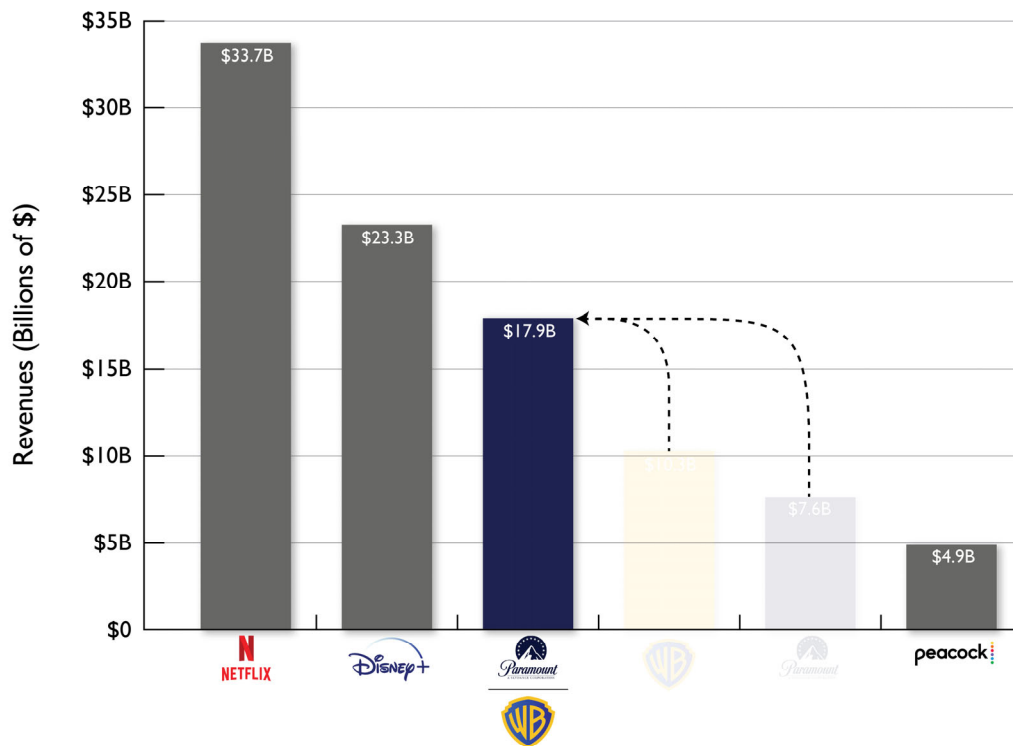
Domestic Rankings of Top U.S. Video Streaming Services Revenues (Pre-Merger - 2024)



Source: hollywoodreporter.com

95. Combining Paramount+ and Warner Bros. Discovery's streaming businesses would create a service with approximately \$17.9 billion in U.S. streaming revenue, placing the merged firm closer to the leading streaming platforms and eliminating direct rivalry between those previously independent services.

Domestic Rankings of Top U.S. Video Streaming Services Revenues (Post-Merger)

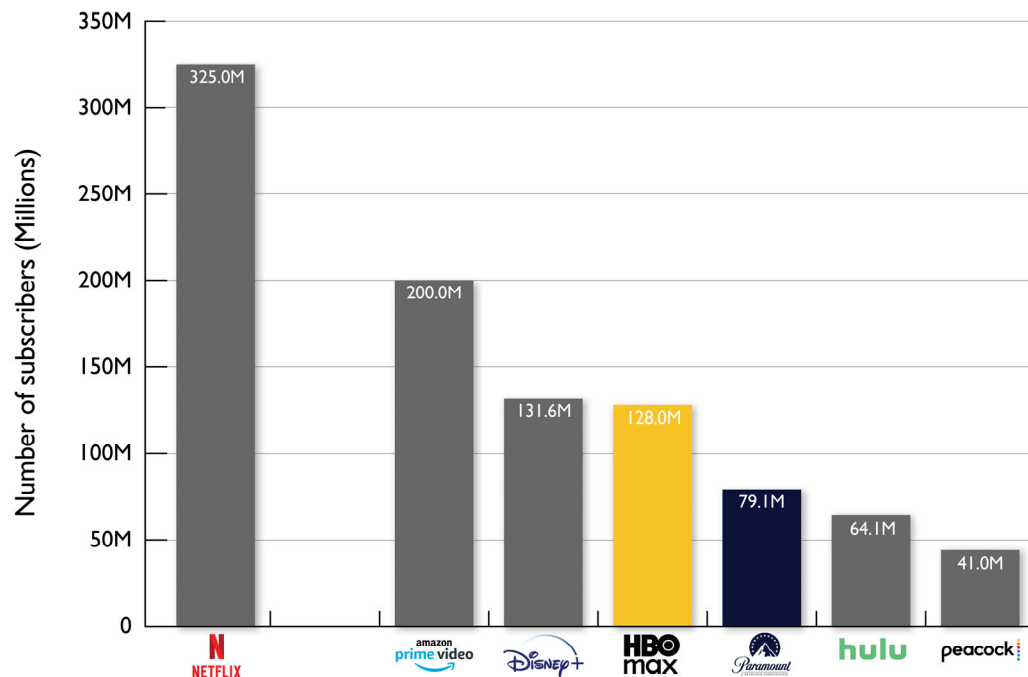


Source: hollywoodreporter.com

3

96. Subscriber data likewise confirms that both firms are substantial competitors. Before the proposed transaction, HBO Max had approximately 128 million subscribers, and Paramount+ had approximately 79.1 million subscribers, making each an important independent source of premium programming and consumer choice.

Domestic Rankings of Top U.S. Video Streaming Services Number of Subscribers (Pre-Merger*)



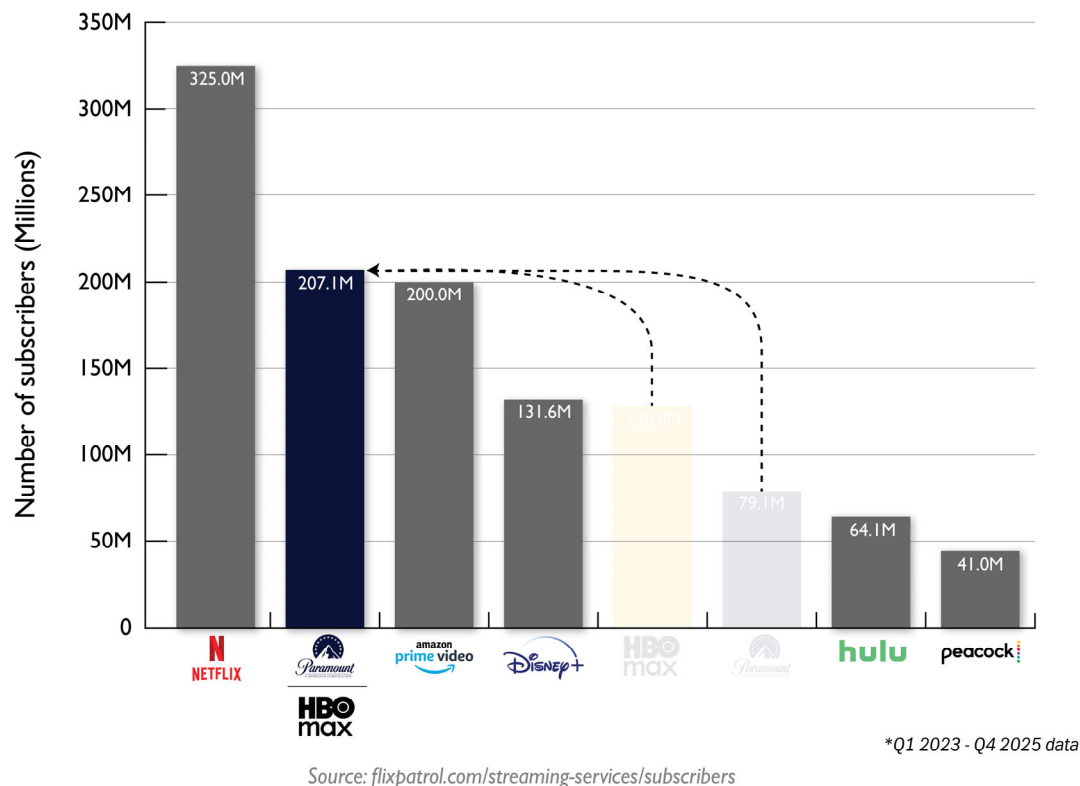
*Q1 2023 - Q4 2025 data

Source: flixpatrol.com/streaming-services/subscribers

4

97. The combined service would have approximately 207.1 million subscribers, vaulting it ahead of Amazon Prime Video and leaving consumers with fewer independent premium-video alternatives at scale.

Domestic Rankings of Top U.S. Video Streaming Services Number of Subscribers (Post-Merger)



1 98. The completed Skydance-Paramount transaction also provides direct evidence of
 2 consumer-facing harm. The average monthly prices charged by leading streaming services,
 3 including Paramount+, have increased materially over time, and Paramount+ implemented a
 4 post-acquisition price increase effective January 15, 2026, consistent with weakened competitive
 5 constraints and worsened consumer-facing terms.
 6

7 B. National TV News Market

8 99. A second relevant market is the production and distribution of national television
 9 news programming to consumers in the United States (the “National TV News Market”).
 10 Competition includes audience, advertising, carriage, and reputation, and it turns on non-price
 11 quality dimensions valued by consumers, including credibility, editorial independence,
 12 investigative vigor, breadth of coverage, and viewpoint diversity.
 13

14 100. National television news programming is a distinct product market because it is
 15 produced and distributed through national news networks and national broadcast news divisions
 16 that compete for a nationwide audience, national advertising, pay-TV carriage, and reputation.
 17 National TV news has unique characteristics valued by consumers, including nationwide
 18 newsgathering capacity, access to sources and correspondents, live coverage infrastructure, and
 19 institutional brand credibility that consumers rely on when choosing among major national
 20 outlets.
 21

22 101. Local television news, newspapers, digital-only outlets, social media, and radio
 23 are not reasonably interchangeable substitutes for national TV news for consumers because they
 24 do not offer the same national scope, continuous live coverage, and branded, nationally
 25 distributed programming formats. Consumers commonly choose among major national news
 26 brands based on credibility and editorial independence, and those brands impose competitive and
 27
 28

1 reputational constraints on one another on non-price dimensions, including investigative
2 investment, breadth of coverage, and viewpoint diversity.

3 102. The geographic market is national because distribution, branding, advertising, and
4 competitive effects are nationwide. Major national news programs are offered nationwide
5 through cable, satellite, and streaming pay-TV packages and are monetized through national
6 advertising and national carriage arrangements.

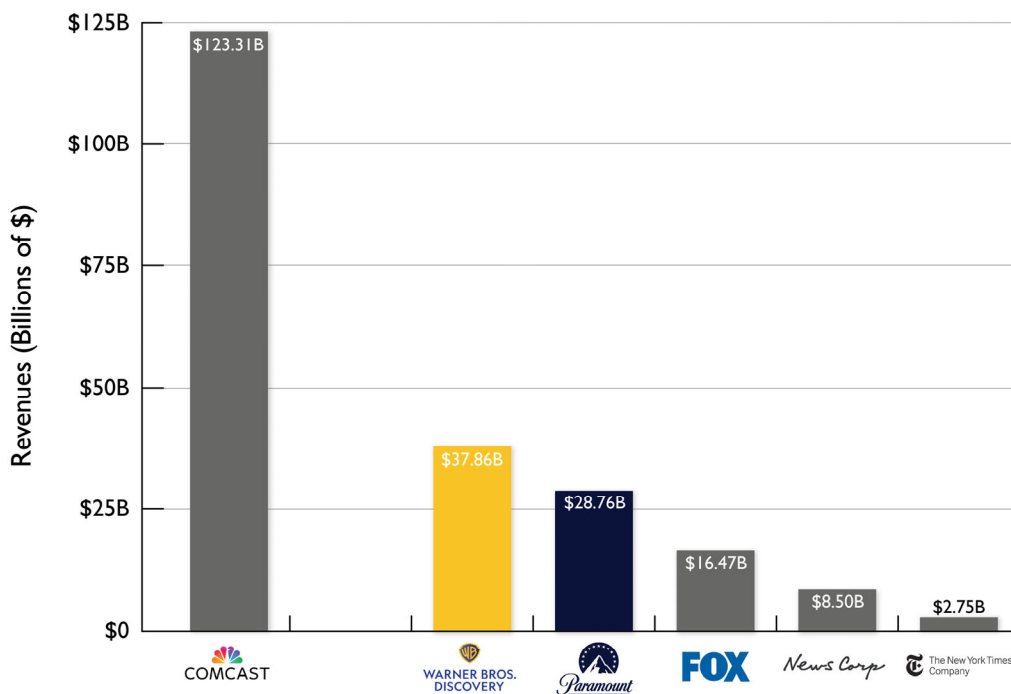
7 103. Plaintiffs consume news media, including CBS and CNN, and value credibility,
8 editorial independence, and viewpoint diversity as core competitive dimensions. CBS News is a
9 major Paramount property, and Plaintiffs allege that the acquisition review and approval
10 occurred in a political and regulatory environment that influenced CBS News's governance and
11 editorial independence. During the review period, Donald Trump was elected to a second term as
12 President and continued to pursue a lawsuit against CBS. Plaintiffs allege that Paramount paid
13 \$16 million to settle that lawsuit during the approval period, and that Paramount chose not to
14 renew *The Late Show with Stephen Colbert* after Colbert criticized the settlement on air.
15 Plaintiffs further allege that, after the acquisition, David Ellison made changes to CBS News
16 leadership and practices consistent with diminished editorial independence.

17 104. Plaintiffs also allege that FCC approval of Skydance's acquisition of Paramount
18 Global and the associated license transfer were conditioned on governance and policy changes
19 affecting CBS News that operated as viewpoint restraints, including the creation of an
20 ombudsman to monitor CBS News and other internal corporate policy conditions. These
21 conditions and changes, as alleged, lessened non-price competition by centralizing and
22 constraining editorial decision-making and increasing the risk of political influence over
23 programming and newsroom judgment, thereby diminishing the independence, credibility,
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investigative vigor, and viewpoint diversity that consumers rely on when choosing and consuming national news programming.

105. Warner Bros. Discovery is a substantial independent competitor in U.S. news and media markets. Before the proposed transaction, Warner Bros. Discovery generated approximately \$37.86 billion in annual revenue, and Paramount generated approximately \$28.76 billion, confirming that Paramount seeks to acquire a major existing rival rather than a failing or marginal participant.

Rankings of Top U.S. News Media Companies Revenues (Pre-Merger - 2025)

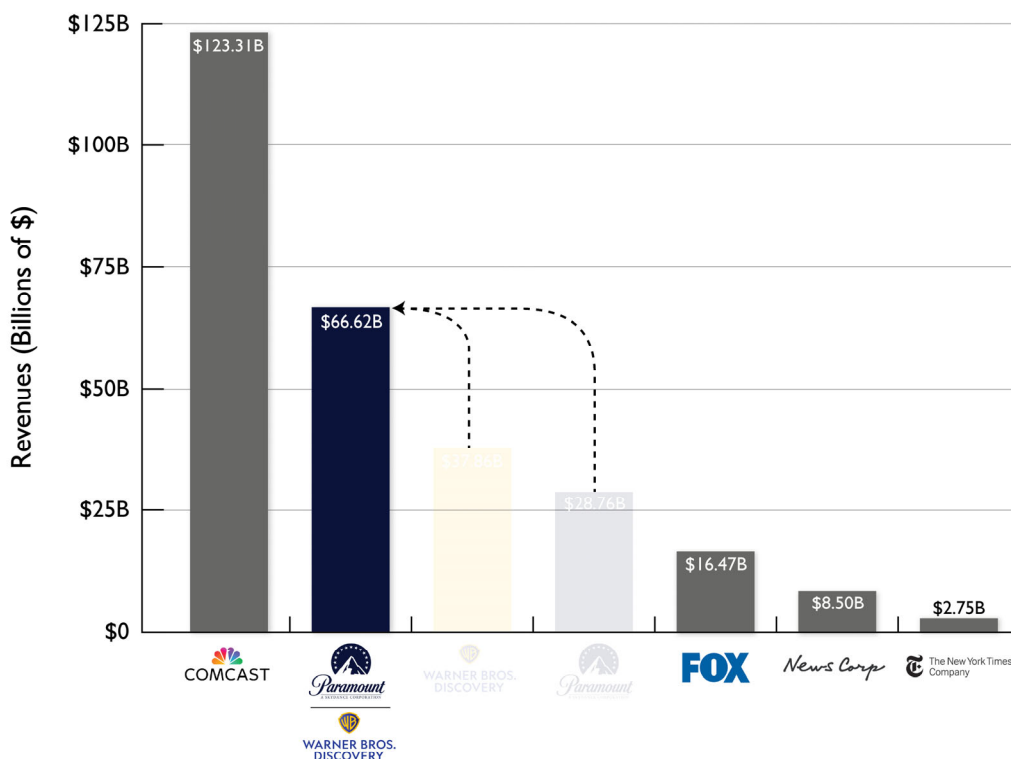


Source: investopedia.com

10

106. Combining Paramount and Warner Bros. Discovery would create a firm with approximately \$66.62 billion in annual revenue, elevating the combined company to the second-largest U.S. news media company by revenue behind Comcast. This increase in scale would materially concentrate ownership over nationally significant news and entertainment assets.

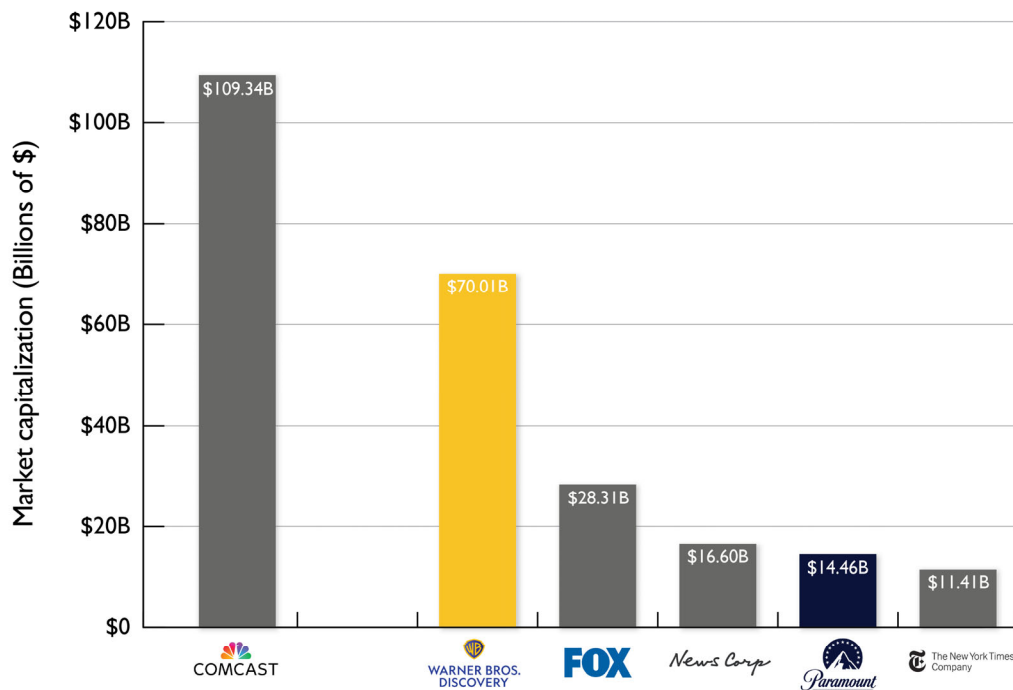
Rankings of Top U.S. News Media Companies Revenues (Post-Merger)



Source: investopedia.com

107. Before the proposed acquisition, Warner Bros. Discovery and Paramount each held substantial market capitalization, further confirming that this transaction would eliminate an independent competitor of real market significance rather than merely consolidate insignificant assets.

Rankings of Top U.S. News Media Companies Market Capitalization (Pre-Merger - 2025)

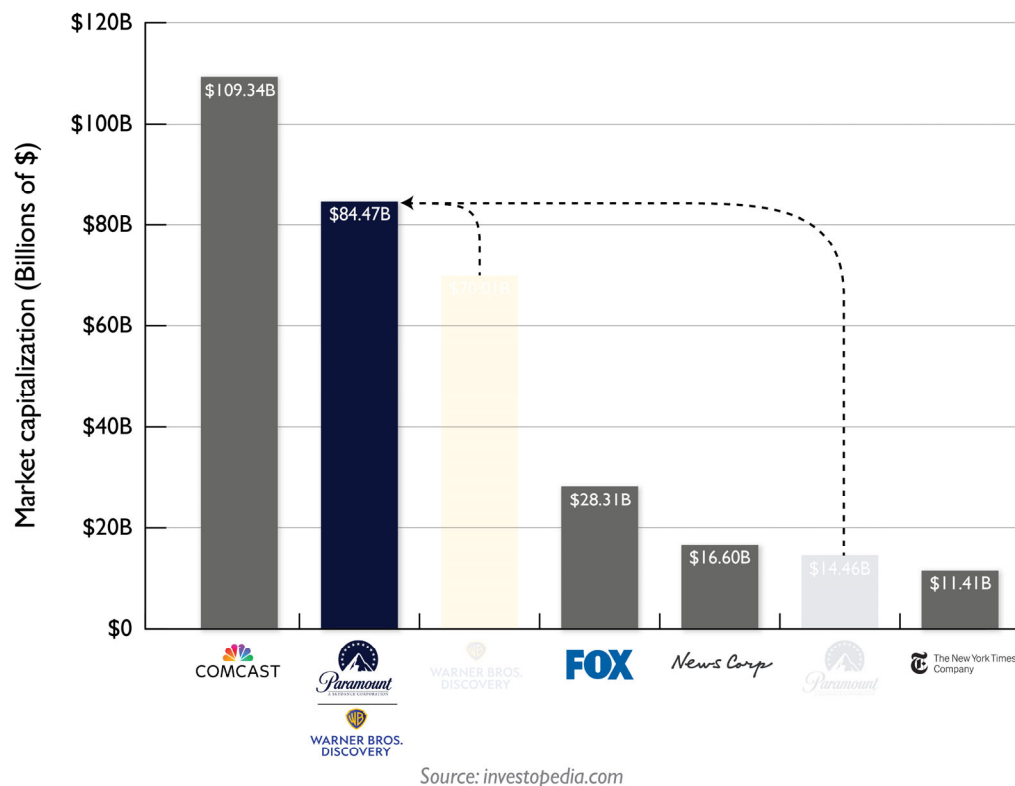


Source: investopedia.com

12

108. The proposed transaction would create a combined firm with approximately \$84.47 billion in market capitalization, again making it one of the largest U.S. media companies and increasing concentration in markets that include nationally significant television news.

Rankings of Top U.S. News Media Companies Market Capitalization (Post-Merger)



C. Theatrical Distribution Market

109. A third relevant market is theatrical distribution, where major studio-distributors compete for competitively significant distribution advantages, including screen access and showtimes, premium large-format placements (such as IMAX and Dolby Cinema), nationwide marketing commitments, release dates, and the timing and length of exclusive theatrical windows. Studios also compete on the terms offered to exhibitors and on securing favorable release dates and sustained runs. These downstream competitive dynamics determine how many

1 films reach theaters, how widely they are shown, and how much choice and variety moviegoers
2 have at any given time.

3 110. Theatrical exhibition is a distinct product market because consumers and
4 exhibitors value first-run, out-of-home viewing in a theater environment, and because theatrical
5 release windows, box-office pricing, and exhibition terms differ materially from home viewing
6 via streaming or video-on-demand. For wide-release films, a theatrical run is not reasonably
7 interchangeable with immediate home availability because the theatrical window confers unique
8 value, including event viewing, premium formats, and time-sensitive access that consumers
9 cannot replicate at home.
10

11
12 111. Competition in theatrical distribution is shaped by bottlenecks that do not exist in
13 home distribution, including finite screen capacity, limited premium-format auditoriums, and
14 constrained showtimes during peak periods. As a result, major studio-distributors compete
15 intensely for release dates, premium-format access, and sustained runs. Changes in the number of
16 independent studio-producers may substantially lessen competition by reducing output,
17 narrowing slates, and diminishing the choice and variety available to moviegoers at local
18 theaters.
19

20 112. The relevant geographic market is the United States because major theatrical
21 distribution decisions, release calendars, marketing campaigns, and exhibitor negotiations are
22 planned and executed on a nationwide basis, and because the competitive significance of wide
23 release, premium-format allocation, and exclusivity windows is determined through national
24 distribution strategy and national exhibitor relationships.
25

26 113. The completed transaction illustrates the broader harm from replacing potential
27 entry with consolidation rather than expanding output through independent rivalry. By
28

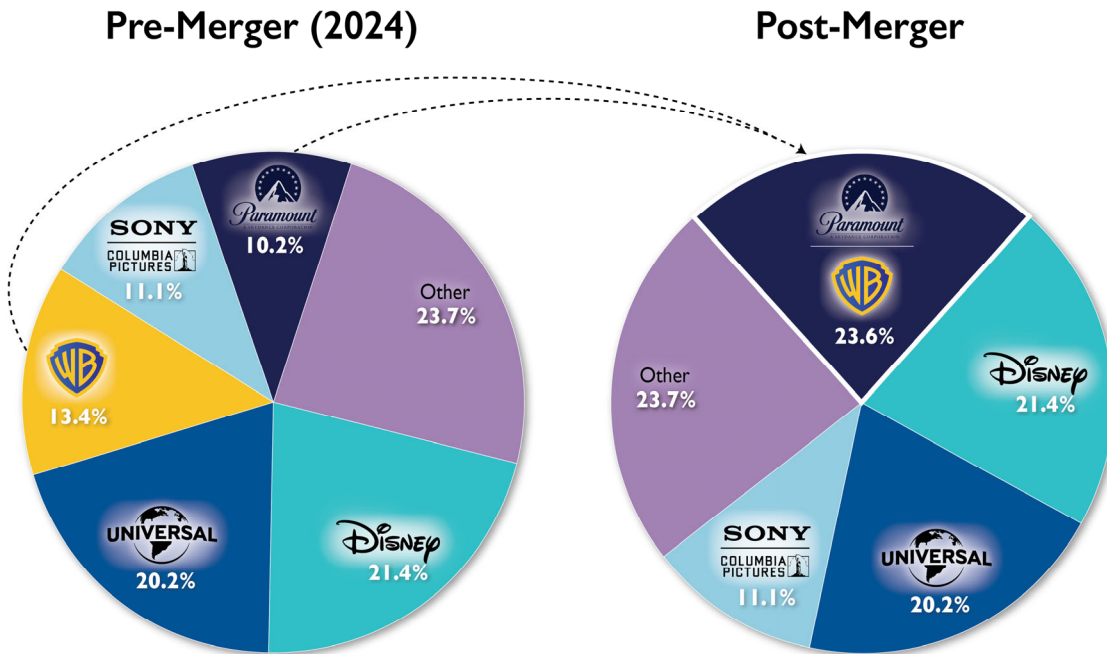
1 integrating Skydance's production decision-making into Paramount's studio structure, the
2 acquisition reduced the number of independent decision centers competing for influence over
3 slate formation and distribution strategy, weakening the competitive pressure that would
4 otherwise discipline output, variety, and consumer-facing value across Paramount's distribution
5 channels.
6

7 114. If Paramount's proposed acquisition of Warner Bros. Discovery is consummated,
8 the combined firm would have increased ability and incentive to reduce theatrical film output
9 and narrow release slates, substantially lessening competition by leaving moviegoers with fewer
10 theatrical titles, less genre and budget variety, and fewer meaningful alternatives at local theaters.
11

12 115. Before the proposed transaction, the four largest U.S./Canada motion-picture
13 studios shown in the chart were Disney at approximately 21.4%, Universal at approximately
14 20.2%, Warner Bros. at approximately 13.4%, and Sony/Columbia at approximately 11.1%, for a
15 combined top-four share of approximately 66.1%. Paramount separately accounted for
16 approximately 10.2% of the market.
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116. If Paramount acquires Warner Bros. Discovery, Paramount and Warner Bros. would combine into a single firm with approximately 23.6% market share, making the combined Paramount/Warner Bros. entity the largest studio shown in the chart. The post-merger top four studios would be Paramount/Warner Bros. at approximately 23.6%, Disney at approximately 21.4%, Universal at approximately 20.2%, and Sony/Columbia at approximately 11.1%, for a combined top-four share of approximately 76.3%. The proposed transaction, therefore, would not merely combine two studios; it would increase top-four concentration by approximately 10.2 percentage points and eliminate Paramount as an independent studio competitor.

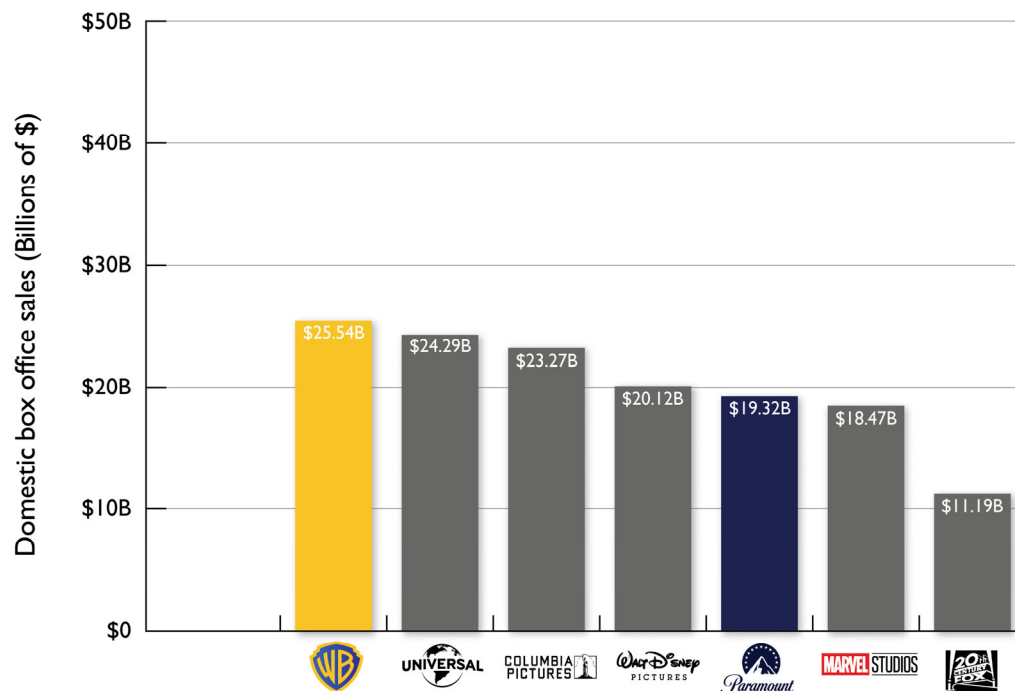
Market Share of Motion Picture Studios In U.S. and Canada



Source: statista.com

117. Historical box-office performance confirms that both companies are major competitors in the theatrical market. Before the proposed transaction, Warner Bros. and Paramount had generated approximately \$25.54 billion and \$19.32 billion in total domestic box-office revenue, respectively, over the measured period from 1997 to 2026.

Rankings of Top U.S. Motion Picture Studios Total Domestic Box Office Revenues (Pre-Merger - 1997-2026)

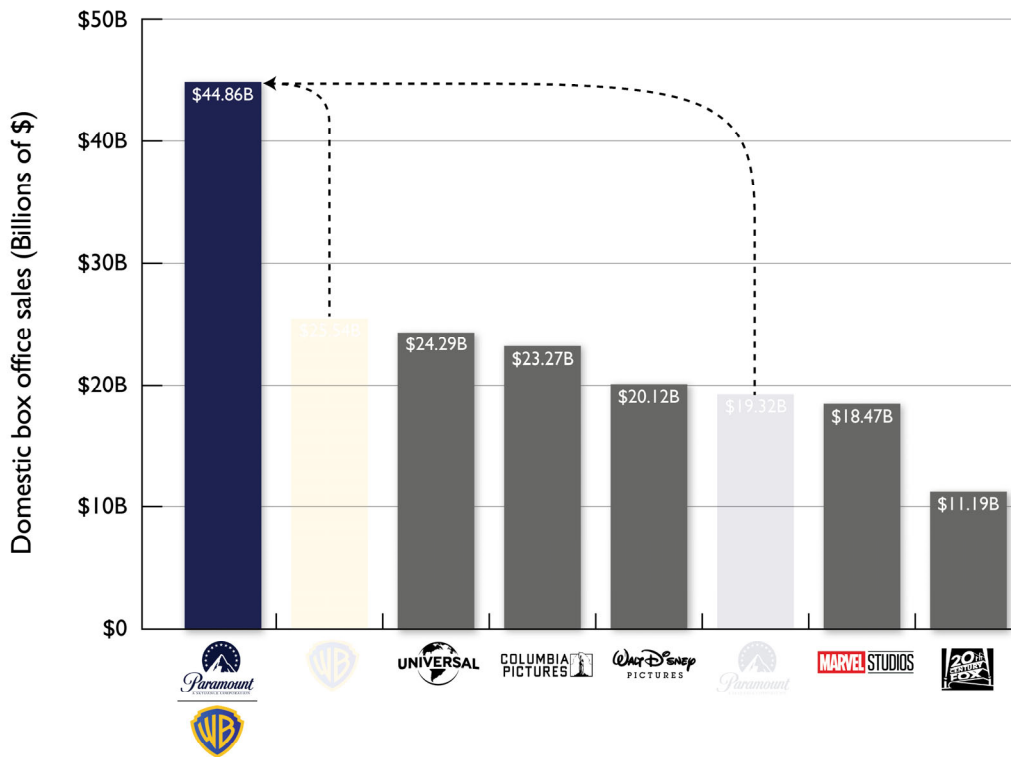


Source: thenumbers.com

8

118. Combining Paramount and Warner Bros. would yield approximately \$44.86 billion in domestic box-office revenues over the measured period, making the combined firm the leading theatrical studio and increasing its leverage over release slates, premium screens, and exhibition terms.

Rankings of Top U.S. Motion Picture Studios Total Domestic Box Office Revenues (Post-Merger)



Source: thenumbers.com

9

VIII. CLAIMS FOR RELIEF

Count I – Violation of Section 7 of the Clayton Act, 15 U.S.C. § 18; Treble Damages Under Section 4, 15 U.S.C. § 15; and Injunctive Relief Under Section 16, 15 U.S.C. § 26 (Skydance's Acquisition of Paramount Global)

119. Plaintiffs reallege and incorporate by reference the allegations set forth above.

120. Skydance's acquisition of Paramount Global is an acquisition within the meaning of Section 7 of the Clayton Act.

1 121. Skydance’s nontrivial acquisition of Paramount Global substantially lessened
2 competition in the relevant lines of commerce alleged in this Complaint, including (a) the
3 production of premium filmed entertainment and video programming to U.S. consumers, (b) the
4 production and distribution of national television news programming to U.S. consumers, and (c)
5 the production and distribution of theatrical films for U.S. moviegoers in the United States.
6

7 122. Skydance’s acquisition of Paramount Global violated Section 7 because it
8 eliminated Skydance as an independent producer of premium film and television programming,
9 internalized Skydance’s content pipeline within a major incumbent distributor, and increased the
10 combined firm’s ability and incentive to foreclose rivals through exclusivity, windowing control,
11 delayed licensing, and other restrictions across theatrical, broadcast, cable, and streaming
12 channels.
13

14 123. Skydance’s acquisition of Paramount Global further violates Section 7 because it
15 lessened non-price competition in national news programming by consolidating and constraining
16 editorial governance at CBS News through acquisition-related conditions and post-acquisition
17 governance changes, thereby lessening competition on credibility, editorial independence,
18 investigative output, and viewpoint diversity.
19

20 124. Plaintiffs Len Marazzo, Deborah Rubensohn, and Gary Talewsky have sustained
21 injury and damage by reason of Skydance’s acquisition of Paramount Global, including direct
22 out-of-pocket harm from Paramount’s post-acquisition Paramount+ price increase effective
23 January 15, 2026. Plaintiffs Marazzo, Rubensohn, and Talewsky paid increased subscription
24 charges after Paramount raised Paramount+ subscription prices and therefore suffered damages
25 in the form of subscription charges that were higher than they would have paid absent the
26 acquisition. Plaintiffs Marazzo, Rubensohn, and Talewsky are therefore entitled to treble
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1 damages, costs of suit, and reasonable attorneys' fees under Section 4 of the Clayton Act, 15
2 U.S.C. § 15.

3 125. Plaintiffs are threatened with injury and damage by reason of Skydance's
4 acquisition of Paramount Global and have no adequate remedy at law. Plaintiffs are therefore
5 entitled to injunctive and other equitable relief under Section 16 of the Clayton Act, 15 U.S.C.
6 § 26, including an order requiring Paramount Skydance to divest itself of any and all interest in
7 Paramount Global and such other structural relief as necessary to restore competition.
8

9 **Count II – Violation of Section 7 of the Clayton Act, 15 U.S.C. § 18; Injunctive Relief**
10 **Under Section 16, 15 U.S.C. § 26**
11 **(Paramount's proposed acquisition of Warner Bros. Discovery)**

12 126. Plaintiffs reallege and incorporate by reference the allegations set forth above.

13 127. Paramount's proposed acquisition of Warner Bros. Discovery is an acquisition
14 within the meaning of Section 7 of the Clayton Act.

15 128. Paramount's proposed acquisition of Warner Bros. Discovery may substantially
16 lessen competition in the relevant lines of commerce alleged in this Complaint, including (a) the
17 production and distribution of premium video programming to U.S. consumers, including across
18 broadcast, cable, and streaming channels; (b) the production and distribution of national
19 television news programming to U.S. consumers, including across broadcast, cable, and
20 streaming channels; and (c) the production of theatrical films for U.S. moviegoers in the United
21 States.
22

23 129. Paramount's proposed acquisition of Warner Bros. Discovery violates Section 7
24 because it may substantially lessen competition in premium video programming, cable and pay-
25 TV programming, streaming distribution, and theatrical production by eliminating Warner Bros.
26 Discovery as an independent competitor and increasing Paramount's ability and incentive to
27 raise prices, reduce output, narrow slates, reduce quality, and worsen consumer-facing terms,
28

1 including through control of distribution, exclusivity, windowing, and licensing.

2 130. Paramount's proposed acquisition of Warner Bros. Discovery violates Section 7
3 because it may substantially lessen competition in national television news programming by
4 placing CBS News and CNN under common ownership and control, reducing independent
5 editorial and reputational constraints, and increasing the risk of coordinated, uniform, or
6 politically influenced programming decisions that diminish credibility, editorial independence,
7 investigative output, and viewpoint diversity.
8

9 131. Plaintiffs are threatened with imminent loss or damage by reason of Paramount's
10 proposed acquisition of Warner Bros. Discovery and have no adequate remedy at law. Plaintiffs
11 are therefore entitled to injunctive and other equitable relief under Section 16 of the Clayton Act,
12 15 U.S.C. § 26.
13

14 132. Plaintiffs' claim for injunctive relief against Paramount's proposed acquisition of
15 Warner Bros. Discovery is timely and is not barred by laches. Plaintiffs filed before
16 consummation, after the proposed transaction became concrete and imminent, and while
17 effective injunctive relief remains available. Defendants have suffered no cognizable prejudice
18 from the timing of this action because the transaction remains unconsummated and subject to
19 regulatory review and closing conditions.
20

21 **IX. JURY TRIAL DEMAND**

22 133. Plaintiffs demand a trial by jury on all claims and issues for which a jury trial is
23 available, including any claims for legal damages under Section 4 of the Clayton Act, 15 U.S.C.
24 § 15, pursuant to Rule 38 of the Federal Rules of Civil Procedure.
25

26 **X. PRAYER FOR RELIEF**

27 Wherefore, Plaintiffs request that judgment be entered and request the following relief from
28 this Honorable Court:

**COMPLAINT FOR VIOLATION OF SECTION 7 OF THE CLAYTON ACT; TREBLE DAMAGES UNDER SECTION 4;
AND INJUNCTIVE RELIEF UNDER SECTION 16** **CASE NO.**

- 1 A. Declaring, finding, adjudging, and decreeing that Skydance's acquisition of Paramount
2 Global violated Section 7 of the Clayton Act, 15 U.S.C. § 18.
- 3 B. Ordering that Paramount Skydance be required to divest itself of any and all interest in
4 Paramount Global.
- 5 C. Appointing a special master to administer and implement the divestiture.
- 6 D. Awarding Plaintiffs Len Marazzo, Deborah Rubinsohn, and Gary Talewsky treble
7 damages, costs of suit, and reasonable attorneys' fees under Section 4 of the Clayton Act,
8 15 U.S.C. § 15.
- 9 E. Declaring, finding, adjudging, and decreeing that the agreement of Paramount Skydance
10 to acquire Warner Bros. Discovery violates Section 7 of the Clayton Act, 15 U.S.C. § 18,
11 and must be enjoined.
- 12 F. Preliminarily and permanently enjoining Paramount Skydance from consummating the
13 proposed acquisition of Warner Bros. Discovery.
- 14 G. Awarding Plaintiffs all costs, attorneys' fees, and other amounts recoverable by law.
- 15 H. Granting such other and further relief as the Court deems just and proper.

16 DATED: April 30, 2026

ALIOTO LAW FIRM

/s/ Joseph M. Alioto

Joseph M. Alioto, Esq.

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FOREMAN & BRASSO

/s/ Ronald D. Foreman

/s/ Ian A. Hansen

Ronald D. Foreman, Esq.

Ian A. Hansen, Esq.

Attorneys for Plaintiffs

ATTESTATION

In compliance with Civil L.R. 5-1(i)(3), I, Ian A. Hansen, attest that I have obtained concurrence in the filing of this document from each of the other signatories.

Dated: April 30, 2026

By: /s/ Ian A. Hansen
Ian A. Hansen, Esq.