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Case No. 2026-928-

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

PAUL ROBBINS, derivatively on behalf of PARAMOUNT SKYDANCE CORPORATION, Plaintiff, v. DAVID ELLISON, LAWRENCE ELLISON, GERRY CARDINALE, SAFRA CATZ, ANDREW BRANDON-GORDON, PAUL MARINELLI, JOHN THORNTON, BARBARA BYRNE, ANDREW CAMPION, JUSTIN HAMILL, and SHERRY LANSING, Defendants, -and- PARAMOUNT SKYDANCE CORPORATION, a Delaware corporation, Nominal Defendant.	C.A. No. 2026-

VERIFIED STOCKHOLDER DERIVATIVE COMPLAINT

Plaintiff, Paul Robbins, ("Robbins" or "Plaintiff"), by his attorneys, alleges upon personal knowledge as to himself, and upon information and belief as to all other allegations herein, as follows:

SUMMARY OF THE ACTION

1. This is a stockholder derivative action brought by Plaintiff on behalf of Paramount Skydance Corporation (NASDAQ: PSKY) ("PSKY," "Paramount," or

the “Company”) against:

a. Lawrence and David Ellison, Paramount’s father-son controlling stockholders, to prevent them from profiting from breaches of their fiduciary duty of loyalty as Paramount’s controllers;

b. David Ellison, as Chief Executive Officer and Chairman of Paramount’s Board of Directors (the “Board”), to prevent David Ellison from profiting from breaches of his fiduciary duty of loyalty as a Paramount director; and

c. the entire Paramount Board, to prevent them from closing a merger transaction with Warner Bros. Discovery (the “Merger”) that, as currently configured, would allow Paramount fiduciaries to profit from an illegal bribery scheme in breach of their fiduciary duties of loyalty to Paramount and otherwise in violation of bedrock Delaware corporate law.

2. The media has widely reported that Lawrence and David Ellison promised illegal, private benefits to President Trump in exchange for approval of their last media mega-merger. Specifically, in order to ensure federal regulatory approval of the merger between Ellison-controlled Skydance Media, LLC (“Skydance”) and Paramount, the Ellisons promised President Trump up to $20

million in free advertising and reportedly encouraged Paramount's prior ownership to settle a frivolous lawsuit the President had filed against CBS (owned by Paramount) in his personal capacity—effectively laundering a $16 million payment to President Trump through the courts. In exchange, President Trump and the Trump-controlled Federal Communications Commission approved the deal with little to no oversight. The Ellisons also agreed to, and did, transform CBS to make its coverage far more favorable to the President, at the cost of the network's ratings.

3. The Ellisons now seek to accomplish an approximately $110 billion merger, the largest in Hollywood history, between Paramount and Warner Bros. Discovery ("Warner Bros." or "WBD"). And the Ellisons have—once again—reportedly promised illegal private benefits to President Trump in order to remove federal regulatory barriers to the Merger. In particular, the Ellisons have reportedly promised to make sweeping changes to CNN (currently owned by Warner Bros.), including potentially firing anchors the President dislikes, in exchange for regulatory approval of the Merger. Once they acquire Warner Bros., the Ellisons will also have the opportunity to improperly funnel cash to President Trump by settling litigation he brought against CNN in his personal capacity prior to his reelection.

4. These illegal promises have been effective. The Trump administration approved the Ellisons' acquisition of Paramount, including CBS, and has all but

approved their proposed purchase of Warner Bros.[1] But promising and delivering private benefits (free advertising, favorable news coverage, and cash) in exchange for public actions (regulatory approval of proposed acquisitions) violates the law. *See* 18 U.S.C. § 201 (prohibiting bribery of public officials); 18 U.S.C. § 208 (prohibiting public officials from engaging in acts affecting their personal financial interests); and 18 U.S.C. § 2 (punishing aiders and abettors as principals).

5. Such violations are *per se* breaches of the duty of loyalty and also create enormous financial and legal risk for Paramount. The Ellisons' actions not only harm the reputations of the news outlets they currently own, which are hemorrhaging viewers, but they are latent liabilities waiting to be triggered by a future administration, at either the state or federal level, or by consumers or other private litigants that will enforce the law against Paramount and its disloyal fiduciaries.

6. It is a foundational principal that Delaware law "does not charter law breakers." *In re Massey Energy Co. Deriv. & Class Action Litig.*, 2011 Del. Ch. LEXIS 83, *74 (2011). While "Delaware law allows corporations to pursue diverse means to make a profit," those corporations may only pursue "'lawful business' by 'lawful acts.'" *Id.*

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[1] The Federal Communications Commission ("FCC") has not yet acted on Paramount's petition to greenlight the foreign investment in broadcasting that will result from the Merger, which appears to be one of the last remaining U.S. federal regulatory hurdles to closing. Paramount itself has denied that FCC clearance is a condition to closing.

7. Consequently, fiduciaries of a Delaware corporation, such as the Ellisons, "cannot be loyal to a Delaware corporation by knowingly causing it to seek profit by violating the law." *Id.* at **73-74.

8. For Paramount's financial safety and corporate integrity, it is important that its fiduciaries not profit from breaches of their duty of loyalty (and the law), particularly to the detriment of Paramount's minority stockholders. For this reason, Plaintiff asks the Court to enjoin the Merger and grant all other appropriate relief.

JURISDICTION AND VENUE

9. This Court has jurisdiction over this action pursuant to 10 *Del. C.* § 341.

10. As directors of a corporation incorporated under the laws of Delaware, all of the Director Defendants (the "Director Defendants" includes all individual Defendants other than Lawrence Ellison) have consented to the jurisdiction of this Court pursuant to 10 *Del. C.* § 3114.

11. This Court has jurisdiction over Paramount pursuant to 10 *Del. C.* § 3111.

12. Paramount's Amended and Restated Certificate of Incorporation ("Certificate of Incorporation" or "Charter") provides that, "to the fullest extent permitted by law," the Court of Chancery of the State of Delaware shall be "the sole and exclusive forum" for derivative claims, claims for breaches of fiduciary duty, and/or similar claims arising under the Delaware General Corporations Law

("DGCL"). Charter, Article XII(3) (*Forum for Adjudication of Disputes*).[2]

13. Given that the Certificate of Incorporation was adopted pursuant to a transaction supported by the Ellisons (Skydance's August 2025 combination with Paramount Global) and that the Certificate of Incorporation also provides the Ellisons the ability to nominate five members to the Paramount Board (and to grant some or all of them outsized Board voting power), it is also appropriate to infer that Lawrence Ellison has consented to this Court's jurisdiction.

THE PARTIES

14. Plaintiff, Paul Robbins, is an individual, currently a Paramount stockholder, and has continuously been a Paramount stockholder since before the August 7, 2025 combination of Paramount Global and Skydance that created Paramount.

Nominal Defendant Paramount

15. Nominal Defendant Paramount is a Delaware corporation with corporate headquarters in New York, NY. Paramount is a global media and entertainment company with a portfolio that includes Paramount Pictures, Paramount Television, CBS, CBS News, CBS Sports, Nickelodeon, MTV, BET,

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[2] *Amended and Restated Certificate of Incorporation of Paramount Skydance Corporation*, Paramount Skydance Corporation, https://www.sec.gov/Archives/edgar/data/2041610/000119312525175046/d841914dex31.htm.

Comedy Central, Showtime, Paramount+, Pluto TV and Skydance animation, interactive/games and sports divisions.

16. Paramount is a "controlled company" under the Nasdaq rules. According to its most recent 10-K/A filed with the Securities and Exchange Commission ("SEC"), entities controlled by Lawrence Ellison and David Ellison indirectly hold approximately 77.5% of the Class A Common Stock through their collective approximate 77.5% ownership in Harbor Lights Entertainment, Inc. ("Harbor Lights") and, as a result, the Ellisons are the controlling stockholder of Paramount.

17. Article IV of Paramount's Certificate of Incorporation gives holders of Class A Common stock one vote per share. Class B Common Stock is essentially non-voting.

18. Article V of Paramount's Certificate of Incorporation provides that "Ellison" (defined in Article XIII as Larry [Lawrence] Ellison[3] and David Ellison and related individuals and entities) is entitled to name specified numbers of individuals for nomination to the Board and that certain of those members of the Board (denominated "Ellison Nominees") will have outsized voting power (for

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[3] In SEC filings and other official documents, the senior Ellison is referred to alternately as "Lawrence Ellison," "Lawrence J. Ellison," and "Larry Ellison." The Complaint attempts consistency by most often using "Lawrence Ellison." No disrespect is meant by the occasional use of "Larry," which also generally indicates a source document uses that name.

matters submitted to the full Board, Ellison Nominees have the voting power of the total number of Board members plus one).

<u>The Ellisons</u>

19. Defendant Lawrence Ellison is the Executive Chairman of the Board of Directors and Chief Technology Officer of enterprise information technology company Oracle Corporation ("Oracle"). Lawrence Ellison founded Oracle in 1977 and served as its CEO from June 1977 until September 2014. Oracle subsidiaries provide enterprise cloud computing services and enterprise resource planning services to Paramount under contracts totaling more than $300 million.

20. Lawrence Ellison is David Ellison's father and is deeply involved in his son's businesses. He provided financing for David Ellison's first media business, Skydance (now part of Paramount).[4]

21. Lawrence Ellison has personally guaranteed over $40 billion in equity financing for Paramount's proposed acquisition of Warner Bros. As part of that

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[4] Other notable related party transactions involving Lawrence Ellison include the following: Skydance is obligated to an entity owned by Lawrence and David Ellison (S.M. Campus, LLC) for over $100 million in connection with the lease of office and production space in Santa Monica, California. Paramount leases an aircraft from The Wing Trust, an entity wholly owned by Lawrence Ellison, at a rate of $7,100 per hour of flight time; as of the end of Q1 2026, Paramount owed The Wing Trust over half a million dollars in connection with that aircraft lease. In January 2026, an entity wholly owned by Paramount entered into a programming agreement worth at least $1 million a year with F50 League LLC, an entity majority owned by Lawrence Ellison, regarding the telecast of certain sailing league programming.

funding arrangement, Lawrence Ellison and the Lawrence J. Ellison Revocable Trust are also parties to the Ellison Subscription Agreement. As part of the Ellison Subscription Agreement, they will purchase newly issued Class B shares (to be issued "in connection with the closing") at a pre-set subscription price. They also have the option to assign ("syndicate") the right to subscribe for those shares. On April 5, 2026, Lawrence Ellison and the Lawrence J. Ellison Revocable Trust disclosed that they, along with affiliates of RedBird Capital Partners Management LLC, had chosen to exercise their syndication rights, including by allocating subscription rights to, *inter alia*, an investment vehicle of an Abu Dhabi sovereign wealth fund, an investment vehicle of the Qatar Investment Authority, and to The Public Investment Fund (Saudi Arabia's sovereign wealth fund).

22. Defendant **David Ellison** is the son of Lawrence Ellison. He is now Paramount's Chairman and CEO and was the Founder and Chief Executive Officer of Skydance.[5] David Ellison is also on the board of advisors of the Ellison Institute, LLC and the board of directors of Harbor Lights Entertainment, Inc. ("Harbor Lights").

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[5] Other notable related party transactions involving David Ellison include: (a) a $2.1 million agreement between a Paramount subsidiary and a company owned by Lawrence Ellison and Megan Ellison, David Ellison's sister, to co-develop an animated feature film; and (b) Skydance's obligation to S.M. Campus LLC (owned by Lawrence and David Ellison) for over $100 million to lease office and production space in Santa Monica, California.

23. Pursuant to Paramount's Certificate of Incorporation, David Ellison was appointed to the Board as an Ellison Designee. As such, David Ellison has "a number of votes on any matter presented to the Board . . . equal to one more than the total number of directors on the Board." In other words, on any matter presented to the full Board, David Ellison has eleven (11) votes.

24. On March 2, 2026, David Ellison voted in favor of the Merger with Warner Bros. Among other personal benefits, David Ellison would receive $50 million as a cash award and $100 million in restricted stock units following the closing of the Merger and would have day-to-day control over a vast media empire.

Ellison Nominees

25. Defendant **Paul Marinelli** has been a member of Paramount's Board since August 2025. Marinelli has been an employee of, and advisor to, Lawrence Ellison for more than two decades. In May 2004, Marinelli became Vice President of Lawrence Investments, LLC, a private equity investment firm controlled by Lawrence Ellison, a position Marinelli held until 2015 when he became President of Lawrence Investments, LLC, a position he still holds. Marinelli is Co-Trustee of the Lawrence J. Ellison Revocable Trust, the entity that owns Lawrence Ellison's (roughly $160-billion-worth of shares of) Oracle stock. Marinelli is Chief Financial Officer of The Larry Ellison Foundation, a 501(c)(3) entity that reported over $100 million in assets as of the close of 2024. Marinelli serves or has served as a director

of Skydance and Harbor Lights. Marinelli is also President of three Ellison-controlled "Pinnacle Media Ventures" LLCs (un-numbered, II, and III), through which the Ellisons hold their interest in Harbor Lights. He has also served as a director of Ellison-controlled Leapfrog Enterprises, Inc.

26. Like David Ellison, Marinelli was appointed to the Board as an Ellison Designee and granted "a number of votes on any matter presented to the Board . . . equal to one more than the total number of directors on the Board" or eleven (11) votes on any matter presented to the full ten-member Board. On March 2, 2026, Marinelli voted in favor of the Merger.

27. Defendant **Safra Catz** has served as a member of the Board since August 2025. Catz is a member of the Board's Compensation Committee. Catz has been Executive Vice Chair of Oracle since September 2025, when she stepped down from her role as Oracle's CEO; she has been a member of Oracle's board of directors since 2001. An Oracle employee since 1999, Catz served as CEO (2014-2025), President (2004-2014), Chief Financial Officer (2011–2014; 2005–2008), Executive Vice President, and Senior Vice President. Oracle subsidiaries provide enterprise cloud computing services and enterprise resource planning services to Paramount under contracts totaling more than $300 million. Catz voted in favor of the Merger. Catz was nominated as a director by Lawrence and David Ellison and has a single vote on the Board.

28. Defendant **Andrew Brandon-Gordon** has served on Paramount's Board since August 2025. He is a Company employee, specifically its Chief Strategy Officer and Chief Operating Officer. Brandon-Gordon also currently serves on the board of directors of Ellison-controlled Harbor Lights. Prior to becoming Chief Strategy Officer and Chief Operating Officer of Paramount, Brandon-Gordon served as a Partner of RedBird Capital Partners Management LLC ("RedBird"), the entity that owns and controls 22.5% of Harbor Lights (and, by extension, the remaining 22.5% of the Class A voting shares of PSKY not directly owned by the Ellisons). Brandon-Gordon was also nominated as a director by the Ellisons. Brandon-Gordon voted in favor of the Merger. Brandon-Gordon has a single vote on the Board. Brandon-Gordon is slated to receive a $15 million cash award and $23 million in restricted stock units following closing of the Merger.

RedBird Director Nominees

29. Defendant **Gerry Cardinale** has served as a member of the Paramount Board since August 2025. Cardinale is the founder of RedBird and has served as its Managing Partner and Chief Investment Officer since 2014. According to Cardinale, RedBird and Cardinale have a "long-term partnership with the Ellison family" and have "been collaborating with David Ellison for the last 15 years."

30. Cardinale, RedBird, and affiliated entities were deeply involved in the Paramount/Skydance transaction, investing alongside the Ellisons. Cardinale and

his RedBird affiliates own the 22.5% of Harbor Lights not owned by the Ellisons. In December 2025, a RedBird-affiliated entity (and an affiliate of Cardinale) was engaged as a financial advisor in connection with the Merger and is entitled to receive an $80 million fee upon the Merger closing.

31. RedBird and its affiliates are also parties to a Subscription Agreement related to the Merger (the "RedBird Subscription Agreement"). Through the RedBird Subscription Agreement, RedBird agreed to subscribe for and purchase $250 million of newly issued Class B shares at a pre-set subscription price and Paramount gave it the right to syndicate those subscription rights. On April 5, 2026, RedBird disclosed, along with Lawrence Ellison, that it had exercised its syndication rights, including by allocating subscription rights to, *inter alia*, an investment vehicle of an Abu Dhabi sovereign wealth fund, an investment vehicle of the Qatar Investment Authority, and to The Public Investment Fund (Saudi Arabia's sovereign wealth fund). Cardinale voted in favor of the Merger. Cardinale was nominated to the Board as a director nominee of RedBird and has a single vote on the Board.

32. Defendant **John Thornton** has been on the Company's Board since August 2025. Thornton has been Chairman of RedBird since August 2023. In December 2025, a RedBird-affiliated entity (and an affiliate of Thornton) was engaged as a financial advisor in connection with the Merger and is entitled to receive an $80 million fee upon the Merger closing. Thornton, like Cardinale, is an

affiliate of the RedBird entities that entered into the RedBird Subscription Agreement and associated syndication agreements. In February 2026, wholly owned subsidiaries of the Company entered into an agreement with a RedBird affiliate company to license an animated children's series for $1 million for the first season. Thornton voted in favor of the Merger and has a single vote on the Board. Thornton was nominated to the Board as a director nominee of RedBird.

33. Defendants **Ellison**, **Marinelli**, **Catz**, **Brandon-Gordon**, **Cardinale**, and **Thornton** were not determined to be independent under the applicable Nasdaq rules.

Directors Whom Paramount Claims are Independent

34. Defendant **Barbara M. Byrne** ("Byrne") is a director on Paramount's Board, having served in that capacity since August 2025. Previously, Byrne served as a member of the boards of Paramount Global and its predecessor CBS Corporation. Paramount considers Byrne "independent" pursuant to applicable Nasdaq and SEC rules. Byrne voted in favor of the Merger. Byrne has a single vote on the Board.

35. Defendant **Andrew Campion** has served as a member of the Board since January 2026. Although nominated to the Board by the Ellisons, Paramount considers Campion "independent" pursuant to applicable Nasdaq and SEC rules. Campion voted in favor of the Merger. As an Ellison "Low-Vote Designee" under

Paramount's Certificate of Incorporation, Campion has a single vote on the Board.

36. Defendant **Justin Hamill** has served as a member of the Board since August 2025. Hamill is a Managing Director and the Chief Legal Officer at Silver Lake. Prior to joining Silver Lake, Hamill served as Global Chair of M&A at Latham & Watkins LLP (Paramount's counsel in connection with the Merger), where he advised public and private companies, investment funds, and financial institutions in negotiated and contested M&A transactions, leveraged buyouts, and similar transactions. Paramount considers Hamill "independent" pursuant to applicable Nasdaq and SEC rules. Hamill voted in favor of the Merger. Hamill has a single vote on the Board.

37. Defendant **Sherry Lansing** has been a member of the Board since August 2025. Ms. Lansing spent almost 30 years in the motion picture business. Lansing voted in favor of the Merger. Lansing has a single vote on the Board.

SUBSTANTIVE ALLEGATIONS

I. DEFENDANTS MADE ILLEGAL PROMISES AND PAYMENTS TO SECURE REGULATORY APPROVAL FOR SKYDANCE'S ACQUISITION OF PARAMOUNT

38. On July 7, 2024, the Ellisons' media company, Skydance, announced a deal to acquire Paramount Global, in a merger that ultimately created the present Paramount.

39. Paramount Global owned many media properties, including CBS and

CBS News.

40. On October 6, 2024, CBS News' *60 Minutes* program aired an interview with presidential candidate Kamala Harris.

41. On October 31, 2024, then-candidate Trump, in his personal capacity, filed a lawsuit against CBS and Paramount Global, alleging the Harris interview had been deceptively edited and seeking $10 billion in damages. Mr. Trump later doubled the demand to $20 billion.

42. CBS, as well as independent experts in First Amendment law called the lawsuit meritless.

43. President Trump was reelected on November 5, 2024 and was sworn in on January 20, 2025.

44. Although an FCC inquiry into President Trump's allegations against CBS had been dismissed on January 16, 2025, newly appointed FCC Chairman Brendan Carr reopened the matter on January 22, 2025.

45. In April 2025, President Trump—by then, as now, the sitting President, and thus the head of the executive branch—expressed his "hope" that the FCC, an executive-branch agency, would "impose the maximum fines and punishment" on CBS and *60 Minutes* for other coverage he deemed unfavorable.

46. Executives at Paramount were under the belief that settling President Trump's lawsuit was a prerequisite for the FCC to clear the merger with Skydance,

and began negotiating a high-stakes settlement with President Trump in hopes of clearing the path for regulatory approval.

47. While negotiations were ongoing and regulatory approval pending, David Ellison reportedly grew frustrated by the wait.

48. On or around April 12, 2025, David Ellison was photographed with President Trump sitting ringside at a UFC event.

49. Around the same time, David Ellison called Barbara Byrne, then a Paramount director, expressing his frustration that the lawsuit had not settled because he was eager for the merger to close.

50. On July 2, 2025, Paramount Global announced that it would settle President Trump's lawsuit for $16 million, to be paid to a foundation, purportedly for President Trump's future presidential library.

51. The settlement was reached even though, according to reporting published just weeks earlier, Paramount Global officials voiced their concerns that such a payment "could be legally construed as a bribe." They were so concerned about potential liability in a later stockholder suit that they reportedly retained outside counsel to advise about such risk, including about whether the cost of defending such claims would be protected by director and officer insurance.

52. The Trump library foundation—the recipient of the suspicious CBS settlement—subsequently dissolved, prompting congressional inquiries. At present,

the ultimate beneficiary of Paramount's settlement payment is unclear. President Trump has indicated he may open a presidential hotel rather than a library.

53. At least one federal judge has already raised serious concerns that the President is using litigation filed in his personal capacity to enter into collusive settlements. In *Trump v. IRS*, No. 26-cv-20609 (S.D. Fla.), Judge Williams found that "[t]his action was never about a party seeking judicial resolution of a legal issue or a factual dispute" and the "settlement agreement" reached by President Trump and the IRS was simply "an attempt to use the Court to provide some legitimacy to an agreement to confer immunity to people and entities affiliated with the President and to earmark billions of dollars from American taxpayers to redress grievances not defined in the law." Doc. 106 at 55.

54. The settlement of President Trump's meritless lawsuit against CBS and Paramount was similarly collusive and, on information and belief, designed to give legitimacy to Paramount's multi-million payment to Trump in exchange for swift regulatory approval.

55. Soon after the formal CBS settlement was reached, President Trump disclosed a side deal that he reportedly struck directly with Defendant David Ellison. President Trump claimed that under the side deal, Paramount would provide an additional \$15 to \$20 million worth of advertising to promote causes important to the President.

56. According to contemporaneous reporting, the side deal was structured with the additional money supplied by Ellison personally, specifically because Paramount board members feared they were otherwise going to be seen as engaging in an act of bribery.

57. David Ellison evaded an opportunity to publicly repudiate the claim that such a side deal was struck and Paramount representatives have since issued carefully worded semi-denials.

58. For his part, President Trump reiterated the claim that a side deal was struck in remarks he gave on April 29, 2026, stating the value of the settlement was at or around $36 million—well above the $16 million Paramount officially agreed to pay. In valuing the settlement at or around $36 million, President Trump apparently added the value of the side deal to the $16 million settlement paid to the library foundation, thereby making clear that he views both as part of the same deal.

59. On May 19, 2025, United States Senators Elizabeth Warren, Bernard Sanders, and Ron Wyden warned Paramount that the company's attempt to settle the "meritless" lawsuit on terms favorable to President Trump could be construed as bribery. California lawmakers also said they intended to investigate the legitimacy of the settlement arrangement.

60. On July 14, 2025, CBS late-night host Stephen Colbert characterized Paramount's settlement with President Trump as "a big fat bribe." Three days later,

Paramount Global announced that it would not be renewing Colbert's contract.

61. That same week, David Ellison met with FCC Chairman Carr to discuss Skydance's plans to reshape news coverage at CBS and its local stations. In letters following that meeting, Skydance informed the FCC that if the merger were approved, it would install an ombudsman at Paramount to evaluate complaints of "bias" and would eliminate all diversity, equity and inclusion practices. Contemporaneous reporting indicated that Carr planned to monitor Paramount to verify compliance with the deal, and that any compliance failures would be considered evidence of false statements made to the FCC.

62. The FCC approved the Paramount/Skydance merger on July 24, 2025—just one week after Ellison's meeting with Chairman Carr and just two days after President Trump announced that he had received his settlement payment from Paramount.

63. The Paramount/Skydance merger closed on August 7, 2025 for $8 billion.

64. As promised, after the Ellisons took over Paramount, they wielded the company to benefit President Trump and cater to his preferences about media, including news, sports, and film. Their changes fulfilled commitments they had made to President Trump and Carr to alter Paramount's editorial content, including its CBS News subsidiary, to appease the President and be less critical of him and his

politics. While these changes won them the favor of the Trump administration, they harmed CBS's ratings.

65. Since the Paramount/Skydance merger closed, Paramount has appointed a conservative donor, right-wing think tank executive, and former Trump ambassadorial nominee—who had no prior experience overseeing news coverage—to the promised CBS ombudsman role.

66. Further, although Colbert's show was the highest-rated late-night talk show for nine consecutive seasons, after Colbert's criticism of the "bribe," Paramount moved ahead with its cancellation of his show.

67. Paramount has also acquired the Free Press—a Substack blog—for $150 million; appointed its founder, blogger Bari Weiss, to be CBS News' editor-in-chief; and authorized her to transform the network's programming.

68. The changes at CBS have been dramatic, as the network has covered President Trump and his administration far more favorably than before. For instance, Weiss, CBS News' editor-in-chief, has spiked or logjammed coverage unfavorable to Trump. She allegedly delayed for nearly a month a *60 Minutes* segment about the treatment of detainees at El Salvador's CECOT prison and. And she reportedly pressured CBS News' flagship *60 Minutes* news broadcast to change its coverage of shootings by immigration officers to better fit President Trump's narratives.

69. The Ellisons took other steps to use their new network to benefit the President who had approved their acquisition.

70. On December 23, 2025, CBS broadcasted the "TRUMP KENNEDY CENTER HONORS," hosted by President Trump, an event that also streamed on Paramount+.[6] It is unclear whether this broadcast and others like it were part of the $20 million commitment by the Ellisons that President Trump announced.

71. In April 2026, the Ellisons hosted a private dinner, which included CBS News executives and reporters, for the President at the U.S. Institute for Peace (a government agency). Invitations listed David Ellison as the host and said that the evening was for "honoring the Trump White House." David Ellison and CBS hosted the dinner—characterized as a tribute to the First Amendment—even though President Trump continually insulted journalists at CBS and elsewhere and, just weeks earlier, President Trump had announced an alleged criminal investigation into CNN's routine reporting on the war in Iran.

72. On June 14, 2026—President Trump's birthday—Paramount+ exclusively broadcast an "Ultimate Fighting Championship," styled *UFC Freedom 250*, on the South Lawn of the White House, an event the President attended.

73. President Trump has celebrated all the things the Ellisons have done for

[6] *@realDonaldTrump*, Truth Social (Dec. 23, 2025), https://truthsocial.com/@realDonaldTrump/115769455906748881.

him. For instance, in October 2025, aboard Air Force One, President Trump told reporters that "I'll tell you what, Larry Ellison is great, and his son, David, is great." He added, "They're friends of mine. They're big supporters of mine. And they'll do the right thing. They're going to make CBS, hopefully they'll—" before catching himself. He closed more circumspectly, "And it's got great potential. CBS has great potential."[7]

74. After Paramount acquired CBS, President Trump showed his support in other ways. On February 27, 2026, the President posted the headline from a Huffington Post article on Truth Social entitled "CBS's Tony Dokoupil Raves About Trump's 'Extraordinary' State of the Union."[8] The referenced Huffington Post article itself noted that "Dokoupil's praise of Trump follows a CBS News staff overhaul and rightward shift under Bari Weiss . . . ."[9]

75. The Ellisons may have ingratiated themselves with the President, but their actions were disastrous business decisions. CBS News has had its lowest

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[7] Julia Manchester, *Trump Praises Ellison, CBS Changes After Skydance Takeover*, The Hill, https://thehill.com/homenews/media/5552716-trump-cbs-news-paramount-ellison/ [https://archive.is/m2QBl].

[8] *@realDonaldTrump*, Truth Social (Feb. 27, 2026), https://truthsocial.com/@realDonaldTrump/116143336722246796.

[9] Pocharapon Neammanee, *CBS's Tony Dokoupil Raves About Trump's 'Extraordinary' State Of The Union*, Huffington Post, https://www.huffpost.com/entry/cbs-tony-dokoupil-trump-state-of-the-union-extraordinary_n_699f20f9e4b01b76c0e313ad.

ratings in a quarter-century, while CBS Mornings had the lowest June ratings in its history.

76. Paramount's decision to transform CBS's coverage with such haste has also triggered a talent exodus from the network.

a. Bill Owens, longtime *60 Minutes* executive producer, left before the merger had even concluded, explaining that he had been encouraged to tamp down negative coverage of President Trump.

b. Forty-six-year veteran CBS News producer Mary Walsh announced her resignation five months into Bari Weiss's tenure, saying that she and her colleagues had been told to aim their reporting at a particular part of the political spectrum.

c. Anderson Cooper, *60 Minutes*' most recognizable correspondent, announced that he was leaving to spend more time with family—yet, notably, is (for now) continuing his work for CNN.

d. CBS Evening News producer Alicia Hastey accepted a buyout, and complained in a farewell message to colleagues that stories were being evaluated not on journalistic merit but instead on whether they conform to a shifting set of ideological expectations.

77. The reputational harm of such dramatic and obvious efforts to please the President will cause CBS reputational and financial harm for years, if not indefinitely.

78. In summary, the Ellisons secured regulatory approval to buy Paramount and CBS after Paramount paid $16 million to settle the CBS lawsuit and David Ellison made a side deal to provide $15 to $20 million in free advertising to the President. Then, after receiving regulatory approval, the Ellisons proceeded to remake CBS in the President's image, bought properties he enjoyed, and even hosted events to honor him. This helped the Ellisons, but it appears to have hurt Paramount and its media outlets. But, whatever the outcome, it was all a lead-up to the Ellisons' next target: Warner Bros. and CNN, the latter of which the President had long targeted.

II. THE PRESIDENT HAS LONG TARGETED WARNER BROS.' FLAGSHIP NEWS NETWORK, CNN

79. President Trump has long attacked CNN and has repeatedly called for the network to be sold or "turned off."[10]

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[10] Mark Joyella, *Calling CNN, MSNBC 'Dishonest,' Trump Says Networks Will Be 'Turned Off'*, Forbes (Mar. 21, 2025), https://www.forbes.com/sites/markjoyella/2025/03/21/calling-cnn-msnbc-dishonest-trump-says-networks-will-be-turned-off/ [https://archive.is/22p5c]; *see also* Freedom of the Press Foundation, *Trump Anti-Press Social Media Tracker*, https://taps.pressfreedomtracker.us/.

80. For instance, on Twitter, he has referenced the network approximately 888 times, often calling for its destruction.· As examples:

a. "CANCEL CNN & MSDNC (MSNBC). FAKE NEWS SHOULD NOT BE ALLOWED TO "STINK UP" OUR AIRWAVES! DIRECTV, WHICH IS DOING REALLY BADLY, & AT&T, WHICH IS DOING EVEN WORSE, SHOULD BE ASHAMED OF THEMSELVES FOR DROPPING NEWSMAX AND OAN. WE SHOULD DROP THEM!!!"[11]

b. "I think that AT&T, which is heavily over $leveraged, and it's DIRECTV, should CANCEL CNN & MSDNC (MSNBC) in that their Ratings are so pathetically bad that it must be an embarrassment to be associated with them. PUT NEWSMAX & OAN BACK ON — THE REPUBLICAN PARTY DEMANDS IT!!!"[12]

c. "CNN'S slogan is CNN, THE MOST TRUSTED NAME IN NEWS. Everyone knows this is not true, that this could, in fact, be a fraud on the American Public. There are many

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[11] @realDonaldTrump, Twitter (Jan. 26, 2023 5:16:34 PM EST).

[12] @realDonaldTrump, Twitter (Jan. 26 2023 4:55:48 PM EST).

outlets that are far more trusted than Fake News CNN. Their slogan should be CNN, THE LEAST TRUSTED NAME IN NEWS!"[13]

d. "@CNN is unwatchable. Their news on me is fiction. They are a disgrace to the broadcasting industry and an arm of the Clinton campaign."[14]

81. President Trump has particularly focused his attacks on several anchors he dislikes, such as Erin Burnett and Jake Tapper. As examples:

a. "Ratings challenged Erin Burnett, the Fake News CNN Host(ess?) who is constantly and very boringly reporting false and semi-inflammatory stories about your favorite President, used to call me, over and over again, in my prior, beautiful, and very simple life, to get herself on The Apprentice, "a ratings phenomenon" (Variety). She would do ANYTHING! I let her on the show a number of times, but her calls didn't stop, and I finally told her, "Sorry, no more." The fact is she was not smart, and very boring, much like she is today on her

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[13] @realDonaldTrump, Twitter (Dec. 9 2017 8:21:24 AM EST).

[14] @realDonaldTrump, Twitter (Sept. 9 2016 10:37:53 AM EST).

> soon to be canceled (???) show - put it to sleep! Anyway, just sayin'."[15]

82. "Fake Tapper of CNN is so biased and pathetic. No wonder CNN's ratings are at an all time low! P.S. Almost all Trump Endorsed candidates have won, or are winning!"[16]

83. On October 3, 2022, Mr. Trump filed a federal lawsuit against CNN captioned *Trump v. Cable News Network, Inc.*, Case No. 22-cv-61842-AHS (S.D. Fla.), seeking $475 million in damages against the news outlet for alleged defamation in conjunction with CNN's coverage of him in the years 2019 through 2022, primarily around its use of the phrase the "Big Lie" in connection with Mr. Trump and his allegations about the 2020 election results (the "Big Lie Litigation"). *See* Doc. 1.

84. In the Big Lie Litigation, Mr. Trump lashed out at CNN, calling it "fake news," accusing it of undertaking "a smear campaign to malign the Plaintiff," alleging it engaged in "'results-oriented' reporting," and calling it the "stuff of tabloids cloaked as 'honored' news."[17]

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[15] @realDonald Trump, Truth Social (Oct. 7, 2023 1:40 AM EST).

[16] *@realDonald Trump*, Truth Social (July 21, 2022 at 11:56 PM EST).

[17] *Id.,* ¶¶ 1, 12, 13.

85. After President Trump returned to the White House, the government officially joined in on his attack on CNN.

86. The official whitehouse.gov website maintains a list of grievances against "media offenders," including CNN.[18] On this site, the White House repeatedly lumps CNN into an amorphous group labeled as "Fake News" outlets and has claimed, among other things, that:

a. "CNN has a history of fearmongering," promotes an "anti-law enforcement narrative," and "maintain[s] an antagonistic approach to law & order"; [19]

b. "CNN . . . cannot be trusted as [a] reliable news source[]";[20]

c. "CNN . . . has shilled for the terrorist Iranian regime;"[21] and

d. "CNN pushed fraudulent Iranian regime talking points, demonstrating . . . anti-American sentiment and Trump Derangement Syndrome."[22]

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[18] https://web.archive.org/web/20251129211306/https://www.whitehouse.gov/media-bias-publication/cnn/.

[19] https://web.archive.org/web/20251218055838/https://www.whitehouse.gov/media-bias-publication/cnn/.

[20] *Id*.

[21] https://web.archive.org/web/20260529040633/https://www.whitehouse.gov/media-bias-publication/cnn/

[22] *Id*.

87. At various times, in describing alleged "offenses" by CNN, the official whitehouse.gov website has used mocking and disparaging language to refer to specific CNN personnel and/or guests. Examples include:

a. Referring to Jake Tapper as "Fake Tapper" and claiming he has "run cover for criminals";

b. Using quotation marks when describing Natasha Bertrand as a "'journalist'" and calling her a "[f]ake news journalist"; and

c. Describing Dr. Jeremy Faust, a board-certified emergency physician and Assistant Professor at Harvard Medical School, as "Fake News Faust," claiming he "has Trump Derangement Syndrome," is "incapable of assessing presidential fitness," and suggesting, apparently based on a $1,000 donation to President Biden in 2020, that Dr. Faust is a "poorly disguised Democrat operative[]."[23]

88. The President also continues to disparage CNN and its personnel on his Truth Social platform. For example, on December 6, 2025, he wrote that "Caitlin Collin's [sic] of Fake News CNN, always Stupid and Nasty" asked him questions about the presidential ballroom. President Trump (@realDonaldTrump) then wrote

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[23] https://web.archive.org/web/20260608081621/https://www.whitehouse.gov/media-bias-publication/cnn/.

that "FAKE NEWS CNN, and the guy who runs the whole corrupt operation that owns it, is one of the worst in the business."[24]

89. In the Ellisons' proposed acquisition of Warner Bros. Discovery, the parent company of CNN, President Trump appears to have found a way to get the retribution he had long sought against the news network.

III. THE ELLISONS WIN THE BIDDING WAR FOR WARNER BROS. BY PROMISING SWEEPING CHANGES AT CNN AND OTHER PERSONAL BENEFITS TO PRESIDENT TRUMP

90. Since at least September 2025, Paramount has been pursuing a second mega-merger, this time with CNN parent company Warner Bros. David and Lawrence Ellison have been the biggest advocates for the Merger.

91. In September, David Ellison pitched an opening bid of $19 per share to Warner Bros.' leadership, and soon thereafter followed up with $22 and $23.50 per share bids.

92. Warner Bros.' leadership declined those bids and instead set up what amounted to an auction. As a result, Paramount faced competing bids for WBD's assets, chief among them bids from Netflix for its studio and streaming properties.

93. At that point, a person close to President Trump told the Wall Street Journal that the President wanted Netflix and Paramount to compete for his approval of the merger.

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[24] https://trumpstruth.org/statuses/34159.

94. At about the same time, Lawrence Ellison was reportedly discussing Paramount's proposed acquisition of Warner Bros. with senior White House officials.

95. The elder Ellison reportedly raised with President Trump the possibility that if Paramount acquired Warner Bros., it would include CNN in the purchase and implement the same playbook used at CBS: transforming CNN's programming and firing anchors and commentators President Trump dislikes.

96. On November 20, 2025, Paramount submitted its preliminary bid to acquire all of WBD (including CNN) for $25.50 per share. Paramount's November 20, 2025 bid included a regulatory termination fee of $5 billion. Paramount's November 20, 2025 bid did not contain any written equity guarantee.

97. In December, after several rounds of back-and-forth bidding, it appeared Netflix had won the battle for Warner Bros. On December 5, Netflix announced that it would be acquiring WBD's studio and streaming assets under a deal valuing the company at just under $83 billion.

98. Netflix's bid notably did not include CNN.

99. Soon after the news broke that Warner Bros. had accepted Netflix's bid, Lawrence Ellison called President Trump to argue against the Netflix deal. President Trump allegedly told him, "Larry, it looks like Netflix is gonna get Warner Bros., but if you really, really want it, Larry, I'll make sure you get it."

100. David Ellison then offered assurances to Trump administration officials that if he bought Warner Bros., he'd make sweeping changes to CNN, including firing people President Trump does not like.

101. If the Ellisons are permitted to buy Warner Bros., President Trump thus stands to benefit from more favorable coverage at CNN.

102. And there is another way in which President Trump may stand to personally gain: direct financial support from CNN. As discussed above, President Trump has pursued a long-running lawsuit in his personal capacity against CNN over the "Big Lie." Although the federal district court dismissed the Big Lie Litigation with prejudice in 2023, through motions for reconsideration, appeals, and other procedural mechanisms, the President has quietly kept the Big Lie Litigation alive.[25] Should the Ellisons take over CNN, they would be in a position to provide financial benefits to President Trump through a collusive settlement agreement in that case, just as happened in connection with CBS.

103. Even if the "Big Lie" litigation concludes before the Ellisons can take

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[25] On March 17, 2026, the Eleventh Circuit denied Appellant Trump's Petition for Rehearing En Banc in the Big Lie Litigation. *Trump v. Cable News Network, Inc.*, Case No. 23-14044 (11th Cir.), Doc. 42. On March 26, 2026, a mandate issued from the Eleventh Circuit, starting the clock running for any petition for certiorari to the United States Supreme Court in Trump's Big Lie Litigation against CNN. *Id.*, Doc. 43. Trump has received one extension of time to file that petition, making the current deadline July 15, 2026. A second extension request, to push the deadline to August 14, 2026, is pending before the Supreme Court. *Donald J. Trump v. Cable News Network, Inc.*, No. 25A1357.

over Paramount, President Trump is laying the foundation for another collusive lawsuit that the Ellisons could settle. In particular, on April 7, 2026, President Trump started another fight with CNN, posting on Truth Social: "[t]he alleged Statement put out by CNN World News is a FRAUD, as CNN well knows . . . *Authorities are looking to determine whether or not a crime was committed on the issuance of the Fake CNN World Statement, or was it a sick rogue player?* CNN is being ordered to immediately withdraw this Statement with full apologies for their, as usual, terrible 'reporting.'"[26]

104. This investigation could provide another avenue for the Ellisons to do with CNN what they did with CBS: help to settle a flimsy lawsuit for the President's benefit. Notably, the Ellisons did not defend their acquisition target, CNN, against

[26] https://truthsocial.com/@realDonaldTrump/116366146721038653 (emphasis added). In a similar post later the same day, Trump wrote: "No one can believe that Fake News CNN put out a knowingly false and dangerous statement pretending it came from the upper levels of the Iranian Government. It didn't! It was totally made up and posted, as a headline, for purpose of, perhaps, inflaming a very delicate situation. It was a new, trouble making site from Nigeria, and CNN just got caught cheating - A very dangerous thing to do!" https://truthsocial.com/@realDonaldTrump/ 116367005523554168. The following day, he wrote that "Fake News CNN . . . reported a totally FAKE TEN POINT PLAN on the Iran negotiations which was meant to discredit the people involved in the peace process. All ten points were a made up HOAX – EVIL LOSERS!!!" https://truthsocial.com/@realDonaldTrump/ 116372497116210545. Similarly, on May 6, 2026, the President posted on Truth Social, upon news of the death of Ted Turner," that Turner ". . . founded CNN, sold it, and was personally devastated by the Deal because the new ownership took CNN . . . and destroyed it. It became woke, and everything that he is not all about. Maybe the new buyers, wonderful people, will be able to bring it back to its former credibility and glory." https://truthsocial.com/@realDonaldTrump/116528208383447126.

President Trump's baseless allegations, and there has been no indication that they inquired about the status or scope of any investigation, despite an unprecedented presidential announcement of a criminal investigation into a news outlet over the content of its reporting.

IV. THE TRUMP ADMINISTRATION HELPS ENSURE PARAMOUNT WINS THE AUCTION FOR WARNER BROS.

105. After the Ellisons promised to CNN's coverage more favorable to President Trump, the President began leveraging the powers of his office to favor the Ellisons' bid for Warner Bros. over Netflix's. In a statement without precedent in modern regulatory history, President Trump promised to be personally involved in the decision whether to grant antitrust approval to any Netflix deal.

106. Following the President's lead, several members of his administration spoke positively of Paramount's proposed acquisition. In March 2026, Secretary of Defense Pete Hegseth criticized CNN coverage of the Iran war, then remarked that the sooner David Ellison takes over that network, the better. FCC Chairman Carr said the same month that the acquisition was a good deal and that he thinks there is "some real consumer benefits that can emerge from it."

107. On December 8, 2025, Paramount increased its CNN-inclusive bid for WBD to $30 per share.

108. A few days later, President Trump told reporters it was "imperative" that CNN be sold as part of any deal, "because the people that are running CNN right

now are either corrupt or incompetent."[27] He continued: "I don't think the people that are running that company [Warner Bros.] right now and running CNN—which is a very dishonest group of people—I don't think that should be allowed to continue. I think CNN should be sold along with everything else."[28]

109. On December 22, 2025, Paramount amended its offer for WBD to include an irrevocable personal guarantee from Lawrence Ellison covering the equity financing for the deal and any damages payable by Paramount.

110. On February 10, 2026, Paramount added to its offer to purchase WBD a $0.25 per share "ticking fee" to be paid to Warner Bros. stockholders every quarter past December 31, 2026 that the Merger had not closed and also added a prepayment of the $2.8 billion termination fee payable by Warner Bros. to Netflix.

111. Later in February 2026, President Trump demanded that Netflix remove one of its board members, threatening that the company would "pay the consequences" if it did not comply.[29]

112. On February 24, 2026, Paramount raised its bid for WBD to $31 per

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[27] Daniel Lippman & Max Tani, *Trump Says He Hopes to See CNN Sold in Warner Bros. Merger*, Politico (Dec. 10, 2025), https://www.politico.com/news/2025/12/10/trump-cnn-warner-paramount-skydance-media-00685810 [https://archive.is/wLYb7].

[28] *Id.*

[29] Joel Mathis, *Why is Trump going after Netflix's Susan Rice?*, The Week (Feb. 26, 2026), https://theweek.com/business/trump-netflix-susan-rice-state-run-capitalism [https://archive.is/F8TNq].

share, accelerated the timing of the "ticking fee" to be payable if the transaction did not close by September 30, 2026, and increased—to $7.0 billion dollars—the regulatory termination fee PSKY would pay if the transaction did not close due to regulatory matters.

113. On February 26, 2026, Netflix CEO Ted Sarandos visited the White House, to meet with Attorney General Pam Bondi and Acting Assistant Attorney General for the Antitrust Division Omeed Assefi. Together, Bondi and Assefi led the Justice Department's review of the Netflix-Warner Bros. deal. Neither Sarandos nor the White House have confirmed what was discussed, but the same day, Netflix pulled out of the competition to acquire Warner Bros. Sarandos even approved the announcement withdrawing his company's bid while still at the White House.

114. One day later, on February 27, 2026, Paramount announced that it would be acquiring Warner Bros. for $31 per share in cash.

115. As part of that approximately $110 billion acquisition, Paramount agreed to pay the $2.8 billion breakup fee Warner owed to Netflix.

V. THE TRUMP ADMINISTRATION REMOVES REGULATORY BARRIERS TO PARAMOUNT ACQUIRING WARNER BROS.

116. After winning the bidding war, Paramount needed to win government approval of its proposed acquisition. Having proposed so many benefits to the President, the Ellisons were apparently confident that they would. So confident that Lawrence Ellison personally guaranteed the $7 billion regulatory termination fee (up

from $5.5 billion should the Merger fail to receive required regulatory approvals), as well as personally guaranteeing $40.4 billion in equity to backstop the bid.

117. According to WBD, the $7 billion regulatory termination fee is the "largest-ever cash regulatory termination fee agreed to by an acquirer of a U.S. public company."

118. Even a multi-billionaire like Lawrence Ellison is unlikely to have put $7 billion of his own money on the line as a personal guarantee of regulatory clearance without having had near-certainty that the most concerning regulatory hurdles had already been all-but-removed.

119. Ellison was right to be confident. After Paramount won the bidding war, Trump administration officials made clear that Paramount would face no significant regulatory barriers, and, to date that has been the case.

<u>The FCC's Review Has Been Surface-Level, At Most</u>

120. The FCC has done little to stop or slow Paramount's acquisition of Warner Bros., but made clear that Netflix's acquisition would have faced significant scrutiny.

121. On or around November 2025, FCC Chairman Carr said that "I'd be very surprised if there was an FCC role at all in that type of transaction," referring

to a Paramount acquisition of Warner Bros.[30]

122. In early March 2026, Chairman Carr—who has parroted President Trump's criticisms of CNN, despite his agency playing no role in regulating cable outlets—praised Paramount's proposed acquisition of Warner Bros. He made clear that while Netflix "would have a very difficult path" buying Warner Bros., Paramount's proposal was "cleaner," and that "If there's any FCC role at all, it'll be a pretty minimal role."

123. Chairman Carr's statement is remarkable given that the Netflix transaction, which from all reports included no foreign media ownership issues and no transfer of broadcast licenses, should not have triggered FCC review at all.

124. By contrast, under Paramount's deal—which would involve broadcast licenses for CBS's local stations—sovereign wealth funds from Saudi Arabia, Qatar, and Abu Dhabi would own major stakes in the new Paramount-Warner Bros. company.

125. By Paramount's own admission, approximately 49.5% of the new company would be owned by foreign investors. Under federal law, the FCC must approve any deal that would result in broadcast licenses like CBS's being 25% or

[30] Hugo Lowell, *Larry Ellison discussed axing CNN hosts with White House in takeover bid talks*, The Guardian (Nov. 20. 2025), https://www.theguardian.com/us-news/2025/nov/20/warner-bros-discovery-takeover-paramount-skydance-larry-ellison.

more controlled by foreign entities, and confirm that such a deal was in the national interest.

126. In other words, Paramount's proposal is vastly more complicated from a regulatory perspective than Netflix's.

127. On March 23, 2026, Senators Booker, Schiff, and Warren wrote to FCC Chairman Carr, expressing concerns regarding the foreign investment behind the Merger, with particular concern that the full scope of foreign ownership was not yet known.

128. On April 24, 2026, Paramount Global filed a petition for declaratory ruling with the FCC requesting that the FCC find that it would serve the public interest to allow Paramount to accept indirect foreign equity and voting interests in excess of the 25% benchmarks set forth in the Communications Act. Public notice was released on April 27, 2026 and comments to that request were due on May 27, 2026.

129. On May 5, 2026, FCC Commissioner Gomez called for a rigorous review of the foreign investment issues. Other comments were submitted in support of and against the petition.

130. On June 18, 2026, Senators Booker, Schiff, and Warren again wrote to Chairman Carr, expressing additional concerns based on the full scope of foreign ownership as disclosed by the petition. The Senators specifically asked that a full

Section 310(b)(4) review be conducted.

131. Most recently, Chairman Carr downplayed the relevance of the foreign ownership concern, saying "Foreign ownership is not necessarily a novel thing."[31] The FCC's final answer on the proposed transaction is expected shortly.

The Treasury Department Skipped Its Significant CFIUS Review

132. Again, Paramount is funding the purchase of Warner Bros. in significant part by a $24 billion investment from Saudi, Qatari, and Emirati investment funds, and has disclosed that the post-merger aggregate indirect foreign ownership of equity interest in Paramount will be approximately 49.5 percent.

133. Under Section 721 of the Defense Production Act, as amended by the Foreign Investment and National Security Act, the Committee on Foreign Investment in the United States ("CFIUS") has broad authority to review foreign investments in U.S. businesses to evaluate whether such investments could impair U.S. national security. In 2018, the Foreign Investment Risk Review Modernization Act expanded CFIUS's authority by authorizing CFIUS to review certain non-passive, non-controlling investments by foreign parties in U.S. businesses as well.

134. If CFIUS determines that a transaction could pose a risk to national

[31] Kelcee Griffis, *FCC Waiting on Interagency Review of Paramount-Warner Bros. Deal*, Bloomberg (June 25, 2026), https://www.bloomberg.com/news/articles/2026-06-25/fcc-waiting-on-interagency-review-of-paramount-warner-bros-deal.

security, CFIUS can recommend to the President to block or unwind the investment.

135. According to Paramount's SEC filings, the Warner Bros. deal was structured so that foreign investors hold no governance rights or board seats specifically to avoid triggering mandatory review by CFIUS under 50 U.S.C. § 4565.

136. But under the statute, mandatory CFIUS review is also triggered when a deal "structure is designed or intended to evade or circumvent the application" of the statute. 50 U.S.C. § 4565.

137. Despite the massive foreign equity stake in the deal, and Paramount's purposeful evasion of review, the Treasury Department has not conducted a CFIUS review.

138. Democratic lawmakers have raised alarm that the significant foreign interests in the deal necessitate review by CFIUS, repeatedly urging the Treasury Department to immediately open an investigation.[32]

139. Yet CFIUS has thus far refused to review the Merger.

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[32] Letter from Sen. Elizabeth Warren and Sen. Richard Blumenthal to Treasury Secretary Scott Bessent, December 4, 2025, https://www.warren.senate.gov/imo/media/doc/warren_blumenthal_letter_to_cfius_re_warner_brothers.pdf; Letter from Sen. Cory A. Booker and Sen. Elizabeth Warren to Secretary Scott Bessent (Apr. 15, 2026), https://www.booker.senate.gov/imo/media/doc/41526_letter_to_us_treasury_urging_cfius_review_of_paramount-warner_brosmergerupdatedsignaturelines.pdf; Letter from Democratic Congresspersons to Secretary Scott Bessent (June 3, 2026), https://www.warren.senate.gov/wp-content/uploads/media/doc/cfius_paramount_letter.pdf.

DOJ Antitrust Review Was Inappropriately Abbreviated

140. Further, senior officials at the Justice Department moved to close out the antitrust investigation into the Merger before the team of lawyers investigating the matter could issue a recommendation.

141. The team of career lawyers who had spent months scrutinizing the deal were leaning toward recommending a lawsuit challenging it on the grounds that the combination of the two movie studios would be anticompetitive and violate antitrust law.[33]

142. Staff investigators typically issue a final recommendation before the Justice Department closes an antitrust investigation, and Justice Department decision makers often follow staff recommendations on mergers.

143. Further, DOJ took a highly unusual step of issuing a multipage press release in support of the merger, which that office styled its "closing statement."[34]

144. DOJ antitrust staffers reportedly believe the statement was designed to make it harder for state attorneys general to challenge the deal in court.

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[33] Dave Michaels, Dana Mattiolo, Sadie Gurman, and Jessica Toonkel, *Justice Department Decision to Allow Paramount Deal Surprised Staff Investigators*, Wall Street Journal (June 15, 2026), https://www.wsj.com/business/media/justice-department-decision-to-allow-paramount-deal-surprised-staff-investigators-a18f70da [http://archive.today/EOp0M].

[34] Statement of the Department of Justice Antitrust Division on the Closing of Its Investigation of the Merger of Paramount Skydance and Warner Bros. (June 12, 2026), https://www.justice.gov/opa/pr/statement-department-justice-antitrust-division-closing-its-investigation-merger-paramount.

145. The process at DOJ raised alarm at state antitrust enforcement agencies. The Oregon Department of Justice prepared an additional Civil Investigatory Demand ("CID") requesting documents and posing interrogatories aimed at identifying Paramount's lobbying efforts—chiefly towards US DOJ and the White House—and seeking to determine whether Paramount had a role in composing or editing DOJ's closing statement.[35]

146. Paramount, however, refused to comply with the CID. The Oregon Department of Justice filed an *ex parte* motion for order to show cause, explaining that it issued the CID because: "The State would ordinarily afford great weight to a US DOJ approval based on the federal government's significant investigatory resources. If US DOJ's merger approval was not the product of its investigation, however, the State would tend to afford it little to no credit. Indeed, if an approval were the product of a corrupt bargain, that too would inform the State's interpretation of its own investigatory materials, which were received from Respondent, WBD, and US DOJ."[36]

147. On July 10, 2026, the Oregon Department of Justice withdrew its

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[35] Declaration of Ian Van Loh in Support of Movant's *Ex Parte* Motion for Order to Show Cause, ¶10 & Ex. B, https://www.doj.state.or.us/wp-content/uploads/2026/07/PSKY-DECLARATION-OF-I-VAN-LOH.pdf.

[36] https://www.doj.state.or.us/wp-content/uploads/2026/07/PSKY-MOTION-FOR-ORDER-TO-SHOW-CAUSE.pdf

motion and then, on July 13, 2026, joined the attorneys general of California, Arizona, Colorado, Connecticut, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, and Washington in filing an antitrust lawsuit against Paramount and Warner Bros., alleging that the Merger poses substantial competitive harms to theaters, theatergoers, filmmakers, workers, and distributors of basic cable television.

148. At the press conference on the lawsuit, California Attorney General Rob Bonta explained that the state attorneys general filed the lawsuit because the Trump administration has "worse than dropped the ball" on antitrust enforcement—"they are greenlighting deals that their own antitrust section knows and believes are unlawful, and they're overriding them in the White House with political decisions."

Even if this Administration Gives it a Pass, That's Not Enough

149. Congress and future presidential administrations are likely to subject such an ownership structure to intense and persistent scrutiny, creating significant long-term exposure for Paramount.

VI. TO PREVENT PARAMOUNT FIDUCIARIES FROM FURTHER PROFITING FROM THEIR ILLEGAL ACTS, THE COURT CAN AND SHOULD ENJOIN THE MERGER FROM CLOSING

150. On April 24, 2026, the day after WBD stockholders voted to approve the Merger, Paramount's Board approved cash bonuses and grants of restricted stock units to certain executives "in connection with our pending merger with Warner

Bros. Discovery." In accordance with that action, if the Merger closes, David Ellison will receive an additional $50 million in cash within 30 days following the closing. And, over time, he will receive an additional $100 million in Merger-related restricted stock units.

151. Also on April 24, 2026, Paramount's Board approved Merger-connected compensation to Defendant Brandon-Gordon in the amount of $15 million in cash, payable within 30 days following the closing, plus $23 million in restricted stock units that will vest over time.

152. If the Merger closes, Defendants Cardinale and Thornton will get some portion of the $80 million fee their affiliated RedBird entity is being paid in conjunction with the Merger.

153. If the Merger closes, David Ellison will become CEO of a parent company that owns/controls, *inter alia*, the following:

a. CBS Television Network; 28 CBS-owned-and-operated broadcast television stations (28 owned-and-operated);

b. CBS News (including 60 Minutes, CBS Sunday Morning, CBS Evening News; CBS Mornings; Face the Nation; and CBS News 24/7); CNN; CNN International; CNN en Español; HLN;

c. Paramount+; BET+; CBS Sports HQ; CBS News streaming;

CBS Sports HQ; CNN digital services; discovery+; ET Live; HBO Max; PlutoTV;

d. Adult Swim; Animal Planet; BET; BET Her; Cartoon Network; Cartoonito; CMT; Comedy Central; Discovery Channel; Discovery en Español; Discovery Familia; Discovery Life; HGTV; Magnolia Network; MTV; MTV2; Nickelodeon; Nick, Jr.; Nicktoons; OWN; Paramount Network; PopTV Science Channel; TBS; TCM; TeenNick; TLC; TNT; Travel Channel; truTV; TV Land;

e. HBO (in all of its variations); Cinemax (and its multiplex channels); Showtime; The Movie Channel; FLIX;

f. Bleacher Report; CBS Sports; CBS Sports Network; Eurosport; TNT Sports;

g. CBS Studios; DC Studios; Miramax; MTV Entertainment Studios; New Line Cinema; Nickelodeon Animation Studios; Paramount Animation; Paramount Home Entertainment; Paramount Pictures; Paramount Sports Entertainment; Paramount Television; Paramount Television Studios; Republic Pictures; Skydance Animation; Skydance Film; Skydance Interactive; Skydance Television; Warner Bros.

Animation; Warner Bros. Pictures; Warner Bros. Pictures Animation; Warner Bros. Television Group.

154. If the Merger closes, Lawrence J. Ellison and his related entities and RedBird and its affiliates (most notably Cardinale and Thornton) will receive enormous benefits associated with their sale of Class B shares under the Ellison Subscription Agreement and RedBird Subscription Agreement, including sales of an as-yet undetermined number of shares to sovereign wealth funds or other entities affiliated with Saudi Arabia, Qatar, and Abu Dhabi. Lawrence Ellison's Oracle also stands to benefit because Paramount and its new subsidiaries can broadcast content and platform narratives that bolsters demand for its products, including AI-driven surveillance infrastructure and military technology.

155. The Court should use its equitable power to stop Defendants from reaping personal benefits based on illegal activity.

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

156. Plaintiff incorporates by reference all preceding and subsequent paragraphs as though fully set forth herein.

157. Plaintiff brings this action derivatively in the right and for the benefit of Paramount to prevent Defendants, and particularly the Ellisons, from profiting from their breaches of the duty of loyalty to Paramount and its stockholders, from further breaching their fiduciary duties of loyalty to Paramount, and to prevent the

illegal and inequitable consequences of allowing the Merger to close as currently structured. Plaintiff also seeks damages for Merger-related loyalty breaches. Paramount is named as a nominal defendant solely in a derivative capacity.

158. Plaintiff will adequately and fairly represent the interests of Paramount and its stockholders in enforcing and prosecuting its rights.

159. Plaintiff is and has been an owner of Paramount since prior to the August 2025 Paramount/Skydance combination.

160. Plaintiff will continue to hold Paramount stock through the duration of this litigation.

161. This action is not being used by Plaintiff to gain any personal advantage.

162. Plaintiff has taken steps to file this action and has retained counsel experienced in derivative litigation and corporate governance actions.

163. Plaintiff did not make a demand on the Board to bring this action on behalf of Paramount because such a demand would have been a futile, wasteful, and useless act.

164. Under any test, there is substantial reason to doubt the Director Defendants would be able to exercise impartial business judgment regarding a demand to bring this litigation.

165. At the time this lawsuit was commenced, the Board consisted of the ten

Director Defendants, all of whom began their directorships prior to the wrongdoing alleged herein and all of whom voted in favor of the Merger this lawsuit seeks to enjoin. The Board cannot exercise objective judgment in deciding whether to bring or vigorously prosecute this action when the relief sought is to undo the Merger each of them already blessed.

166. More specifically, utilizing the Delaware Supreme Court's universal test for demand futility as articulated in *Zuckerberg*,[37] after asking the relevant "three questions" on a "director-by-director basis," the answer is "yes" for at least half of the members of the demand board and demand is excused as futile. This is true even without taking into account the practical effects of the super-voting provisions of Paramount's Certificate of Incorporation.

167. *At least* five of the ten Director Defendants (the demand board): (i) have or will receive a material personal benefit from the Merger (i.e., the transaction facilitated by the alleged misconduct that is the subject of the litigation demand); (ii) face a substantial likelihood of liability on the claims alleged herein; or (iii) lack independence from those who will receive a material personal benefit from the Merge or face a substantial likelihood of liability on the claims alleged herein.

a. **David Ellison** (along with non-director Lawrence Ellison)

[37] *United Food & Commer. Workers Union v. Zuckerburg*, 262 A.3d 1034, 1059 (Del. 2021).

stands to receive extraordinary material personal benefits from the Merger and faces a substantial likelihood of liability on the claims he breached his fiduciary duties of loyalty to the Company. Among many other Merger-related personal benefits, David Ellison is slated to receive a $50 million cash award and $100 million in restricted stock units contingent upon the Merger closing. He will lead an unprecedented media empire controlled almost entirely by himself and his father. The lawsuit seeks to prevent the Ellisons from profiting from their participation in an illegal bribery scheme. Violations of the law can never be the exercise of valid business judgment nor can they be in furtherance of a director's duty of loyalty.

b. **Marinelli**, a trusted advisor to Lawrence Ellison for more than two decades, an employee of Lawrence Investments, LLC, the man trusted to manage the Ellison family fortune, a co-signatory/co-Trustee for the Lawrence J. Ellison Trust, the man who acts essentially, if not actually, as Larry Ellison's proxy on the Board, and the only Ellison Designee on the Board other than Lawrence Ellison's own son to be entrusted with that designation's attendant super-voting rights, Marinelli lacks independence from the Ellisons, particularly Lawrence Ellison.

c. **Catz** joined Lawrence Ellison's Oracle in 1999 and rose through the ranks to become one of Lawrence Ellison's most trusted executives. Many in the industry consider Oracle to have been jointly led by Catz and Ellison from the time Ellison stepped down and handed the Oracle CEO reins to Catz in 2014 until she stepped down from that position in 2025. Catz owes much of her professional prominence to Larry Ellison, whom Catz has described as an "absolute true visionary." Lawrence Ellison and David Ellison nominated Catz to the Paramount Board. Catz lacks independence from the Ellisons, particularly from Lawrence Ellison.

d. **Brandon-Gordon** is Paramount's Chief Strategy Officer and Chief Operating Officer. For the five months between the Closing Date and year-end 2025, Brandon-Gordon earned over $1 million in salary from Paramount (a base annual salary of $2,800,000), and an annual incentive amount of over $450,000. Brandon-Gordon is slated to receive a $15 million cash award and, over time, $23 million in restricted stock units, contingent on the Merger closing. Brandon-Gordon also currently serves on the board of directors of Ellison-controlled Harbor Lights. Prior to becoming Chief Strategy Officer and Chief Operating Officer of Paramount, Brandon-Gordon served as a Partner of RedBird, the only other holder of Class A voting stock in the Company. Brandon-Gordon was also nominated as a director by Lawrence Ellison and David Ellison. Given the totality of the facts set forth here and above, Brandon-Gordon both stands to receive a material personal benefit from the Merger and lacks independence from the Ellisons, particularly David Ellison.

e. **Cardinale** is the founder of RedBird and has served as RedBird's Managing Partner and Chief Investment Officer since 2014. RedBird has walked hand-in-hand with Lawrence and David Ellison for at least the last decade and a half. RedBird and Cardinale-related entities also stand to receive non-ratable benefits through the RedBird Subscription Agreement and the issuance of additional post-closing Class B shares in the Company.

f. Defendant **John Thornton** has been on the Company's Board since August 2025. Thornton has been Chairman of RedBird since August 2023. Like Cardinale, Thornton is affiliated with entities that stand to receive an $80 million transaction fee upon the Merger closing. RedBird and Thornton-related entities also stand to receive substantial non-ratable benefits through the RedBird Subscription Agreement and the issuance of $250 million of new Class B shares in the Company following the closing. RedBird has walked hand-in-hand with Lawrence and David Ellison for at least the last decade and a half.

168. Although the connections and conflicts run long and deep, much of the above information is unnecessary to a demand futility analysis. Unlike the typical situation where one seat on the board equals one vote, resulting in the "headcount" analysis laid out in *Zuckerberg*, Paramount's Certificate of Incorporation contains the "super-voting" provision that gives each of David Ellison and Marinelli eleven votes (for a total of twenty-two), while the remaining eight directors each receive a single vote on matters submitted to the full Board. Consequently, the question here is whether the answer to any of the relevant questions is "yes" for Director Defendants entitled to a combined fifteen votes or more. Because the answer to at

least some of the relevant questions is “yes” for both David Ellison and Marinelli, whose combined votes total twenty-two of the thirty possible votes from the Board, the demand futility analysis could end there; demand would be futile and is excused.

COUNT I
Breach of a Director’s Fiduciary Duty of Loyalty
(Against David Ellison)

169. Plaintiff repeats and realleges the foregoing as if fully set forth herein.

170. Directors of a corporation owe a duty of loyalty to the corporation.

171. David Ellison is a director of Paramount and owes Paramount a duty of loyalty.

172. Causing the corporation to engage in an illegal act—regardless of whether the corporation might profit thereby—is a breach of the duty of loyalty (see *Massey*).

173. David Ellison is causing the corporation to engage in illegal acts in violation of various federal statutes.

174. As outlined above, these illegal acts include David Ellison’s promise to make sweeping changes at CNN, including firing anchors the President dislikes and ensuring editorial content is more favorable to the President, in exchange for the Trump administration’s approval of the Merger. Promising and delivering private benefits in exchange for public actions violates the law. *See* 18 U.S.C. § 201 (prohibiting bribery of public officials); 18 U.S.C. § 208 (prohibiting public officials

from engaging in acts affecting their personal financial interests); and 18 U.S.C. § 2 (punishing aiders and abettors as principals).

175. Violations of the law can never be the exercise of valid business judgment nor can they be in furtherance of a director's duty of loyalty.

176. Defendants stand to profit from their breaches of the duty of loyalty if the Merger is allowed to close.

177. Defendants should be prohibited from benefitting financially from their breaches of the duty of loyalty.

178. All amounts of Company money illegally expended should be returned to the Company as damages, along with any amounts by which Defendants have been unjustly enriched, and the Company should be compensated for any other consequences to it or its stockholders from Defendants' illegal acts.

179. The Merger should be enjoined.

180. Plaintiff has no adequate remedy at law.

COUNT II
Breach of Controlling Stockholder's Fiduciary Duty of Loyalty
(Against Lawrence Ellison and David Ellison)

181. Plaintiff repeats and realleges the foregoing as if fully set forth herein.

182. Controlling stockholders of a corporation owe a duty of loyalty to the corporation.

183. Defendants Lawrence and David Ellison together are controlling

stockholders of Paramount, as David Ellison himself attested to in Paramount's SEC filings. Lawrence and David Ellison thereby owe Paramount a duty of loyalty.

184. Knowingly causing the corporation to engage in illegal acts—regardless of whether the corporation might profit thereby—is a breach of the duty of loyalty (see *Massey*).

185. David and Lawrence Ellison are causing the corporation to engage in illegal acts in violation of various federal statutes.

186. As outlined above, these illegal acts include the Ellisons' promise to make sweeping changes at CNN, including firing anchors the President dislikes and ensuring editorial content is more favorable to the President, in exchange for the Trump administration's approval of the Merger. Promising and delivering private benefits in exchange for public actions violates the law. *See* 18 U.S.C. § 201 (prohibiting bribery of public officials); 18 U.S.C. § 208 (prohibiting public officials from engaging in acts affecting their personal financial interests); and 18 U.S.C. § 2 (punishing aiders and abettors as principals).

187. Violations of the law can never be the exercise of valid business judgment nor can they be in furtherance of a controlling stockholder's duty of loyalty.

188. Defendants should be prohibited from benefitting financially from their breaches of the duty of loyalty.

189. All amounts of Company money illegally expended should be returned to the Company as damages, along with any amounts by which Defendants have been unjustly enriched, and the Company should be compensated for any other consequences to it or its stockholders from Defendants' illegal acts.

190. The Merger should be enjoined.

191. Plaintiff has no adequate remedy at law.

COUNT III
Declaratory Relief
(Against All Defendants)

192. Plaintiff repeats and realleges the foregoing as if fully set forth herein.

193. The conduct in which the Ellisons are engaged is *ultra vires*; the corporation simply does not have the power to engage in illegal acts.

194. Both Paramount's Certificate of Incorporation and the enabling provisions of the DGCL restrict Paramount to engaging in "lawful" activity.

195. The court should not countenance or reward materially illegal activity when brought to its attention and should enjoin the Merger.

196. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment on behalf of Paramount against all Defendants as follows:

A. Declaring that this Action is a proper derivative action;

B. Declaring that demand would be futile and is excused;

C. Enjoining Defendants from profiting financially from their breaches of their duty of loyalty.

D. Awarding damages to Paramount for any and all damages caused by Defendants' breaches to date.

E. Enjoining the Merger;

F. Awarding Plaintiff his costs and disbursements and reasonable allowances for fees of Plaintiff's counsel and experts and reimbursement of expenses; and

G. Granting such other and further relief as this Court may deem just and proper.

Dated: July 14, 2026

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