

1 ROB BONTA
Attorney General of California
2 PAULA L. BLIZZARD (SBN 207920)
Senior Assistant Attorney General
3 NATALIE S. MANZO (SBN 155655)
BRENT K. NAKAMURA (SBN 283572)
4 Supervising Deputy Attorneys General
WINSTON H. CHEN (SBN 166959)
5 MATTHEW E. DELGADO (SBN 306999)
NICOLE S. GORDON (SBN 224138)
6 JENNIFER K. HANE (SBN 275729)
ASHLEY KAPLAN (SBN 293443)
7 CASEY KOVARIK (SBN 348032)
ANDREW MCCREARY (SBN 338704)
8 DIVYA B. RAO (SBN 292853)
Deputy Attorneys General
9 300 South Spring Street, Suite 1702
Los Angeles, CA 90013-1230
10 Telephone: (213) 269-6000
Fax: (916) 731-3637
11 E-mail: Ashley.Kaplan@doj.ca.gov

12 *Attorneys for Plaintiff State of California*

13
14 **UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

15
16 STATE OF CALIFORNIA, *et al.*,

17 *Plaintiffs,*

18 v.

19 PARAMOUNT SKYDANCE CORP., and
20 WARNER BROS. DISCOVERY, INC.,

21 *Defendants.*

Case No.: 4:26-cv-07116-AMO

**JOINT MOTION TO ENTER
CONSENT DECREE AND DISSOLVE
STIPULATION AND ORDER NOT TO
CLOSE**

Judge: Honorable Araceli Martínez-Olguín

Magistrate Judge: Honorable Thomas S.
Hixson

1 Plaintiffs the State of California, the State of Arizona, the State of Colorado, the State of
 2 Connecticut, the Commonwealth of Massachusetts, the State of Minnesota, the State of Nevada,
 3 the State of New Jersey, the State of New Mexico, the State of New York, the State of Oregon, and
 4 the State of Washington, by and through their respective Attorneys General (“Plaintiff States”),
 5 together with Defendant Paramount Skydance Corp. (“Paramount”) and Defendant Warner Bros.
 6 Discovery, Inc. (“Warner Bros.”) (collectively, “the Parties”), have agreed to resolve the claims
 7 alleged by Plaintiff States in this matter by entering into the Proposed Consent Decree.

8 The Parties therefore request that the Court enter the Proposed Consent Decree and, upon
 9 entry of the Proposed Consent Decree, dissolve the Stipulation and Order Not to Close (ECF No.
 10 170) (“No-Close Order”). The Parties further request that the Court vacate the hearing on the
 11 Motion to Modify the Stipulation and Order to Not Close to Require Bond currently set for
 12 September 24, 2026.

13 I. Background

14 On July 13, 2026, Plaintiff States filed a complaint in this action against Paramount and
 15 Warner Bros., alleging that the proposed acquisition of Warner Bros. by Paramount would violate
 16 Section 7 of the Clayton Act, 15 U.S.C. § 18. Plaintiff States alleged that the proposed transaction
 17 would substantially harm competition in alleged relevant markets for distribution of wide-release
 18 theatrical films in the United States, distribution of anticipated top-grossing theatrical films in the
 19 United States, and licensing of basic cable channels to distributors in the United States. Defendants
 20 Paramount and Warner Bros. disputed Plaintiff States’ claims and asserted that the proposed
 21 transaction was lawful. The Parties hereby agree to this Court’s entry of the Proposed Consent
 22 Decree as a complete resolution of Plaintiff States’ claims against Paramount and Warner Bros.¹

23 II. Legal Standard

24 Approval of a proposed consent decree is within the discretion of the Court. *United States*
 25 *v. Oregon*, 913 F.2d 576, 580–81 (9th Cir. 1990). A court should enter a consent judgment if it
 26

27 ¹ It is understood and agreed by the Parties that the Proposed Consent Decree is a compromise of
 28 disputed claims, and it shall not be construed, interpreted, or used as an admission of liability, fault,
 wrongdoing, or violation of any law by any Party.

determines that it is “fair, reasonable and equitable and does not violate the law or public policy.” *Sierra Club, Inc. v. Elec. Controls Design, Inc.*, 909 F.2d 1350, 1355 (9th Cir. 1990); *see also Oregon*, 913 F.2d at 580–81. Courts consider both the procedural and substantive fairness of a proposed consent judgment. *United States v. Chevron U.S.A., Inc.*, 380 F. Supp. 2d 1104, 1111 (N.D. Cal. 2005). If the consent judgment “comes within the general scope of the case made by the pleadings, furthers the objectives upon which the law is based, and does not violate the statute upon which the complaint was based, the Parties’ agreement may be entered by the court.” *Sierra Club*, 909 F.2d at 1355 (citation omitted).

III. Analysis

The process leading to the Proposed Consent Decree was procedurally fair. The Parties are represented by experienced counsel and have litigated this matter for two months, including through entry of a contested temporary restraining order, a consent order not to close, and the beginning of discovery. The Proposed Consent Decree is an integrated resolution to the violations alleged in Plaintiff States’ Complaint and secures a release of Plaintiff States’ claims. The relief provided is substantial, goes to the alleged antitrust harms of reduced output and increased prices, and directly addresses the violations alleged by Plaintiff States.

The Proposed Consent Decree includes significant relief in each of the three relevant markets alleged in the Complaint:

- Among other things, the Proposed Consent Decree requires theatrical film distribution commitments including: (a) minimum numbers of annual film releases in both the Wide-Release and Anticipated Top-Grossing (“tentpole”) categories, among others; (b) a commitment to spend at least \$300 million more annually on film production in the United States than was spent in 2025; (c) commitments regarding pricing to theaters; and (d) remedies—including divestiture—for breach.
- The Proposed Consent Decree also requires basic cable commitments including, among others: (a) separate negotiations for the distribution of basic cable channels owned by Paramount and Warner Bros. for five years; (b) restrictions on changes to affiliate fee negotiations and agreements with distributors; (c) a restriction on the use of confidential

1 information of one Defendant in the negotiations of affiliate fees for the other
2 Defendant; and (d) remedies—including divestiture—for breach.

3 The Proposed Consent Decree includes additional relief for continuing investments in the
4 entertainment industry, including maintaining the production lots of both Defendants, honoring
5 collective bargaining agreements, and committing funds for workforce training. And the Proposed
6 Consent Decree also requires formation of a News Editorial Independence Board to establish
7 guiding editorial and journalism principles for the combined entity's news channels.

8 The Proposed Consent Decree requires both an internal Compliance Monitor and an
9 independent Monitoring Trustee to ensure the merged company's compliance with its terms. A
10 State Committee of five states will also oversee enforcement and monitor compliance. The
11 Proposed Consent Decree requests that this Court retain jurisdiction and anticipates that, to the
12 extent required, all enforcement matters will be brought to this Court.

13 The Proposed Consent Decree also provides for consideration to Paramount and Warner
14 Bros. including, among other things, a release of claims, as described in greater detail in the
15 Proposed Consent Decree attached hereto. For all these reasons, the Proposed Consent Decree is
16 substantively fair and reasonable.

17 **IV. Dissolving Stipulation and Order Not to Close**

18 In light of the Parties' agreement to resolve the claims of Plaintiff States and request to enter
19 the Consent Decree, the Parties request that, upon entry of the Consent Decree, the Court dissolve
20 the No-Close Order entered on July 24, 2026, ECF No. 170, such that Paramount and Warner Bros.
21 may close, consummate, and otherwise complete the Transaction as defined in that No-Close Order.
22 Federal Rule of Civil Procedure 54(b) provides that "any order or other decision, however
23 designated, ... may be revised at any time before the entry of a judgment adjudicating all the claims
24 and all the parties' rights and liabilities." Dissolving the No-Close Order is appropriate as the
25 Parties have agreed to resolve the claims of Plaintiff States.

26 As the Parties have agreed to resolve the claims of Plaintiff States, the Parties further request
27 that the Court vacate the hearing on Paramount's Motion to Modify the Stipulation and Order Not
28 to Close to Require Bond currently set for September 24, 2026.

V. Conclusion

For the foregoing reasons, the Parties jointly submit that there is no just reason to delay entry of the Proposed Consent Decree, and therefore respectfully request that the Court grant the motion and enter the Consent Decree as a final judgment under Rules 54 and 58 of the Federal Rules of Civil Procedure.

1 Dated: September 21, 2026

Respectfully submitted,

2 FOR PLAINTIFF STATE OF CALIFORNIA:

3 ROB BONTA
4 Attorney General of California

5 /s/ Ashley Kaplan

6 PAULA L. BLIZZARD (SBN 207920)
7 Senior Assistant Attorney General
8 NATALIE S. MANZO (SBN 155655)
9 BRENT K. NAKAMURA (SBN 283572)
10 Supervising Deputy Attorneys General
11 WINSTON H. CHEN (SBN 166959)
12 MATTHEW E. DELGADO (SBN 306999)
13 NICOLE S. GORDON (SBN 224138)
14 JENNIFER K. HANE (SBN 275729)
15 ASHLEY KAPLAN (SBN 293443)
16 CASEY KOVARIK (SBN 348032)
17 ANDREW MCCREARY (SBN 338704)
18 DIVYA B. RAO (SBN 292853)
19 Deputy Attorneys General
20 300 South Spring Street, Suite 1702
21 Los Angeles, CA 90013-1230
22 Telephone: (213) 269-6000
23 Fax: (916) 731-3637
24 Email: Ashley.Kaplan@doj.ca.gov

25 RICHARD PARKER (SBN 62356)
26 JAMES WEINGARTEN (*pro hac vice*)
27 ADAM DI VINCENZO (*pro hac vice*)
28 GRANT BERMANN (*pro hac vice*)
ANASTASIA PASTAN (*pro hac vice*)
ALEXIS BROWN-REILLY (*pro hac vice*)
JULIA M. MAY (*pro hac vice*)
NATALIE NOGUEIRA (*pro hac vice*)
ALLISON CHESKY (*pro hac vice*)
MILBANK LLP
1101 New York Ave. NW
Washington, DC 20005
Telephone: (202) 835-7525
Email: jweingarten@milbank.com

KELLY D. GARCIA (*pro hac vice*)
EMME TYLER (SBN 341797)
MILBANK LLP
55 Hudson Yards
New York, NY 10001
Telephone: (212) 530-5871
Email: kgarcia@milbank.com

Attorneys for Plaintiff State of California

FOR PLAINTIFF STATE OF ARIZONA:

KRISTIN K. MAYES
Attorney General of Arizona

/s/ Allison Weber

ROBERT A. BERNHEIM (*pro hac vice*)

Unit Chief Counsel

SARAH PELTON (*pro hac vice*)

ALLISON WEBER (*pro hac vice*)

Assistant Attorneys General

2005 N. Central Avenue

Phoenix, AZ 85004

Telephone: (602) 542-3725

Fax: (602) 542-4377

Email: robert.bernheim@azag.gov

sarah.pelton@azag.gov

allison.weber@azag.gov

Attorneys for Plaintiff State of Arizona

FOR PLAINTIFF STATE OF COLORADO:

PHILIP J. WEISER
Attorney General of Colorado

/s/ Bryn A. Williams

BRYN A. WILLIAMS (SBN 301699)

First Assistant Attorney General

AMY BOWLES (*pro hac vice*)

Assistant Attorney General

1300 Broadway, 10th Floor

Denver, CO 80203

Telephone: (720) 508-6000

Email: Bryn.Williams@coag.gov

Amy.Bowles@coag.gov

Attorneys for Plaintiff State of Colorado

FOR PLAINTIFF STATE OF
CONNECTICUT:

WILLIAM TONG
Attorney General of Connecticut

NICOLE DEMERS (*pro hac vice*)
Deputy Associate Attorney General

/s/ Julián A. Quiñones Reyes

JULIÁN A. QUIÑONES REYES (*pro hac vice*)
FRANKLIN KANIN (*pro hac vice*)
Assistant Attorneys General
Office of the Connecticut Attorney General
165 Capitol Avenue
Hartford, CT 06106
Telephone: (860) 808-5030
Email: Julian.Quinones@ct.gov
Franklin.Kanin@ct.gov

Attorneys for Plaintiff State of Connecticut

FOR PLAINTIFF COMMONWEALTH OF
MASSACHUSETTS:

ANDREA JOY CAMPBELL
Attorney General of Massachusetts

/s/ Anthony W. Mariano

ANTHONY W. MARIANO (*pro hac vice*)
Chief, Antitrust Division
WILLIAM L. TWOMEY (*pro hac vice*)
Assistant Attorney General, Antitrust
Division
Office of the Massachusetts Attorney
General
One Ashburton Place, 18th Floor
Boston, MA 02108
Telephone: (781) 835-7990
Email: Anthony.Mariano@mass.gov
William.Twomey@mass.gov

*Attorneys for Plaintiff Commonwealth of
Massachusetts*

FOR PLAINTIFF STATE OF MINNESOTA:

KEITH ELLISON
Attorney General of Minnesota

/s/ Jon M. Woodruff

JAMES W. CANADAY (SBN 368825)
Deputy Attorney General
ELIZABETH ODETTE (*pro hac vice*)
Antitrust Division Manager
Assistant Attorney General
JON M. WOODRUFF (*pro hac vice*)
Assistant Attorney General
445 Minnesota Street, Suite 600
Saint Paul, MN 55101-2130
Telephone: (651) 300-7425
Fax: (651) 296-9663
Email: Jon.Woodruff@ag.state.mn.us

Attorneys for Plaintiff State of Minnesota

FOR PLAINTIFF STATE OF NEVADA:

AARON D. FORD
Attorney General of Nevada

/s/ Samantha B. Feeley

SAMANTHA B. FEELEY (NV Bar No. 14034)
(*pro hac vice*)
Senior Deputy Attorney General
Office of the Nevada Attorney General
100 N. Carson St.
Carson City, Nevada 89701
Tel: (775) 684-1100
Email: sfeeley@ag.nv.gov

Attorney for Plaintiff State of Nevada

FOR PLAINTIFF STATE OF NEW JERSEY:

JENNIFER DAVENPORT
Attorney General of New Jersey

/s/ Ana Atta-Alla

ANA ATTA-ALLA (*pro hac vice*)
Deputy Attorney General
State of New Jersey
Office of the Attorney General
Division of Law
124 Halsey Street – 5th Floor
Newark, NJ 07102
Telephone: (973) 648-6835
Email: Ana.Atta-Alla@law.njoag.gov

Attorney for Plaintiff State of New Jersey

FOR PLAINTIFF STATE OF NEW
MEXICO:

RAÚL TORREZ
Attorney General of New Mexico

/s/ Amanda Butler

AMANDA BUTLER (*pro hac vice*)
Senior Counsel
KALISTA M. WILSON (*pro hac vice*)
Assistant Attorney General
408 Galisteo St.
Santa Fe, NM 87501
Telephone: (505) 490-4060
Fax: (505) 318-1050
Email: KWilson@nm DOJ.gov

Attorneys for Plaintiff State of New Mexico

FOR PLAINTIFF STATE OF NEW YORK:

LETITIA JAMES
Attorney General of New York

/s/ Elinor R. Hoffmann

ELINOR R. HOFFMANN (*pro hac vice*)
Chief, Antitrust Bureau
AMY MCFARLANE (*pro hac vice*)
Deputy Chief, Antitrust Bureau
PRATIK AGARWAL (*pro hac vice*)
MORGAN FEDER (*pro hac vice*)
C. WILLIAM MARGRAVE (*pro hac vice*)
Assistant Attorneys General
JAYA MANTOVANI (*pro hac vice*)
Attorney General Fellow
New York State Office of the Attorney
General
28 Liberty Street
New York, NY 10005
Telephone: (212) 416-8269
Email: Elinor.Hoffmann@ag.ny.gov

Attorneys for Plaintiff State of New York

FOR PLAINTIFF STATE OF OREGON:

DAN RAYFIELD
Attorney General of Oregon

/s/ Timothy D. Smith

TIMOTHY D. SMITH (*pro hac vice*)
Attorney-in-Charge
IAN VAN LOH (SBN 280254)
ALEX DELORENZO (*pro hac vice*)
MIKAELA BOCK (SBN 335089)
Assistant Attorneys General
Economic Justice Section
Oregon Department of Justice
100 SW Market St.
Portland, OR 97201
Telephone: (503) 798-3297
Telephone: (971) 239-7457
Telephone: (503) 428-9482
Email: tim.smith@doj.oregon.gov
Email: ian.vanloh@doj.oregon.gov
Email: alex.delorenzo@doj.oregon.gov

Attorneys for Plaintiff State of Oregon

FOR PLAINTIFF STATE OF
WASHINGTON:

NICHOLAS W. BROWN
Attorney General of Washington

/s/ Christina M. Black

JONATHAN A. MARK (*pro hac vice*)
Division Chief, Antitrust Division
CHRISTINA M. BLACK (SBN 300081)
BROOKE H. LOVROVICH (*pro hac vice*)
Assistant Attorneys General
800 Fifth Avenue, Suite 200
Seattle, WA 98104-3188
Telephone: (206) 464-7744
Fax: (206) 464-6451
Email: Jonathan.Mark@atg.wa.gov
Christina.Black@atg.wa.gov
Brooke.Lovrovich@atg.wa.gov

Attorneys for Plaintiff State of Washington

FOR DEFENDANT PARAMOUNT
SKYDANCE CORP.:

/s/ Marguerite M. Sullivan
Marguerite M. Sullivan (*pro hac vice*)
Anna M. Rathbun (SBN 273787)
Christopher J. Brown (*pro hac vice*)
LATHAM & WATKINS LLP
555 Eleventh Street NW, Suite 1000
Washington, DC 20004
Telephone: (202) 637-2200
Facsimile: (202) 637-2201
marguerite.sullivan@lw.com
anna.rathbun@lw.com
chris.brown@lw.com

Joshua N. Holian (SBN 211772)
LATHAM & WATKINS LLP
505 Montgomery Street, Suite 2000
San Francisco, CA 94111
Telephone: (415) 391-0600
joshua.holian@lw.com

Beth A. Wilkinson (*pro hac vice*)
Rakesh Kilaru (*pro hac vice*)
WILKINSON STEKLOFF LLP
2001 M Street NW, 10th Fl.
Washington, DC 20036
Telephone: (202) 847-4000
Facsimile: (202) 847-4005
bwilkinson@wilkinsonstekloff.com
rkilaru@wilkinsonstekloff.com

Jeffrey L. Kessler (*pro hac vice*)
WINSTON TAYLOR LLP
200 Park Avenue
New York, NY 10166-4193
Telephone: (212) 294-4698
Facsimile: (212) 294-4700
jeffrey.kessler@winstontaylor.com

Jeanifer E. Parsigian (SBN 289001)
WINSTON TAYLOR LLP
101 California Street, 21st Floor
San Francisco, CA 94111-5891
Telephone: (415) 591-1469
Facsimile: (415) 591-1400
jeanifer.parsigian@winstontaylor.com

*Attorneys for Defendants Paramount
Skydance Corporation*

FOR DEFENDANT WARNER BROS.
DISCOVERY, INC.:

By: /s/ Daniel M. Petrocelli
Daniel M. Petrocelli (SBN 97802)
O'MELVENY & MYERS LLP
1999 Avenue of the Stars, 8th Floor
Los Angeles, California 90067-6035
Telephone: (310) 553-6700
Facsimile: (310) 246-6779
dpetrocelli@omm.com

Peter C. Herrick (*pro hac vice*)
O'MELVENY & MYERS LLP
1301 Avenue of the Americas, Suite 1700
New York, NY 10019-6022
Telephone: (212) 326-2000
Facsimile: (212) 326-2061
pherrick@omm.com

Julia A. Schiller (*pro hac vice*)
O'MELVENY & MYERS LLP
1625 Eye Street NW
Washington, DC 20006-4061
Telephone: (202) 383-5300
Facsimile: (202) 383-5414
jschiller@omm.com

Derek Ludwin (*pro hac vice*)
Henry Liu (*pro hac vice*)
Ross A. Demain (*pro hac vice*)
COVINGTON & BURLING LLP
One CityCenter
850 10th Street NW
Washington, DC 20001

1
2
3
4
5
6
7
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9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Telephone: (202) 662-6000
dludwin@cov.com
hliu@cov.com
rdemain@cov.com

Bernard A. Nigro Jr. (*pro hac vice*)
Kathleen S. O'Neill (*pro hac vice*)
**FRIED FRANK HARRIS SHRIVER &
JACOBSON LLP**
801 17th Street NW
Washington, DC 20006
Telephone: (202) 639-7000
Facsimile: (202) 639-7003
barry.nigro@friedfrank.com
kathy.oneill@friedfrank.com

*Attorneys for Defendant Warner Bros.
Discovery, Inc.*

FILER'S ATTESTATION

I, Ashley Kaplan, am the ECF User whose ID and password are being used to file this Joint Motion to Enter Consent Decree and Dissolve Stipulation and Order Not to Close. In compliance with Civil Local Rule 5-1(i), I hereby attest that concurrence in the filing of this document has been obtained from each of the other signatories.

By: /s/ Ashley Kaplan
Ashley Kaplan