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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

STATE OF CALIFORNIA, *et al.*,

Plaintiffs,

v.

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

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

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

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

I. Background

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

II. Legal Standard

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

[1] It is understood and agreed by the Parties that the Proposed Consent Decree is a compromise of 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

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

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

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

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

IV. Dissolving Stipulation and Order Not to Close

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

As the Parties have agreed to resolve the claims of Plaintiff States, the Parties further request that the Court vacate the hearing on Paramount's Motion to Modify the Stipulation and Order Not 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.

Dated: September 21, 2026

Respectfully submitted,

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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*
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