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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SESAME WORKSHOP,

Plaintiff,

v.

SEAWORLD PARKS & ENTERTAINMENT,
INC., and UNITED PARKS & RESORTS INC.
F/K/A SEAWORLD ENTERTAINMENT, INC.

Defendants.

Case No.: 1:26-cv-2047

ECF Case

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Sesame Workshop (“Sesame Workshop” or “Plaintiff”), by and through its attorneys, Kirkland & Ellis LLP, hereby alleges against SeaWorld Parks & Entertainment, Inc. and United Parks & Resorts Inc. f/k/a SeaWorld Entertainment, Inc. (“SeaWorld” or “Defendants”) as follows:

INTRODUCTION

1. This action arises out of SeaWorld’s refusal to honor its contractual obligations as the licensee of Sesame Workshop’s iconic and valuable *Sesame Street* brand.

2. Sesame Workshop is a well-known, independent not-for-profit organization, which licenses its beloved *Sesame Street* characters and name to fund its long-time mission of helping children grow “smarter, stronger, and kinder.”

3. For over forty-five years, SeaWorld has been Sesame Workshop’s exclusive U.S. theme park licensee. Under licensing agreements in 1983 and 2006, the parties collaborated to open several *Sesame Street*-themed parks and attractions, including the first ever standalone *Sesame Street* theme park, Sesame Place Langhorne Park, and Sesame Land attractions at Busch Gardens and other SeaWorld-owned parks. The *Sesame Street* characters and brand drive attendance at SeaWorld’s Sesame Place parks and *Sesame Street*-themed attractions. SeaWorld profits significantly from the Sesame Place parks and *Sesame Street*-themed attractions.

4. In 2017, the parties entered into their most recent licensing agreement (the “Agreement”). Unfortunately, however, a few years later, SeaWorld stopped fulfilling its obligations under the Agreement, and ignored the Agreement in a manifestly high-handed way.

5. In 2022, SeaWorld failed to pay millions of dollars in royalties due to Sesame Workshop for Sesame Place Langhorne Park. Sesame Workshop was forced to go through arbitration to recover the unpaid royalties, which Sesame Workshop was awarded in full. Yet despite the arbitrators’ award, SeaWorld still refused to pay. Thus, in August 2023, Sesame Workshop had to file a claim in federal court to enforce the arbitration award. On September 30, 2024, the court ordered SeaWorld to pay the full amount owed from arbitration, plus interest. In continued disregard of the arbitration panel and the federal court’s order, SeaWorld *still* ignored Sesame Workshop’s requests for payment. Thus, on September 15, 2025, at Sesame Workshop’s request, the clerk issued writs of garnishment against SeaWorld to obtain the arbitration award, which SeaWorld finally paid on October 24, 2025.

6. Sadly, with each step Sesame Workshop took to simply collect the royalties owed, SeaWorld took steps to mount a unilateral retaliation campaign against Sesame Workshop and run roughshod over the Agreement.

7. For instance, on August 22, 2024, not long after Sesame Workshop initiated the federal court collection action, SeaWorld reneged on its promise to open a third standalone Sesame Place theme park. When Sesame Workshop sent an invoice for payments owed due to this reversal, SeaWorld refused to pay.

8. Similarly, on September 17, 2024, a few weeks after Sesame Workshop had submitted its proposed judgement, SeaWorld notified Sesame Workshop that it would be shutting down the *Sesame Street* Bay of Play in SeaWorld San Antonio, which had been a feature of the park for more than thirteen years. Then, the same day the court ordered SeaWorld to pay the full arbitration award, SeaWorld announced it was replacing the *Sesame Street* brand with another brand in SeaWorld San Antonio. SeaWorld, once again, also refused to pay fees owed for this closure.

9. The same day the clerk issued writs of garnishment, SeaWorld abruptly announced it was closing Sesame Place San Diego without even notifying Sesame Workshop. Sesame Workshop only found out through the public announcement—which SeaWorld released without Sesame Workshop’s review in violation of the Agreement—wherein SeaWorld stated it would close the park after September 21, 2025, and transition to a “seasonal schedule.” This abrupt closure was devastating to children and families who had already planned trips to the park after September 21, 2025, only to have their plans ruined with barely a week’s notice.

10. Further, from September 2025 onwards, SeaWorld, in brazen disregard of the Agreement, unilaterally stopped paying royalties to Sesame Workshop and, until recently, even

ignored Sesame Workshop's requests for royalty reports needed to calculate new invoices, a further breach of the Agreement. SeaWorld also locked Sesame Workshop's team out of the parties' shared social media approvals document and project tracker, and sent out dozens of marketing materials using Sesame Workshop's IP without its approval, in further violation of the Agreement.

11. Finally, on September 29, 2025, SeaWorld sent a letter to Sesame Workshop claiming, astonishingly, that *Sesame Workshop* breached the Agreement by purportedly failing to invest in its brand. The claim is preposterous (and in any event, would not relieve SeaWorld of its obligations under the Agreement). Sesame Workshop has been and remains one of the most iconic, beloved, and well-supported children's brands in media. As just one sign of this, in May 2025, several months *before* SeaWorld sent its letter, Sesame Workshop announced a deal for *Sesame Street* to air on Netflix, one of the largest streaming platforms in the world. Thus, the letter was plainly a baseless attempt by SeaWorld to excuse its conduct belatedly and to create a pretext for trying to terminate the relationship.

12. Despite SeaWorld's obvious bad faith, Sesame Workshop attempted to resolve this dispute without court intervention, but such efforts have not been successful.

13. SeaWorld's rogue, retaliatory actions pose an imminent threat to Sesame Workshop's brand. For months, SeaWorld has benefitted from using Sesame Workshop's valuable IP without complying with the Agreement. SeaWorld is also tarnishing the reputation of Sesame Workshop's brand through abruptly closing a beloved standalone park and *Sesame Street*-themed attraction, disappointing children and families who already made plans to visit, and sending unapproved marketing materials using Sesame Workshop's name, characters, and IP.

14. Because of SeaWorld's disregard for the parties' Agreement, Sesame Workshop has no choice but to seek intervention from this Court to protect its contractual rights and its brand. Sesame Workshop thus seeks (a) a finding that SeaWorld breached the Agreement; (b) a finding that these repeated, intentional breaches give cause for Sesame Workshop to terminate the Agreement; (c) monetary damages for SeaWorld's breaches, including termination fees, unpaid sums and royalties, and all other remedies available to Sesame Workshop under the Agreement as well as punitive damages for harm caused by SeaWorld's actions under New York state unfair competition law; and (d) a declaration that Sesame Workshop did not breach the Agreement.

PARTIES

15. Plaintiff Sesame Workshop is a New York not-for-profit corporation with its principal place of business at 1900 Broadway, New York, New York 10023.

16. Defendant SeaWorld Parks & Entertainment, Inc. is a Delaware corporation with its principal place of business at 6240 Sea Harbor Drive, Orlando, Florida 32819. SeaWorld Parks & Entertainment, Inc. is a party to the Agreement and wholly owned subsidiary of the publicly traded Delaware corporation, United Parks & Resorts Inc. f/k/a SeaWorld Entertainment, Inc.

17. Defendant United Parks & Resorts Inc. f/k/a SeaWorld Entertainment, Inc. is a Delaware corporation with its principal place of business at 6240 Sea Harbor Drive, Orlando, Florida 32819. United Parks & Resorts Inc. is the parent company of SeaWorld Parks & Entertainment, Inc.

JURISDICTION AND VENUE

18. This Court has subject matter jurisdiction over this action under 28 U.S.C. § 1332 because there is complete diversity between the parties, and the amount in controversy exceeds \$75,000.

19. This Court has personal jurisdiction over SeaWorld under New York General Obligations Law Section 5-1402, because SeaWorld agreed to jurisdiction in New York.

20. Venue is likewise proper in this Court under 28 U.S.C. § 1391(b), because SeaWorld agreed to venue in New York.

FACTS

I. Sesame Workshop and Its *Sesame Street* Brand

21. Well-known for its iconic television show, *Sesame Street*, which debuted in 1969, Sesame Workshop is a multi-faceted not-for-profit charitable organization that offers research-based media and resources for families to further its mission of helping children grow “smarter, stronger, and kinder.”

22. *Sesame Street* is an iconic brand worldwide. Sesame Workshop brings critical early learning to generations of children through the beloved and iconic characters of *Sesame Street*, including, Elmo, Big Bird, Cookie Monster, Oscar the Grouch, Bert and Ernie, and Abby Cadabby. *Sesame Street* is the #1 trusted preschool brand by U.S. adults. Numerous studies over the years have shown that *Sesame Street* produces measurable educational outcomes for children. As a result, *Sesame Street* has been recognized as the most impactful program in the history of television for its innovative work in using the power of media to help children learn and grow, preparing them for success in school and life.

23. *Sesame Street* has received hundreds of awards over the decades for its research-based, innovative educational programming and beloved brand. To name a few, *Sesame Street* has won 250 Emmys from 1970 to the present day (with four Children’s and Family Emmy Awards in 2026 alone, including the top recognition for a children’s program), eleven Grammy Awards, and multiple Peabody Awards. In 1994, Big Bird received a star on the Hollywood Walk of Fame.

In 2019, *Sesame Street* was celebrated by the Kennedy Center Honors, the first time a television program was honored by the organization. Also in 2019, the mayor of New York City renamed the block of West 63rd Street between Central Park West and Broadway to “Sesame Street” in honor of the show’s 50th anniversary. In 2025, *Sesame Street* won the Webby Award—which recognizes excellence on the Internet for various media—for best overall social presence, along with the People’s Voice award in that category (only two of nearly two dozen Webby Awards *Sesame Street* has received in recent years). Also in 2025, *Sesame Street* was awarded Television Critics Association’s (“TCA”) Heritage Award—an achievement that TCA describes as “one of its highest honors”—in recognition of *Sesame Street*’s “enduring cultural impact and strong commitment to helping generations of children learn their ABCs, 123s, and so much more.”¹ In 2026, the Producers Guild Awards recognized *Sesame Street* with the “Outstanding Children’s Program” Award for its fourth consecutive year. And the list only continues to grow.

24. In 1969, *Sesame Street* premiered on National Educational Television, and continues to air on its successor, the Public Broadcasting Service (“PBS”), where it ranks as the #1 PBS KIDS program.² *Sesame Street* currently has more than 16 million average monthly streams on PBS KIDS. Since then, Sesame Workshop has also partnered with various platforms to distribute its beloved series.

25. For example, from 2015 to 2025, *Sesame Street* partnered with Warner Brothers to premiere new episodes of *Sesame Street* on HBO Max, where *Sesame Street*’s library is still available globally. The show has just under 5 million views on that platform every month.

¹ https://www.tvcritics.org/index.php?option=com_dailyplanetblog&view=entry&year=2025&month=08&day=25&id=69:2025-tca-award-winners

² Based on last available data in Q3 2025.

26. In May 2025, Sesame Workshop entered into a distribution agreement with Netflix for new episodes of the show, library content, and games, wherein *Sesame Street* is available to over 325 million Netflix subscribers across the world. Within the first days of its launch in November 2025, *Sesame Street* became the #1 kids show on Netflix in the U.S. and in territories across Europe, Asia, and Latin America. Likewise, in its first twenty-eight days on Netflix, *Sesame Street* reached the Kids Daily Top 10 in ninety countries and reached #1 on the Kids Daily Top 10 in fifty-one countries. In the first two months alone, 13 million hours of *Sesame Street* were watched on the platform.



27. Netflix continues to invest significantly in the *Sesame Street* brand and content, including commissioning a holiday special with popular engineer, YouTuber, and educator Mark Rober, and creating dozens of pieces of social media content featuring *Sesame Street* and Netflix's top celebrity talent.

28. *Sesame Street* is also available to children worldwide on YouTube. Sesame Workshop's portfolio of channels on YouTube averages 779 million views monthly in 2026 to date. The *Sesame Street* YouTube channel ranks in the top 1% of all kids programming on YouTube. It surpasses 5.2 billion views annually, with over 29 million subscribers.

29. Reaching children in over 190 countries, Sesame Workshop airs content in over thirty languages and its social media accounts reach more than a billion people each year. Its social media pages include over 25 million followers across its platforms. Examples of Sesame Workshop's advertising and marketing materials for *Sesame Street* on its website and social media platforms are below:



Big Bird with Miley Cyrus:



Cookie Monster with U.S. Paralympian Ezra Frech:



Elmo with U.S. Olympic Gold and Silver Medalists Madison Chock and Evan Bates:



30. Widely available and beloved across the world, Sesame Workshop has become synonymous with children’s education and programming.

31. Sesame Workshop has over 500 licensing partnerships globally with leading U.S. brands, ranging from music, to publishing, to toys, to snacks. Its partners and licensees benefit greatly from being able to use Sesame Workshop’s brand and characters. Every major category,

including retail, technology, food, apparel, personal care, and toys, sees positive lift when associated with *Sesame Street*. Moreover, 72% of parents say they would feel more positive about a brand if it partnered with *Sesame Street*, 69% of parents say they are more likely to buy or use a product from a brand that partners with *Sesame Street*, and over 80% of parents agree that a company partnering with *Sesame Street* is a good brand for families. Sesame Workshop uses its licensing revenues to fund activities to advance its non-profit mission, including production and distribution of free education materials to address the needs of vulnerable children and families in the United States and around the world.

II. SeaWorld's License from Sesame Workshop and the *Sesame Street*-Themed Parks and Lands

32. SeaWorld operates several theme parks across the United States, including SeaWorld, Busch Gardens, and Sesame Place.

33. In 1980, Sesame Workshop and SeaWorld's predecessor collaborated to open the first ever standalone *Sesame Street* theme park, Sesame Place Langhorne Park, near Philadelphia, Pennsylvania, as pictured below.





34. The parties then entered into licensing agreements in 1983 and in 2006.

35. SeaWorld subsequently opened multiple Sesame Land play areas, including Sesame Street Bay of Play at SeaWorld San Diego in 2008, Sesame Street Forest of Fun at Busch Gardens Williamsburg in 2009, Sesame Street Safari of Fun at Busch Gardens Tampa in 2010, and Sesame Street Bay of Play at SeaWorld San Antonio in 2011.

36. In 2017, SeaWorld entered into a third licensing agreement with Sesame Workshop, which is the subject of this dispute.

37. Soon thereafter, in March 2019, SeaWorld opened Sesame Street Land Orlando, pictured below.



38. In March 2022, SeaWorld opened a second Standalone Park, Sesame Place San Diego, as pictured below:





39. Thus, as of 2022, SeaWorld operated two Standalone Parks (Langhorne and San Diego) and four Sesame Land attractions (San Antonio, Tampa, Williamsburg, and Orlando) pursuant to the 2017 Agreement.³

40. SeaWorld earns significant revenue from these parks.

III. SeaWorld Materially Breaches the Agreement

41. For over forty-five years, the parties had a positive, productive relationship. The parties collaborated to design and open new parks and attractions, shared information regarding the parks' performance and marketing materials, and overall had an amicable, mutually beneficial partnership.

42. This all changed, however, in 2022. SeaWorld refused to pay Sesame Workshop millions of dollars in royalties for Sesame Place Langhorne Park. This behavior contravened the plain language of the Agreement. After SeaWorld rejected Sesame Workshop's attempts to negotiate a resolution, Sesame Workshop was forced to arbitrate the claim. In May 2023, the arbitration panel agreed that SeaWorld was in breach of the agreement, and awarded the full amount owed. Even then, however, SeaWorld did not pay the outstanding royalties.

43. In August 2023, Sesame Workshop was forced to file suit in federal court to enforce the arbitration award. In September 2024, the court ordered SeaWorld to pay the arbitration award in full, plus interest. *See Sesame Workshop v. SeaWorld Parks & Entertainment, Inc.*, Case No. 6:23-cv-01507-PGB-NWH, Dkt. 31 (M.D. Fla. Sept. 30, 2024). Still, SeaWorld dragged its feet in finally making payment until Sesame Workshop was forced to file a motion for the clerk to issue writs of garnishment in September 2025.

³ The Sesame Land at SeaWorld San Diego closed in favor of the Standalone Park in San Diego.

44. Since losing the arbitration—which, again, merely asked SeaWorld to pay Sesame Workshop royalties owed under the Agreement—SeaWorld has engaged in a series of willful, unilateral retaliatory breaches designed to undermine the parties’ relationship and harm Sesame Workshop.

A. Failure to Pay Royalties and Other Required Fees

45. As an initial matter, SeaWorld refused to pay numerous royalties and other amounts owed under the Agreement.

46. First, in the fall of 2025, SeaWorld stopped making royalty payments for the Standalone Parks and Sesame Lands as required under the Agreement. It has also stopped providing royalty reports in the ordinary course of business in violation of the Agreement.⁴

47. These outstanding royalty payments and reports include:

- A. Sesame Place Langhorne: No royalties paid from September 2025 to present. No reports received in the ordinary course of business since the period ending August 31, 2025.
- B. Sesame Place San Diego: No royalties paid from September 2025 to present. No reports received in the ordinary course of business since the period ending September 30, 2025. SeaWorld also has not provided the required ratings data for this park, yet another breach.
- C. Sesame Lands Licensed Products: No royalties paid from October 2025 to present. No reports received in the ordinary course of business since the period ending June 30, 2025.
- D. Sesame Land licensing fees: 2026 payment overdue.
- E. Shortfall for Licensed Products royalties payment overdue.

48. Second, SeaWorld failed to pay amounts due for cutting off plans to open a third Standalone Park in violation of the Agreement.

⁴ The day before the parties’ mediation in March 2026, SeaWorld’s outside counsel provided the past due reports to Sesame Workshop’s outside counsel.

49. Third, SeaWorld refused to pay amounts owed for closing Sesame Street Bay of Play at SeaWorld San Diego, a further breach.

B. SeaWorld's Reduced Schedule for Sesame Place San Diego

50. SeaWorld also violated the Agreement through its sudden closure of Sesame Place San Diego.

51. On September 15, 2025, SeaWorld abruptly announced that it would be closing Sesame Place San Diego less than a week later on September 21, 2025, and transitioning the park to a seasonal schedule. This came as a complete surprise to Sesame Workshop, plus a surprise to children and families who had already purchased tickets to Sesame Place San Diego only to have their plans abruptly cancelled on a week's notice.

52. SeaWorld did not provide Sesame Workshop with any notice of this closure, and Sesame Workshop learned of the closure only from SeaWorld's public announcement (shown below), which included the Sesame name and Big Bird image without Sesame Workshop's approval.



53. This high-handed decision to unilaterally close Sesame Place San Diego further weakened the parties' once amicable relationship. It also raises concerns that SeaWorld is purposefully trying to lower royalties to reduce its exposure in termination fees if the Agreement is terminated.

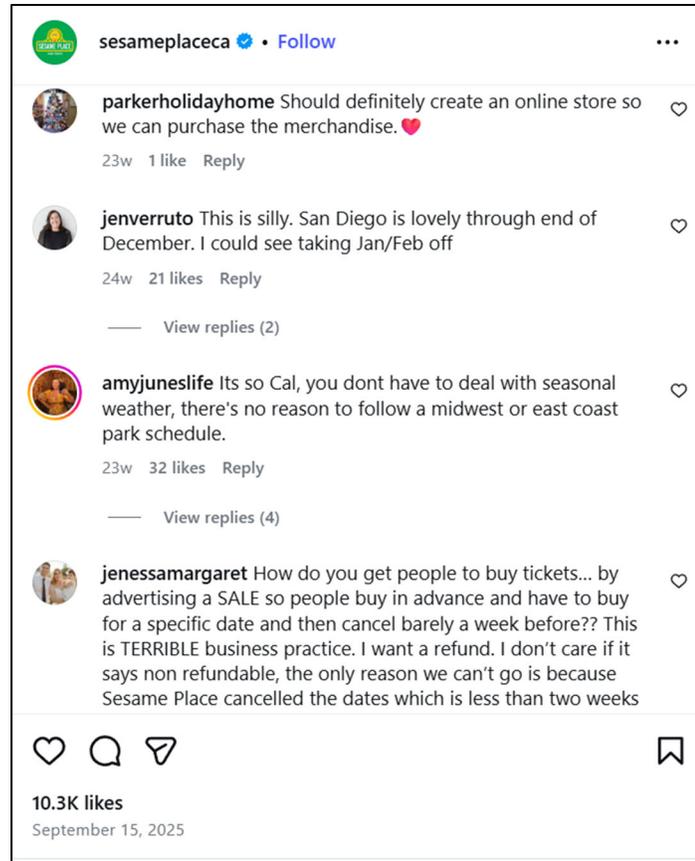
54. This conduct also violates numerous provisions of the Agreement relating to Sesame Workshop's right to approve the use of its IP and SeaWorld's obligations to maintain the quality of its offerings.

55. The breach has also significantly harmed the goodwill in Sesame Workshop's brand. For example, after the announcement was made, customers with tickets to Sesame Place San Diego were rightly upset that they would no longer be able to visit the park, as shown below. Consumers noted that SeaWorld's sudden closure of the park was "upsetting" and "very disappointing." Some consumers even claimed that it "seems deceptive to shorten the year so

much after many have already renewed [annual] memberships.” Several comments also expressed disappointment that this closure came right before established and beloved holiday events, such as the Count’s Halloween Spooktacular, A Very Furry Christmas, and Mardi Gras. Because these actions were conducted in Sesame Workshop’s name using its characters and IP, SeaWorld has undermined the *Sesame Street* brand and failed to uphold the quality of Sesame Place San Diego.



56. Some comments from upset fans also note that San Diego has warm weather year-round, and thus a seasonal schedule makes little sense, particularly given that Sesame Place Langhorne Park near Philadelphia (which has a much colder climate) remained open for fall and winter events.



57. Tellingly, SeaWorld’s other park in San Diego, SeaWorld San Diego, is still open year-round and was not transitioned to a seasonal schedule. Other parks in the area, such as Legoland, are open year-round as well.

58. The sudden closure of Sesame Place San Diego also generated negative speculation that SeaWorld will close other *Sesame Street*-themed attractions, such as the Sesame Land in SeaWorld Orlando. After SeaWorld removed the *Sesame Street* parade at SeaWorld Orlando from its calendar, members of the press contacted Sesame Workshop and claimed that consumers thought that Sesame Street Land at SeaWorld Orlando was closing, that *Sesame Street*-themed entertainment was being scrubbed from the calendar, and that employees working in that area had their shifts cut. News articles speculated that SeaWorld was “pulling back on Sesame Street

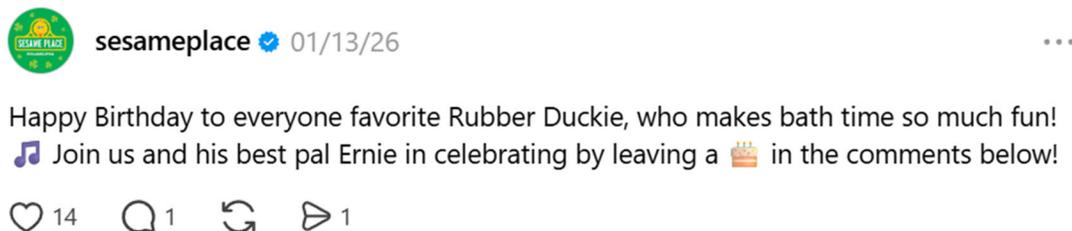
entertainment in a bigger way.”⁵ After fans of *Sesame Street* expressed their outrage, SeaWorld later announced that the *Sesame Street* parade would go on as planned, but SeaWorld has been uncommunicative to Sesame Workshop about its plans.

C. SeaWorld’s Distribution of Unauthorized Marketing Materials

59. As early as September 26, 2025, SeaWorld’s other parks also started releasing marketing materials featuring Sesame Workshop’s IP without required approval from Sesame Workshop. For months, SeaWorld has also ignored Sesame Workshop’s repeated requests for SeaWorld to send such materials for its approval. This is a significant problem, as Sesame Workshop needs the approval process to ensure the consistency and quality of its brand.

60. The unapproved marketing materials include dozens of social media posts for both Standalone Parks and several Sesame Lands, as well as emails and newsletters from Sesame Place Langhorne Park. As shown in the examples below, these posts blatantly feature Sesame Workshop’s characters and IP without Sesame Workshop’s approval or permission (and, in some instances, even include typos, such as “everyone favorite” rather than “everyone’s favorite”):

Threads Post from Sesame Place Langhorne Park



⁵ <https://insidethemagic.net/2026/02/effective-february-25-seaworld-orlando-announces-closure-ab1/>

Instagram Post for Sesame Place San Diego



The image shows a group of Sesame Street characters standing in front of a green sign that reads "SESAME PLACE SAN DIEGO". The characters include Big Bird, Ernie, Bert, Cookie Monster, Abby Cadabby, and Elmo. They are all smiling and looking towards the camera. The background shows a paved path and some trees.

sesameplaceca • Follow

sesameplaceca 14w
Happy Sesame Street Day! Sesame Street has brought laughter, joy, and the timeless lessons to generations. We're so grateful for the memories we're making and the laughter we're sharing.

Here's to the fun, furry friendships, and the spirit of learning that Sesame Street inspires to all of us!

364 20

November 10, 2025

[Log in](#) to like or comment.

Facebook Post from Busch Gardens Tampa

Busch Gardens Tampa Bay
January 21 · 🌐

Sesame Street Kids' Weekends are sailing back starting on Saturday 🚢 Join Elmo, Cookie Monster, Abby Cadabby, Big Bird, and all of your favorite Sesame Street friends for fun-filled, pirate-themed weekends every Saturday and Sunday from January 24th - February 8th!



The image shows three Sesame Street characters dressed as pirates. From left to right: Big Bird is wearing a white shirt, a black vest, and a black hat with a feather. Cookie Monster is wearing a black vest with a red sash and a black hat with a red sash. Elmo is wearing a blue shirt and a red sash. They are all standing on a paved path with trees in the background.

Instagram Post from SeaWorld Orlando



61. SeaWorld also removed Sesame Workshop’s access to the parties’ shared social media approvals document and project tracker that the parties had used to facilitate Sesame Workshop’s approval of marketing materials.

62. And it has not engaged in required branding and business meetings since mid-2024.

IV. SeaWorld Falsely Accuses Sesame Workshop of Breach

63. Perhaps realizing that its flurry of breaches might prompt a claim from Sesame Workshop, on September 29, 2025, a few weeks after Sesame Workshop moved for writs of garnishment to obtain the arbitration award, SeaWorld sent Sesame Workshop a letter audaciously claiming that Sesame Workshop had breached the Agreement, and that SeaWorld had cause to terminate.

64. SeaWorld claimed that because Sesame Workshop's distribution agreement with Warner Brothers to release new episodes of *Sesame Street* on HBO Max was not renewed, Sesame Workshop failed to invest in its brand and its exposure and reputation had weakened. But there was no consumer impact on access to *Sesame Street*. HBO Max released Season 55 in 2025. Further, at the time SeaWorld sent its letter, Sesame Workshop already had a new distribution agreement for Season 56 with Netflix, the largest streaming service in the world, with far greater distribution than it had on HBO Max. Netflix delivers *Sesame Street* to more than 325 million subscribers, more than twice the number of subscribers to HBO Max.

65. Warner Brothers stated that it opted not to renew the agreement only because it wanted to shift the HBO lineup to more mature viewing rather than children's shows.⁶ It thus removed multiple popular children's shows from its lineup.⁷ The *Sesame Street* library, however, is still available on HBO Max and receives millions of views each month.

66. Moreover, as explained above, *Sesame Street* appears on multiple other platforms with many millions of views a year.

67. SeaWorld's accusations are nothing more than a thinly veiled pretext for SeaWorld to try to justify its failure to fulfill the Agreement.

⁶ Alex Weprin, 'Sesame Street' Hits the Market: HBO and Max Opt Not to Renew Deal for New Episodes (Exclusive), THE HOLLYWOOD REPORTER (Dec. 13, 2024), <https://www.hollywoodreporter.com/business/business-news/hbo-cancels-sesame-street-licensing-deal-show-streaming-service-1235985075/>

⁷ See Nellie Andreeva, *More Library Cartoon Network Series Come Off HBO Max, Part Of Streamer's Move Away From Kids Fare*, YAHOO NEWS (Aug. 1, 2025), <https://www.yahoo.com/entertainment/articles/more-library-cartoon-network-series-214751738.html>; Melody Rivera, HBO Max subscribers outraged as platform cuts beloved animated series, Daily Express (Aug. 1, 2025), <https://www.the-express.com/entertainment/tv/179118/hbo-max-removal-cartoon-network-shows>.

V. Notice of Breach and Request for Termination

68. SeaWorld unilaterally has stopped meeting its obligations under the Agreement. It has not only refused to make payments (and for months withheld royalty reports needed to calculate additional payments owed), but also undercut Sesame Workshop's ability to oversee the use of its IP and brand through disseminating unauthorized marketing materials.

69. Sesame Workshop tried to resolve the dispute without court intervention.

70. On November 25, 2025, Sesame Workshop notified counsel for SeaWorld of the various ways in which SeaWorld had breached the Agreement.

71. It then scheduled calls to discuss the dispute on December 12 and December 19, but SeaWorld abruptly cancelled both calls and requested to reschedule.

72. The parties then held the discussion on January 6, 2026, but could not resolve the issue.

73. The parties also conducted a mediation on March 12, 2026, but the mediation concluded, and the parties did not reach a resolution. Mediation efforts are now complete.

74. Thus, based on SeaWorld's repeated material breaches, Sesame Workshop is left with no choice but to seek termination of the Agreement and all related damages and termination fees.

75. Termination is proper in light of SeaWorld's repeated failures to pay royalties in 2025 or to fix this failure after receiving notice. It is also proper for the second independent reason that SeaWorld's breaches have materially impacted operation of the parks in the manner required under the Agreement. For instance, SeaWorld's unilateral decision to abruptly close Sesame Place San Diego caused negative backlash among consumers and severely limited the availability and accessibility of the park during popular holiday events.

76. SeaWorld has wholly ignored its obligations under the Agreement, and has gone rogue with Sesame Workshop's valuable IP. Its actions have not only wrongfully denied Sesame Workshop, a nonprofit children's organization, royalties and termination fees, but also, more importantly, undermined Sesame Workshop's brand. Sesame Workshop did not want to terminate its Agreement with its exclusive U.S. theme park licensee of over forty-five years, but it has no choice.

FIRST CLAIM FOR RELIEF
Breach of Contract under New York Law

77. Sesame Workshop repeats and re-alleges each and every allegation set forth above as if fully set forth herein.

78. The Agreement is a valid contract under New York law.

79. Sesame Workshop has performed and is ready, willing, and able to perform all of its own obligations under the Agreement.

80. SeaWorld has materially breached the Agreement through the conduct discussed above, including, in particular, the following provisions: Section 5.04(d); Section 6.05(b); Section 8.03; Section 8.05; Section 8.06; Section 9.02; Section 10; and Section 14.02(b).

81. As a direct result of SeaWorld's material breaches, Sesame Workshop has been harmed and is entitled to damages, including all unpaid sums and expenses owed with interest.

82. Sesame Workshop is also entitled to a judgment terminating the Agreement and awarding all associated termination fees.

83. Sesame Workshop is therefore entitled to (a) a judgment against SeaWorld for breaching the Agreement, (b) termination of the Agreement, and (c) an award of damages, including termination fees, all unpaid sums and expenses owed, and any other monetary relief this Court deems appropriate.

SECOND CLAIM FOR RELIEF

Unfair Competition under New York Law

84. Sesame Workshop repeats and re-alleges each and every allegation set forth above as if fully set forth herein.

85. Sesame Workshop has made significant labor and investments to promote its *Sesame Street* brand and has developed significant goodwill therein.

86. SeaWorld undertook several actions, beyond the breach of the Agreement, and has engaged in a willful campaign to harm Sesame Workshop and its *Sesame Street* brand. For example, SeaWorld closed a Sesame Land and abruptly transitioned Sesame Place San Diego to a seasonal schedule in retaliation for Sesame Workshop's efforts to recover royalties owed, and with willful intent to harm Sesame Workshop and its *Sesame Street* brand.

87. Through these retaliatory actions, SeaWorld diverted profits from *Sesame Street*-themed content to other SeaWorld content. For example, season pass holders for Sesame Place San Diego were given SeaWorld Fun Cards and directed to attend SeaWorld San Diego's holiday events in lieu of cancelled holiday events at Sesame Place San Diego.

88. Certain of SeaWorld's deliberate efforts to retaliate against Sesame Workshop are not, standing alone, a breach of the Agreement and thus constitute an independent tort.

89. As a direct result of SeaWorld's actions, Sesame Workshop has been harmed and is entitled to damages, including punitive damages.

90. SeaWorld's retaliatory actions constitute common law unfair competition under New York law.

91. Sesame Workshop is therefore entitled to an award of damages, including but not limited to punitive damages.

THIRD CLAIM FOR RELIEF

**Declaratory Judgment of No Breach of Contract
(28 U.S.C. §§ 2201 and 2202)**

92. Sesame Workshop repeats and re-alleges each and every allegation set forth above as if fully set forth herein.

93. Sesame Workshop has performed and is ready, willing, and able to perform all of its own obligations under the Agreement.

94. Sesame Workshop has maintained its *Sesame Street* brand as a core focus and invested significant resources in the brand throughout its history. *Sesame Street* has widespread exposure and appeal. Sesame Workshop has hundreds of licensees for the *Sesame Street* brand in various categories. Sesame Workshop airs content to more than 190 countries in over thirty languages. *Sesame Street* has been available on major platforms in the United States for many years, and Sesame Workshop continues to invest significant resources in the brand through strategic partnerships, such as its distribution agreement with Netflix. Sesame Workshop likewise makes the program available on HBO Max, YouTube, and PBS KIDS, where *Sesame Street* is viewed by millions on each platform monthly.

95. There is no reasonable basis for SeaWorld to claim that Sesame Workshop failed to invest in its *Sesame Street* brand or to maintain *Sesame Street* as a core focus of its organization.

96. Because Sesame Workshop has performed all of its obligations under the Agreement, Sesame Workshop is entitled to a declaratory judgment that it is not in breach of the Agreement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands the following relief in its favor against Defendants:

1. That judgment be entered in favor of Plaintiff and against Defendants with respect to all claims in the Complaint.
2. A declaratory judgment finding that Plaintiff did not breach the Agreement.
3. A declaratory judgment finding that Defendants materially breached the Agreement and Plaintiff may terminate the Agreement under Section 16.02.
4. An award of Plaintiff's damages, including termination fees and unpaid amounts or sums accrued in accordance with Section 16.02 of the Agreement, as well as punitive damages under New York unfair competition law and any other applicable laws.
5. An award of pre-judgment and post-judgment interest on all damages as provided by contract or law.
6. An award of Plaintiff's attorneys' fees and all other costs reasonably incurred in defense of this action to the extent provided for by law.
7. Such further and other relief as this Court may deem just and proper.

Dated: March 12, 2026

/s/ Dale M. Cendali

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