

United States Senate

WASHINGTON, DC 20510

April 22, 2026

Herbert A. Allen III
President
Allen & Company LLC
711 Fifth Avenue
New York, NY 10022

Dear Mr. Allen:

Warner Bros. Discovery (WBD) shareholders are being asked to approve a \$111 billion transaction—the proposed acquisition of WBD by Paramount Skydance Corporation—on the recommendation of the WBD Board of Directors (Board) that relied on the fairness opinion Allen & Company issued.¹ The Board is telling shareholders that \$31.00 per share is a fair price despite several conflict-related facts: one of Allen’s own managing directors served on WBD’s Transaction Committee; Allen held shares in the buyer received only months before the merger agreement; \$40 million of Allen’s \$100 million advisory fee is contingent on closing; and that Allen may provide future investment banking services to the buyer’s financial backers.

WBD shareholders were not told in the original proxy statement the number of Paramount shares Allen received or the identity of the company whose acquisition generated that stockholding.² That fact emerged—only after a shareholder lawsuit³ and fifteen demand letters—in a supplemental disclosure on April 16, 2026, one week before the scheduled vote.⁴

WBD’s supplemental disclosure⁵ and the complaint filed in *Nicosia v. Di Piazza*⁶ together establish the following:

- Allen & Company is receiving \$100 million in advisory fees for the merger, of which \$40 million is contingent on closing.
- One of Allen & Company’s own managing directors simultaneously served on WBD’s Transaction Committee, the body responsible for negotiating the deal that Allen & Company was hired to evaluate.
- In October 2025, Allen & Company received 167,743 shares of Paramount Class B Common Stock and cash proceeds in connection with Paramount’s acquisition of a

¹ Press Release, *Paramount to Acquire Warner Bros. Discovery to Form Next-Generation Global Media and Entertainment Company* (Feb. 27, 2026), <https://www.paramount.com/press/paramount-to-acquire-warner-bros-discovery-to-form-next-generation-global-media-and-entertainment-company>.

² See Warner Bros. Discovery, Inc., Definitive Proxy Statement (Schedule 14A) (Mar. 26, 2026), <https://www.sec.gov/Archives/edgar/data/1437107/000119312526125075/d115093ddefm14a.htm> [hereinafter Definitive Proxy Statement].

³ *Nicosia v. Di Piazza*, Index No. 150851/2026 (N.Y. Sup. Ct. Richmond Cnty.).

⁴ Warner Bros. Discovery, Inc., Definitive Additional Materials (Schedule 14A) (Apr. 16, 2026), <https://www.sec.gov/Archives/edgar/data/1437107/000119312526159063/d78027ddefa14a.htm> [hereinafter Additional Proxy Statement].

⁵ Additional Proxy Statement.

⁶ *Supra* note 3.

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company in which Allen & Company held an investment. Those shares are subject to a 180-day lockup, expiring around the time of the shareholder meeting.

- Allen & Company and its affiliates have invested or may invest, hold long or short positions and trade in the debt and equity securities of both WBD and Paramount, holding positions that give the firm a direct economic stake on both sides of the transaction.
- Allen & Company expects to provide future investment banking services to Paramount, the Ellison Trust, and the RedBird Parties.

In short, Allen & Company had a financial interest in seeing this merger close at the lowest possible price for the buyer, stood to benefit from future business with the buyer's financial backers, held equity in the acquiring company, and had one of its own managing directors sitting on the committee negotiating the deal. These facts fundamentally undermine the independence that WBD's shareholders were entitled to expect from the Board's financial advisor and call into question the objectivity of the fairness opinion on which the Board's recommendation rests.

Allen & Company was retained to protect WBD's shareholders. The question is whether it was instead protecting its own interests. Accordingly, please provide the following information:

1. The name of the company in which Allen & Company held a passive minority investment that was acquired by Paramount in October 2025, resulting in the issuance of 167,743 shares of Paramount Class B Common Stock and cash proceeds to Allen & Company.
2. The proxy statement identifies one of WBD's Board members as a managing director of Allen & Company who also served on WBD's Transaction Committee. One of Allen & Company's own managing directors simultaneously served on WBD's Transaction Committee — the body responsible for negotiating the deal that Allen & Company was hired to evaluate. Please confirm whether this individual is Paul Gould. If so, please describe (a) what measures, if any, were taken to mitigate Mr. Gould's conflict of interest; (b) whether Mr. Gould participated in the selection or retention of Allen & Company as WBD's financial advisor; (c) whether Mr. Gould recused himself from any deliberations or votes of the Transaction Committee regarding the Allen & Company fairness opinion; and (d) how Allen & Company's \$100 million fee was negotiated and approved given Mr. Gould's dual role.
3. Any communications between Allen & Company personnel and Paramount, Oracle Corporation, Lawrence J. Ellison, David Ellison, the Ellison Trust, RedBird Capital Partners, or any representative of the foregoing regarding the substance of the merger, including the price, valuation, deal terms, or financing at any point during Allen & Company's advisory engagement with WBD. Please identify the date(s), participants, and substance of each such communication, and whether WBD's Board or Transaction Committee was informed.
4. The basis for Allen & Company's treatment of stock-based compensation (SBC) as a cash expense in its discounted cash flow valuation of WBD, given that stock-based compensation does not entail a corresponding cash outlay and that the treatment of SBC

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as a cash expense has been described by the Delaware Court of Chancery as “unusual” and found to result in a lower valuation range.⁷

5. An explanation of why the amount of Paramount shares Allen & Company received and the identity of the company whose acquisition generated that stockholding was not disclosed in the original definitive proxy statement filed on March 26, 2026. Did Allen & Company advise WBD on the sufficiency of the original conflict disclosures, and if so, did Allen & Company recommend disclosure of the specific facts now appearing in the supplement?
6. All financial relationships, advisory engagements, or fee-generating arrangements between Allen & Company and Lawrence J. Ellison, members of the Ellison family, the Ellison Trust, Oracle Corporation, or any entity controlled by the foregoing during the five-year period preceding the date of the merger agreement.

Your full cooperation with this inquiry is expected. Please provide the requested information no later than May 5, 2026.

Sincerely,



Cory A. Booker
United States Senator
Ranking Member,
Subcommittee on Antitrust,
Competition Policy, and
Consumer Rights

⁷ See *Laborers Local 235 Benefit Funds v. Starent Networks, Corp.*, 2009 Del. Ch. LEXIS 210 (Del. Ch. Nov. 18, 2009); *In re Celera Corp. S'holder Litig.*, 2012 Del. Ch. LEXIS 66 (Del. Ch. Mar. 23, 2012).