

News & Announcements

Weil Wins Complete Dismissal of Securities Class Action for WB Discovery Arising from \$43B Merger

February 06, 2024

In May 2021, WarnerMedia and Discovery, Inc. announced their industry-defining \$43 billion merger, forming one of the largest global media companies and the new home of a deep library of content and brands, ranging from HBO and DC Comics to CNN and the Food Network.

After the deal closed, the stock price of the new company dropped, which caught the attention of the shareholder plaintiff bar, and resulted in a massive putative securities class action in the S.D.N.Y. against Warner Bros. Discovery and certain of its executives. The Warner Bros. Discovery parties retained Weil to lead its defense.

On February 5, 2024, Weil secured a complete victory on a motion to dismiss in this case. Judge Caproni's 29-page opinion granted our clients' motion in its entirety, including on strict liability claims brought under the Securities Act of 1933.

Plaintiffs alleged that the defendants made false and misleading statements concerning the legacy WarnerMedia's operations in SEC filings and other public disclosures in connection with the merger, in violation of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933.

In our motion to dismiss briefs, Weil argued plaintiffs failed to state a claim upon which relief could be granted because none of the challenged statements was false or misleading. In its ruling granting our motion to dismiss, the Court agreed that plaintiffs had not adequately alleged even a single false or misleading statement, because all of the challenged statements were objectively true and the additional context plaintiffs claim defendants omitted did not render those statements misleading.

The Weil team was led by [Jonathan Polkes](#), Co-Chair of Weil's global Litigation Department, and [Caroline Zalka](#), Co-Head of Weil's Securities Litigation practice. The team included counsel [Amanda Pooler](#), [Nicole Prunetti](#), and [Josh Wesneski](#), and associates [Milana Bretgoltz](#), [Brigit Crosbie](#), [Nolan DeBrowner](#), [Daniel Lifton](#), and [Honghu Wang](#).

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