PUBLIC VERSION
DATED SEPTEMBER 3, 2021

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

CLINT MURRAY, on behalf of himself and all others similarly situated, Plaintiff, v. JAMES L. DOLAN, CHARLES F. DOLAN, AIDAN J. DOLAN, KRISTIN A. DOLAN, PAUL J. DOLAN, THOMAS C. DOLAN, WILLIAM J. BELL, JOSEPH M. COHEN, JOSEPH J. LHOTA, HANK J. RATNER, BRIAN G. SWEENEY, JOHN L. SYKES, JOEL M. LITVIN, KATHLEEN M. DOLAN, HELEN A. DOLAN, MATTHEW J. DOLAN, MARY S. DOLAN, CORBY DOLAN LEINAUER, DEBORAH A. DOLAN-SWEENEY, MARIANNE DOLAN WEBER, THE DOLAN FAMILY GROUP, ANDREA GREENBERG, BRET RICHTER, MSG ENTERTAINMENT Defendants.	)	C.A. No. 2021 - 0748-KSJM

VERIFIED CLASS ACTION COMPLAINT

Plaintiff, Clint Murray ("Plaintiff"), alleges upon personal knowledge with respect to himself, and upon information and belief based on, among other things, a review of public filings, press releases, and reports, and investigations undertaken by counsel, including inspection of corporate books and records pursuant to Section 220 of the Delaware General Corporation Law (the "220 Production"), as follows:

I. INTRODUCTION

1. This action on behalf of former minority public stockholders of MSG Networks, Inc. ("MSG Networks," "MSGN," or the "Company") arises out of a plan by the Dolan Family Group (as defined below), holders of 76.9% of the voting power of MSG Networks, to force minority stockholders to relinquish their stock at a considerable and unfair discount pursuant to a merger with Madison Square Garden Entertainment Corp. ("MSG Entertainment" or "MSGE") (the "Merger" or "Transaction").

2. Pursuant to the Merger, MSG Networks, MSG Entertainment, and Broadway Sub Inc., a Delaware corporation and a wholly owned direct subsidiary of MSG Entertainment ("Merger Sub") entered into an Agreement and Plan of Merger (the "Merger Agreement") providing for the acquisition of MSG Networks by MSG Entertainment for the inadequate exchange ratio of 0.172 shares of MSGE Class A common stock for each share of MSGN Class A common stock (the "Merger Consideration") in breach of the Dolan Family Group's and MSG

Networks' directors' and officers' fiduciary duties to stockholders. On July 9, 2021, the Merger closed.

3. The Merger, as devised by the Dolan Family Group, the Company's Board of Directors, Andrea Greenberg (former and current President and CEO of MSGN), and Bret Richter (former Executive Vice President, Chief Financial Officer, and Treasurer of MSGN), did not utilize any of the procedural protections available when a controller stands on both sides of a deal, such as establishing an independent and functioning special committee or requiring that the transaction be approved by minority stockholders. This Merger is a classic conflicted controller transaction requiring the highest degree of judicial scrutiny, as observed by the Supreme Court in *Kahn v. Lynch Communication Systems, Inc.*, 638 A.2d 1110 (1994).

4. Defendants will be required to demonstrate that the Merger was entirely fair to minority stockholders, both in price and dealing, in accordance with the well-settled *Lynch* principles governing controller transactions. As described below, Defendants will not meet that burden.

5. The result of an unfair process, the Merger was negotiated by MSG Networks' two-person special committee (the "MSGN Special Committee"), purportedly on behalf of the Company's unaffiliated minority stockholders. In

actuality, the MSGN Special Committee was conflicted from the outset, shackled by their loyalty to the Dolan Family Group.

6. And in deference to the Dolan Family Group, the Merger was effectuated without any minority stockholder protections, least of all, a majority-of-the-minority provision, the whims of the Dolan Family Group actualized. Ultimately, the relevant proxy vote on July 8, 2021, was a farce, a mere formality concluding a compromised process.

7. The Merger effectively devalued the Company's public minority stockholders' investments in MSG Networks, by forcing them to accept the inadequate Merger Consideration, as opposed to what their shares were truly worth.

8. By this post-closing action, Plaintiff seeks to recover damages, among other relief, arising from the Merger.

II. PARTIES

9. Plaintiff, Clint Murray, was, at all relevant times, an owner of shares of MSG Networks common stock.

10. Non-party MSG Networks was a sports media company incorporated in Delaware with principal executive offices located at 11 Pennsylvania Plaza, New York, New York. MSG Networks owns and operates two regional sports and entertainment networks and a related streaming service within the New York media

market area, the largest media market in the nation, as well as other markets in the Northeastern United States. A publicly traded company, MSG Networks' common stock traded on the New York State Exchange under the ticker "MSGN." At all relevant times, MSGN was controlled by Executive Chairman James L. Dolan and the Dolan Family Group, accounting for all of the outstanding MSGN Class B stock, 8.8% of MSGN Class A stock, representing 76.9% of the voting power of MSG Networks.

11. Defendant MSG Entertainment is an entertainment conglomerate incorporated in Delaware with principal executive offices located at Two Pennsylvania Plaza, New York, New York. According to its 2020 Form 10-K, "MSG Entertainment is a leader in live experiences comprised of iconic venues; marquee entertainment content; popular dining and nightlife venues; and a premier music festival that, together, entertain approximately 12 million guests a year." MSG Entertainment's common stock trades on the New York Stock Exchange under the ticker "MSGE." Like MSG Networks, MSG Entertainment has, at all relevant times, been controlled by Executive Chairman and Chief Executive Officer ("CEO") James L. Dolan and the Dolan Family Group, accounting for all of the outstanding MSGE Class B stock and 3.1% of MSGE Class A stock, representing 70.7% of the voting

power of MSG Entertainment. Following the Merger, MSG Entertainment is now the Parent company of MSG Networks, Inc.

12. The Dolan Family Group,[1] as it is collectively referred to herein, is comprised of members of the Dolan family, including trusts for the benefit of members of the Dolan family. As of May 17, 2021, the following members had beneficial ownership of MSG Networks' stock:

> Charles F. Dolan, individually and as a Trustee of the Charles F. Dolan 2009 Revocable Trust (the "**CFD 2009 trust**"); Helen A. Dolan; James L. Dolan; Thomas C. Dolan; Kathleen M. Dolan, individually and as a Trustee of the Charles F. Dolan Children Trust FBO Kathleen M. Dolan, the Charles F. Dolan Children Trust FBO Deborah Dolan-Sweeney, the Charles F. Dolan Children Trust FBO Marianne Dolan Weber, the Charles F. Dolan Children Trust FBO Thomas C. Dolan and the Charles F. Dolan Children Trust FBO James L. Dolan (each, a "**Dolan children trust**"), and as sole Trustee of the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust; Marianne E. Dolan Weber; Deborah A. Dolan-Sweeney; the CFD 2009 trust; the Dolan Children Trust FBO Kathleen M. Dolan; the Dolan Children Trust FBO Marianne Dolan Weber; the Dolan Children Trust FBO Deborah Dolan-Sweeney; the Dolan Children Trust FBO James L. Dolan; the Dolan Children Trust FBO Thomas C. Dolan; the Charles F. Dolan 2009 Family Trust FBO James L. Dolan; the Charles F. Dolan 2009 Family Trust FBO Thomas C. Dolan; the Charles F. Dolan 2009 Family Trust FBO Kathleen M. Dolan; the Charles F. Dolan 2009 Family Trust FBO Marianne E. Dolan Weber; the Charles F. Dolan 2009 Family

[1] In addition to the aforementioned members of the Dolan Family Group, the following members and trusts have beneficial ownership of MSG Entertainment: the Charles F. Dolan 2019 Grantor Retained Annuity Trust #1M, the Helen A. Dolan 2019 Grantor Retained Annuity Trust #1M, and the Helen A. Dolan 2009 Revocable Trust. Proxy at 197.

Trust FBO Deborah A. Dolan-Sweeney; the Ryan Dolan 1989 Trust; and the Tara Dolan 1989 Trust. Individuals who are not members of the Dolan Family Group but are trustees of trusts that are members of the Dolan Family Group also include Corby Dolan Leinauer, as a Trustee of the Charles F. Dolan 2009 Family Trust FBO Thomas C. Dolan, the Charles F. Dolan 2009 Family Trust FBO James L. Dolan, the Charles F. Dolan 2009 Family Trust FBO Marianne E. Dolan Weber, the Charles F. Dolan 2009 Family Trust FBO Kathleen M. Dolan and the Charles F. Dolan 2009 Family Trust FBO Deborah A. Dolan-Sweeney (collectively, the "**2009 family trusts**" and individually, a "**2009 family trust**"); Paul J. Dolan, as a Trustee of the Dolan Children Trust FBO Kathleen M. Dolan and the Dolan Children Trust FBO James L. Dolan; Matthew J. Dolan, as a Trustee of the Dolan Children Trust FBO Marianne Dolan Weber and the Dolan Children Trust FBO Thomas C. Dolan; and Mary S. Dolan, as a Trustee of the Dolan Children Trust FBO Deborah Dolan-Sweeney and each of the 2009 family trusts. The members of the Dolan Family Group may be deemed to beneficially own an aggregate of (i) 3,804,378 shares of MSGN Class A common stock (including 1,487,150 shares of MSGN Class A common stock owned of record in the aggregate and options to purchase 2,317,228 shares of MSGN Class A common stock that are exercisable within 60 days of May 17, 2021) and (ii) 13,588,555 shares of MSGN Class B common stock and the equal number of shares of MSGN Class A common stock issuable upon conversion thereof. Members of the Dolan Family Group in the aggregate may be deemed to have the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 13,588,555 shares of MSGN Class B common stock (representing all outstanding MSGN Class B common stock) and the equal number of shares of MSGN Class A common stock issuable upon conversion thereof by reason of the terms of an agreement among the members of the Dolan Family Group. Individuals who are not members of the Dolan Family Group but are trustees of trusts that are members of the Dolan Family Group may be deemed to beneficially own an additional 112,136 shares of MSGN Class A common stock. Proxy at 210-211.

13. As noted, as of May 17, 2021, the Dolan Family Group, owned 70.7% of the total voting power of the outstanding MSG Entertainment common stock and 76.9% of the total voting power of the outstanding MSG Networks common stock.

14. Defendant James L. Dolan, a member of the Dolan Family, and thus, the Dolan Family Group, served as a member of MSG Networks Board of Directors (the "MSGN Board") and the Executive Chairman of MSG Networks from 2009 until the Merger closed. Similarly, he has served as a director, the Executive Chairman and CEO of MSG Entertainment since November 2019.

15. Defendant Charles F. Dolan, the Dolan family patriarch, and thus, a member of the Dolan Family Group, was a member of the MSGN Board and has served as a director of MSG Entertainment since April 2020.

16. Defendant Aidan J. Dolan, Defendant James L. Dolan's son, a member of the Dolan family and thus, the Dolan Family Group, was a member of the MSGN Board.

17. Defendant Kristin A. Dolan, Defendant James L. Dolan's wife, a member of the Dolan family and thus, the Dolan Family Group, was a member of the MSGN Board, and has served as a director of MSG Entertainment since April 2020.

18. Defendant Paul J. Dolan, Defendant James L. Dolan's cousin, a member of the Dolan family and thus, the Dolan Family Group, was a member of the MSGN Board, and has served as a director of MSG Entertainment since April 2020.

19. Defendant Thomas C. Dolan, Defendant James L. Dolan's brother, a member of the Dolan family and thus, the Dolan Family Group, was a member of the MSGN Board, and has served as a director of MSG Entertainment since April 2020.

20. Defendant William J. Bell was a former member of the MSGN Board and has held executive and directorial positions at other companies within the Dolan Family Group's network for several years.

21. Defendant Joseph M. Cohen served as a member of the MSGN Board and was one of the two appointees to the MSGN Special Committee.

22. Defendant Joseph J. Lhota was a member of the MSGN Board and has served as a director of MSG Entertainment since April 2020.

23. Defendant Joel M. Litvin served as a member of the MSGN Board and was one of the two appointees to the MSGN Special Committee.

24. Defendant Stephen Mills served a member of the MSGN Board and has held executive and directorial positions at other companies within the Dolan Family Group's network for several years.

25. Defendant Hank J. Ratner served as a member of the MSGN Board, having previously been Vice Chairman of the Company from 2014 until 2015, and President and CEO of the Company from 2009 to 2014.

26. Defendant Brian G. Sweeney was a member of the MSGN Board and has served as a director of MSG Entertainment since April 2020. Furthermore, as Deborah Dolan's husband, he is a member of the Dolan family, specifically, Defendant James L. Dolan's brother-in-law.

27. Defendant John L. Sykes was a member of the MSGN Board and has served as a director of MSG Entertainment since April 2020.

28. Defendant Andrea Greenberg was President and CEO of MSG Networks from September 2015 until July 2021, the close of the Merger. She retained her positions after the close of the Merger.

29. Defendant Bret Richter was Executive Vice President ("EVP"), Chief Financial Officer ("CFO"), and Treasurer of MSG Networks until July 2021, the close of the Merger.

30. Defendants Joel M. Litvin and Joseph M. Cohen are collectively referred to herein as the "MSGN Special Committee Defendants."

31. Defendants James L. Dolan, Charles F. Dolan, Aidan J. Dolan, Kristin A. Dolan, Paul J. Dolan, Thomas C. Dolan, William J. Bell, Joseph M. Cohen, Joseph J. Lhota, Joel M. Litvin, Stephen Mills, Hank J. Ratner, Brian G. Sweeney, John L. Sykes, Andrea Greenberg, and Bret Richter are collectively referred to herein as the "Individual Defendants."

III. CLASS ACTION ALLEGATIONS

32. Plaintiff brings this action on his own behalf, and as a class action pursuant to Court of Chancery Rule 23, on behalf of all Class A stockholders of MSG Networks, except Defendants herein and any persons, firms, trusts, corporations, or other entities related to or affiliated with any of the Defendants, who were harmed by Defendants' actions as described more fully below (the "Class").

33. This action is properly maintainable as a class action.

34. The Class is so numerous that joinder of all members is impracticable. As of the close of business on June 14, 2021, there were 43,459,880 shares of MSG Networks Class A common stock, most of which were held by hundreds, if not thousands, of unaffiliated individuals and entities throughout the country. The number and identities of the record holders of MSG Networks' securities can be

easily determined from the stock transfer journals maintained by the Company, its agents, or successors.

35. There is a well-defined community of interest in the questions of law and fact involved affecting the members of the Class, including, *inter alia*, the following:

(a) Whether Defendants breached any of their fiduciary duties or aided and abetted the breaching of any fiduciary duties owed to Plaintiff and the other members of the Class in connection with the Merger, including the duties of loyalty and due care;

(b) Whether the Merger was entirely fair to the unaffiliated stockholders of the Company; and

(c) Whether the members of the Class have sustained damages, and if so, what is the proper measure of damages.

36. Plaintiff is a member of the Class and is committed to prosecuting this action. Plaintiff has retained competent counsel experienced in litigation of this nature. The claims of Plaintiff are typical of the claims of the other members of the Class. Plaintiff does not have interests antagonistic to or in conflict with those he seeks to represent. Plaintiff is therefore an adequate representative of the Class.

37. The likelihood of individual Class members prosecuting separate individual actions is remote due to the relatively small loss suffered by each Class member as compared to the burden and expense of prosecuting litigation of this nature and magnitude. Absent a class action, Defendants are likely to avoid liability for their wrongdoing, and Class members are unlikely to obtain redress for their wrongs alleged herein. There are no difficulties likely to be encountered in the management of the Class claims. This Court is an appropriate forum for this dispute.

38. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendants, or adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

39. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

IV. SUBSTANTIVE ALLEGATIONS

A. Background of the Company

40. As described in the Company's 2020 Form 10-K, MSG Networks was the regional "industry leader" behind MSG Network and MSG+, two of the largest regional sports and entertainment networks, and MSG GO, their companion streaming service. Whereas, MSG Network first debuted in 1969, the brainchild of the Dolan family patriarch, Defendant Charles F. Dolan, MSG Networks was incorporated on July 29, 2009, as Madison Square Garden, Inc. Operating primarily within the New York media market area, the largest media market in the nation, the Company's networks are most famous for their coverage of a wide range of sports-related content covering: (i) the New York Knicks of the National Basketball Association; (ii) the New York Rangers, New York Islanders, New Jersey Devils, and Buffalo Sabres of the National Hockey League; (iii) the New York Giants and Buffalo Bills of the National Football League; (iv) New York Red Bulls soccer; (v) Westchester Knicks basketball; (vi) New York Riptide lacrosse; and (vii) horse racing, poker, tennis, mixed martial arts, and boxing programs.

41. As noted in the Company's 2020 Form 10-K, MSG Network, MSG+, and MSG GO offer "a comprehensive lineup of other sporting events and original programming designed to give fans behind-the-scenes access and insight into the

teams and players they love. This content includes comprehensive pre and post-game coverage throughout the seasons, along with team-related programming that features coaches, players and more…" *Id.* at 3.

B. MSG Networks' "Strong" Financial Performance

42. MSG Networks' recent financial performance has demonstrated that despite the prevailing challenges in the streaming industry the Company has maintained its position as a formidable competitor. Andrea Greenberg noted that:

> The impact of the COVID-19 pandemic is being felt by virtually every business around the world. Yet despite its effects, we have continued to accomplish many of our key goals, while engaging fans with compelling programming on our two 24/7 networks. During fiscal 2020, we successfully renewed two major affiliate agreements, grew non-ratings based advertising revenue, strengthened our balance sheet and generated substantial free cash flow. As we continue to navigate the challenges of the pandemic as well as the evolving media landscape, we remain confident in the importance of our live professional sports content and the value it delivers for our affiliates, advertisers and viewers.[2]

43. Furthermore, she maintains that despite these challenges, MSG Networks has experienced "strong" results:

> [E]xperienced strong engagement and advertising results during our fiscal first quarter tied to the return of live sports to our networks, which

[2] *MSG Networks Inc. Reports Fourth Quarter and Fiscal 2020 Results*, Globe Newswire (August 13, 2020, 6:55 ET), https://www.globenewswire.com/en/news-release/2020/08/13/2077761/23410/en/MSG-Networks-Inc-Reports-Fourth-Quarter-and-Fiscal-2020-Results.html

> we believe firmly underscores the importance of our live local sports content and the value it delivers to our affiliates, advertisers and fans. While we await the start of the 2020-21 NBA and NHL seasons, we continue to introduce new content to engage our viewers, while we navigate the ever-changing media landscape which remains impacted by the ongoing COVID-19 pandemic.[3]

44. Consistent with these strong results, the Company saw reasonable growth over the past year:

45. Notwithstanding the unprecedented challenges to the Company's business operations due to the COVID-19 pandemic, MSG Networks generated

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[3] *MSG Networks Inc. Reports Fiscal 2021 First Quarter Results* (November 2, 2020) https://investor.msgentertainment.com/msg-entertainment-and-msg-networks-merger/msg-networks-historical-documents/msg-networks-historical-press-releases/news-details/2020/MSG-Networks-Inc-Reports-Fiscal-2021-First-Quarter-Results/default.aspx.

revenues of $157,363,000 million during the fiscal 2021 first quarter, only a slight decrease of 2% as compared with the prior year quarter. MSG Networks' Fiscal 2021 1Q Form 10-Q at 2. The Company generated operating income of $67,936,000 (only a >1% decrease), and a net income of $35,011,000, as compared with the prior year quarter. *Id.*

46. For the fiscal 2021 second quarter, MSG Networks generated revenues of $146,239,000, operating income of $65,712,000, adjusted operating income of $73,780,000, and net income of $41,523,000. MSG Networks Fiscal 2021 2Q Form 10-Q at 2.

47. There was no reason to believe this upward trend was in danger.

48. With an eye to future opportunities, the Company was well-positioned to actualize its highly lucrative online sports gambling ambitions. On February 4, 2021, MSG Networks laid the foundation with its first foray into the online sports-gaming market[4]:

> MSG Networks Inc. (NYSE: MSGN) today announced that it will launch a new, free-to-play app – *MSG Networks Pick 'Em* – developed in partnership with Boom Sports, a leader in online sports-gaming technology. The new prediction gaming app, expected to be available on iOS and Android starting in March, will offer sports fans the chance

[4] *MSG Networks to Unveil Free-to-Play Gaming App for Sports Fans*, BusinessWire (Feb. 4, 2021), https://apnews.com/press-release/business-wire/entertainment-business-sports-technology-nfl-425572bbed744500ac3755402a0f0fe8.

to win cash prizes during Knicks, Rangers, Islanders, Devils, and Sabres games.

"MSG Networks is thrilled to partner with Boom Sports on our new free-to-play app. We've been offering trivia and pick'em games on our MSG GO streaming app since 2018 and have seen firsthand how interactive games can help increase viewer engagement – including how long and how often they tune in," said Peter Tulloch, Senior Vice President, Digital Products and Distribution, MSG Networks. "*MSG Networks Pick 'Em* will further deepen our connection with viewers, providing sports fans with a fun and, potentially, rewarding way to enjoy MSG Networks' live coverage of their favorite sports teams, while providing MSG Networks with new revenue opportunities."

…

MSG Networks' Pick 'Em games will have a series of predictive questions rewarding fans with cash prizes for every basketball game, and for hockey games, the jackpot will be progressive.

MSG Networks Pick 'Em is the latest example of MSG Networks' commitment to innovation and creating engaging content for its viewers. MSG Networks is the first regional sports network (RSN) to announce a standalone app for free-to-play pick 'em-style contests. In 2018, MSG Networks was the first RSN to integrate live stats and interactive games on its MSG GO streaming app, which encourages fans to play along with the actual game broadcast for a chance to win prizes.

The free-to-play app is expected to build off of engagement with the gaming fan that MSG Networks has cultivated over the past few seasons, starting with a daily-fantasy focused simulcast in 2018 and evolving to sports-betting focused programming blocks, short-form content acting as previews for the game, and the aforementioned fan contests on MSG GO.

C. MSG Entertainment's Devastation Because of the Pandemic

49. MSG Entertainment, which, as discussed earlier, is also controlled by the Dolan Family Group, is an entertainment conglomerate specializing in live experiences, ranging from dining and nightlife venues to music festivals. The entertainment segment of its portfolio includes ownership and control of: Madison Square Garden; the Hulu Theater at Madison Square Garden; Radio City Music Hall; the Beacon Theatre; the Chicago Theatre; the MSG Sphere Las Vegas and MSG Sphere London, which are currently in construction phases; the Christmas Spectacular Starring the Radio City Rockettes; and Boston Calling Events. MSG Entertainment has a controlling interest in TAO Group Holdings LLC, the hospitality group behind the TAO brand, the Hakkassan Group, Marquee, Lavo, Avenue, Beauty & Essex and Cathédrale, among other brands.

50. In contrast to MSG Networks' recent performance, MSG Entertainment's business operations have been all but devastated over the past year as a direct consequence of the COVID-19 Pandemic, experiencing negligible growth, if any. Access to MSG Networks cash flow could undoubtedly rectify MSG Entertainment's resulting financial straits, even if it means MSG Networks' stockholders are left holding the bag.

51. As reflected in MSG Entertainment's 2020 Form 10-K:

> ***Our Operations and Operating Results Have Been, and Continue to be, Materially Impacted by the COVID-19 Pandemic and Government Actions Taken in Response.***
>
> As of the date of this Annual Report on Form 10-K, virtually all of our business operations have been suspended and Tao Group Hospitality is operating at significantly reduced capacity and demand. It is not clear when we will be permitted or able to resume normal business operations.
>
> As a result of government mandated assembly limitations and closures, events are currently prohibited at The Garden, Hulu Theater at Madison Square Garden, Radio City Music Hall, the Beacon Theatre and The Chicago Theatre. Virtually all events at our venues have been postponed or cancelled through at least September, and will likely be impacted through the remainder of the year. We are not recognizing revenue from those events and, while events are being rescheduled into calendar year 2021, it is unclear whether and to what extent those events will take place. The 2020 Boston Calling Music Festival, which had been slated for Memorial Day weekend, was also cancelled. On August 4, 2020, the Company announced that it cancelled the 2020 production of the Christmas Spectacular. All NBA and NHL games at The Garden have been suspended.[5]
>
> With the onset of the pandemic, Tao Group Hospitality's business was also materially impacted by COVID-19 related restrictions imposed by state and local officials, which included limiting restaurants and bars to take-out and delivery service only and requiring the closure of nightlife establishments. As a result of these restrictions, virtually all of Tao Group Hospitality's venues were closed for approximately three months starting in mid-March. Some state and local restrictions have gradually been lifted in certain cities where Tao Group Hospitality operates, including Las Vegas, New York City, Chicago and Los Angeles, which now permit limited in-person dining (typically required to be outdoors) with capacity restrictions and social distancing requirements.
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> . . .

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[5] At 10% capacity, Madison Square Garden held its first NBA game since the suspension on February 23, 2021.

> The impact of cancelled events and closed venues, including our dining and nightlife venues, has and will continue to substantially decrease our revenues. In addition, due to the unprecedented nature of the global COVID-19 Pandemic (the "Pandemic") and its impacts on our business, our ability to forecast our cash inflows is hampered, and therefore our focus is on forecasting and managing operating costs and cash outflows against our overall liquidity position… Id. at 15.

52. And while the Pandemic is not expected to last forever, as of March 7, 2021, a Bloomberg Article reported that "only 20% of U.S. adults polled by Morning Consult said they'd be comfortable going to a concert right now, and 27% of sports fans said they're ready to attend a game."[6]

53. Correspondingly, over the last year, MSG Entertainment's financial performance has seen a remarkable downturn. MSG Entertainment's 2020 Form 10-K notes that, as of August 31, 2020:

> [MSG Entertainment] incurred operating losses of $59.8 million, $45.6 million and $31.3 million in fiscal years 2020, 2019 and 2018, respectively. In addition, we have in prior periods incurred operating losses and negative cash flow and there is no assurance that we will have operating income or positive cash flow in the future. Significant operating losses may limit our ability to raise necessary financing, or to do so on favorable terms, as such losses could be taken into account by potential investors, lenders and the organizations that issue investment ratings on indebtedness…" *Id.* at 20.

[6] Tara Lachapelle, *Dolan Wins With MSG Deal Even If Knicks Don't*, Bloomberg (March 11, 2021), https://www.bloomberg.com/opinion/articles/2021-03-11/msg-s-james-dolan-wins-with-merger-even-if-knicks-don-t.

54. Circumstances consistently worsened after August 31, 2020. As provided by MSG Entertainment's most recent Form 10-Q, revenue was down 94% from $394,072,000 during the three months ended December 31, 2019, to $23,137,000 during the three months ended December 31, 2020. *Id.* at 3. Moreover, MSG Entertainment was suffering from a net operating loss of $239,139,000 during the six months ended December 31, 2020. *Id.*

55. Further necessitating a quick and large influx of cash is the MSG Spheres Project. Specifically, MSG Entertainment was in the process of constructing an expensive, state-of-the-art entertainment venue, the first MSG "Sphere" in Las Vegas, when construction was temporarily suspended by the Pandemic, the delay having posed another seemingly insurmountable hurdle to MSG Entertainment's financial performance:

> The Company is progressing with its venue strategy to create, build and operate new music and entertainment-focused venues — called MSG Sphere — that will use cutting-edge technologies to create the next generation of immersive experiences. There is no assurance that the MSG Sphere in Las Vegas or London will be successful. We have begun building the first MSG Sphere in Las Vegas. For the MSG Sphere in London, the Company has submitted a planning application to the local planning authority. The planning authority's process is ongoing…
>
> We expect the costs of the MSG Spheres to be substantial. While it is always difficult to provide a definitive construction cost estimate for large-scale construction projects, it is particularly challenging for one

> as unique as MSG Sphere. In May 2019, the Company's preliminary cost estimate for MSG Sphere at The Venetian was approximately $1.2 billion. This estimate was based only upon schematic designs for purposes of developing the Company's budget and financial projections. Our cost estimate based on detailed construction drawings is approximately $1.66 billion. At this time, we are unable to determine the full impact of COVID related disruptions on this project. ...
>
> *In connection with the construction of the MSG Sphere venues, the Company will likely need to obtain additional capital beyond what is available from cash-on hand and cash flows from operations.* There is no assurance that we will be able to obtain such capital. The NBA and NHL have imposed restrictions on certain financing transactions that require a secured interest in The Garden…" MSG Entertainment 2020 Form 10-K at 16.

56. The MSG Spheres Project has been plagued with difficulties since its announcement, including being a half a billion dollars over budget. By August 2019[7]:

> [James L.] Dolan, who owns the New York Knicks, saw support for his ambitious new project start to fizzle Tuesday after executives of his entertainment company, Madison Square Garden, said the first high-tech orb could cost half a billion dollars more than forecast.
>
> That, combined with disappointing MSG earnings, sent shares of the Radio City Music Hall owner into their worst decline in the stock's four-year history.

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[7] Carleton English and Josh Kosman, *James Dolan's plan to build orb-like amphitheaters under fire*, New York Post (Aug. 21, 2019), https://nypost.com/2019/08/21/investors-are-doubting-james-dolans-plan-to-build-orb-like-amphitheaters/.

> One investor was so livid, he told The Post he wants Dolan to just walk away from the costly construction project.
>
> "We think they should scrap the sphere arenas," a leading MSG investor told The Post.
>
> The problems started when executives of Madison Square Garden told analysts in an earnings call Tuesday that the cost to build the first sphere in Las Vegas by 2021 ballooned to $1.7 billion, or $500 million over budget…

57. The Sphere has been described as "a desert dice roll,"[8] and there has been speculation that that while:

> Dolan has conceded the bill will run to $1.66 billion—and those interior bells and whistles aren't even screwed in place yet, let alone turned on. MSG insiders have warned that the Sphere could eventually cost $2 billion. And that was before construction was stopped.
>
> If those humongous screens ever do flicker to life, they will likely be hanging on the walls of the world's most expensive arena, and the only one of its size that cannot have a professional sports team as an anchor tenant, or host any of the standard tour dates of the hundreds of acts that roll through the Vegas strip every year. His hope is to build another in London and perhaps more in other cities after that.
>
> "Sounds like a very big gamble to me," wrote billionaire media mogul David Geffen in a mid-March email.

[8] Zack O'Malley Greenburg, *James Dolan Ditched His Family's Legacy Cable TV Business Years Ago. Now He's Stuck With An Albatross Of His Own Creation,* Forbes (Apr. 2, 2020), https://www.forbes.com/sites/zackomalleygreenburg/2020/04/02/james-dolan-ditched-his-familys-legacy-cable-tv-business-years-ago-now-hes-stuck-with-an-albatross-of-his-own-creation/?sh=4027c5477579.

> "The market is assuming that they're burying $1.7 billion in a hole in the desert," says Chris Marangi, co-CIO at Mario Gabelli's GAMCO Investors, "and not getting any value in return." *Id.*

58. Worse still, several contractors on the MSG Sphere project had filed mechanics liens in August 2020 stemming from allegations of unpaid construction work, further illustrating the Project's dire straits[9]:

> Three construction liens totaling $3.3 million have been filed by subcontractors working on the $1.66 billion MSG Sphere at The Venetian entertainment venue.
>
> The liens were filed for $119,270 on behalf of Commercial Scaffolding of NV Inc., Las Vegas, on April 10; $2.7 million for Harris Rebar Las Vegas Inc., on June 5; and $555,481 for Parsons Electric LLC, Las Vegas, on July 7.
>
> The largest of the liens involving Harris Rebar was quickly attached to a bond, releasing the lien.
>
> The liens, filed in Clark County, were directed at two subsidiaries of MSG Entertainment and Las Vegas Sands Corp.: MSG Las Vegas LLC and to Sands Arena Landlord LLC.
>
> ...
>
> "We have been working with the subcontractors to address these claims and have been requesting the appropriate level of

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[9]Richard N. Velotta, *Millions in construction liens filed against MSG Sphere project*, Las Vegas Review-Journal (Aug. 25, 2020), https://www.reviewjournal.com/business/millions-in-construction-liens-filed-against-msg-sphere-project-2103241/.

> documentation for the work performed so they can be paid accordingly," an MSG spokeswoman said.

59. MSG Entertainment's financial circumstances had been been exacerbated as "revenues from [Obscura Digital ("Obscura")]'s third-party production business… decreased significantly for Fiscal Year 2020 as compared to the prior year periods due to the Company's decision to wind down Obscura's third-party production business to focus those resources on the MSG Sphere development." MSG Entertainment 2020 Form 10-K at F-32.

60. Should the MSG Spheres Project fail, it brings with it the risk of financial ruin to MSG Entertainment, as well as that of the Dolan Family Group, given the billions of dollars already invested.

61. Furthermore, it would spell the end of the MSG Sphere in London before it even truly began.

62. And given his high-profile connection to the MSG Spheres Project, the vitriol and criticism for its failure would be directed, in large part, towards James L. Dolan, the Project's mastermind. It would pose a reputational disaster for him and the Dolan family name.

63. A Merger with MSG Networks would be invaluable to providing MSG Entertainment with the much-needed capital required to complete the Sphere project, its latest, multi-billion dollar project.

64. The same can be said of MSG Entertainment's online sports gambling aspirations. MSG Networks was the lynchpin of Madison Square Garden online and television operations. While, as discussed, MSG Networks had already made inroads, tapping into the market as a standalone company, MSG Entertainment has no such access without it.[10]

> "With the acquisition of MSG Networks, MSG Entertainment anticipates it would capture more of the emerging revenue opportunity related to the potential expansion of legalized sports gaming in its market," the company stated in a release.
>
> The combined entity combines Madison Square Garden's live entertainment and digital media properties, which should ease the way to offer sports gaming products with potential gambling partners. Sports betting has been legal in New York State since 2013, but only in casinos and on tribal land. Mobile sports betting is expected to be legalized this year.

[10]Brendan Coffey, *MSG Arranges Discount Buy of TV Network in Sports Betting Play*, Sportico (Mar. 26, 2021).

65. Likewise, there is the view that "[t]he revenue potential of sports betting is a big factor in the transaction, which also aims to stem losses suffered on the entertainment side during the coronavirus pandemic."[11]

66. The risks that existed at the end of 2019 are incalculably greater now as MSG Entertainment struggles to recover from the blow dealt by the Covid-19 Pandemic.

D. The Dolan Family Group's Control over MSG Networks

67. The Dolan Family Group's control over MSG Networks was undisputed, and unchecked.

68. For over half a century, individuals within the Dolan family have founded, owned, and/or controlled a colossal network of companies including, but not limited to: Teleguide, Inc.; Sterling Manhattan Cable Television; Home Box Office ("HBO"), Cablevision Systems Corporation ("Cablevision"); Long Island Cable Community Development Co. ("Long Island CCDC"); Rainbow Media Holdings, Inc. ("Rainbow Media"), AMC Networks, Inc. ("AMC"); Madison Square Garden Sports Corp. ("MSG Sports" or "MSGS") and its teams, the New York Knicks, the

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[11] Dade Hayes, *Madison Square Garden Entertainment Acquires MSG Networks Sibling In All-Stock Deal*, Deadline (Mar. 26, 2021), https://deadline.com/2021/03/msg-entertainment-msg-networks-all-stock-acquisition-knicks-1234722508/.

New York Rangers, the Cleveland Indians, the Westchester Knicks, and the Hartford Wolf Pack; Newsday Media Group ("Newsday"); the Madison Square Garden Company ("TMSGC"); and most importantly, MSG Entertainment and MSG Networks.

69. MSG Networks had been controlled by the Dolan Family Group since its inception. To date, the Dolan Family Group accounted for all of the outstanding MSGN Class B stock and 8.8% of MSGN Class A stock, 76.9% of the voting power of MSG Networks.

70. Likewise, MSG Entertainment has, at all relevant times, been controlled by James L. Dolan and the Dolan Family Group, accounting for all of the outstanding MSGE Class B stock and 3.1% of MSGE Class A, 70.7% of the voting power of MSG Entertainment.

71. The control of the Dolan Family Group over both MSG Networks and

MSG Entertainment was an incontrovertible fact, confirmed by both entities[12] [13]:

> ***We Are Controlled by the Dolan Family. As a Result of Their Control, the Dolan Family Has the Ability to Prevent or Cause a Change in Control or Approve, Prevent or Influence Certain Actions by the Company.***
>
> We have two classes of common stock:
>
> - Class A Common Stock, which is entitled to one vote per share and is entitled collectively to elect 25% of our Board of Directors.
> - Class B Common Stock, which is entitled to ten votes per share and is entitled collectively to elect the remaining 75% of our Board of Directors.
>
> As of July 31, 2020, the Dolan family, including trusts for the benefit of members of the Dolan family (collectively, the "Dolan Family Group"), collectively own all of our outstanding Class B Common Stock and approximately 7.2% (inclusive of options exercisable within 60 days of the date hereof) of our outstanding Class A Common Stock, and as a result hold approximately 77.0% of the total voting power of all our outstanding common stock. The members of the Dolan Family Group holding Class B Common Stock have executed a stockholders agreement…that has the effect of causing the voting power of the

[12] The following paragraph is reiterated verbatim in MSG Entertainment's 2020 Form 10-K with regard to MSG Entertainment: "As of July 31, 2020, the Dolan family, including trusts for the benefit of members of the Dolan family (collectively, the "Dolan Family Group"), collectively own all of our Class B Common Stock, approximately 4.2% of our outstanding Class A Common Stock (inclusive of options exercisable and restricted stock units vesting within 60 days of the date hereof) and approximately 70.9% of the total voting power of all our outstanding common stock." *Id.* at 29

[13] As of May 17, 2021, the Dolan Family Group held all of MSG Networks' outstanding Class B Common Stock and approximately 8.3% of the Company's Class A stock, representing 76.9% of the total voting power of MSG Networks, and all of MSG Entertainment's outstanding Class B Common Stock and approximately 3.1% of MSGE Class A stock, representing 70.7% of the total voting power of MSG Entertainment. Proxy at 133.

> holders of our Class B Common Stock to be cast as a block with respect to all matters to be voted on by holders of Class B Common Stock. Under the Stockholders Agreement, the shares of Class B Common Stock owned by members of the Dolan Family Group (representing all of the outstanding Class B Common Stock) are to be voted on all matters in accordance with the determination of the Dolan Family Committee, except that the decisions of the Dolan Family Committee are non-binding with respect to the Class B Common Stock owned by certain Dolan family trusts that collectively own 40.5% of the outstanding Class B Common Stock... The "Dolan Family Committee" consists of Charles F. Dolan and his six children, James L. Dolan, Thomas C. Dolan, Patrick F. Dolan, Kathleen M. Dolan, Deborah A. Dolan-Sweeney, and Marianne Dolan Weber. The Dolan Family Committee generally acts by a majority vote, except that approval of a going-private transaction must be approved by a two-thirds vote and approval of a change-in-control transaction must be approved by not less than all but one vote. The voting members of the Dolan Family Committee are James L. Dolan, Thomas C. Dolan, Kathleen M. Dolan, Deborah A. Dolan- Sweeney, and Marianne Dolan Weber, with each member having one vote other than James L. Dolan, who has two votes. Because James L. Dolan has two votes, he has the ability to block Dolan Family Committee approval of any Company change in control transaction. Shares of Class B Common Stock owned by Excluded Trusts are to be voted on all matters in accordance with the determination of the Excluded Trusts holding a majority of the Class B Common Stock held by all Excluded Trusts, except in the case of a vote on a going-private transaction or a change in control transaction, in which case a vote of trusts holding two-thirds of the Class B Common Stock owned by Excluded Trusts is required.

72. Materials in MSG Networks' books and records [redacted]

[redacted]

73. Likewise, the Company, in other litigation, recently admitted that "Networks stockholders do not face any conceivable risk of a coercive takeover: the transaction being challenged is the acquisition of a controlled company by another company already under common control. The only imaginable risk plaintiff may face is the alleged harm of unfair price—and that injury is compensable in damages under the entire fairness doctrine upon a proper showing of harm in post-closing proceedings"[14]:

> [MSG Entertainment and MSG Networks] always have been and are today controlled by the same stockholders (the "Dolan Family Group"), and the companies descended from a common predecessor—in the case of Networks, more than eleven years ago. These stockholders have controlled the boards of each corporation since its inception, and those boards approved the transactions that made each other affiliates under the [DGCL]…Investors from the outset have known about the companies' corporate relationships and the powers of their controlling stockholders. *Id.* at 1-3.

[14] Def. Answering Br. in Opposition to Plaintiff's Mot. for Prelim. Inj., (BL 55) at 32. *Leisz v. MSG Networkz et al.*. C.A. No. 2021-0504-KSJM (Del. Ch. June 25, 2021).

74. Thus, in opposition to stockholders' motions to preliminarily enjoin the Merger in other litigation, Defendants admitted that the Merger was a conflicted controller transaction to be reviewed under the entire fairness standard at trial.

75. The Dolan Family Group's control over the Company was further illustrated by its governance structure, in light of which there was no likelihood of the Merger being resolved on term unfavorable to either MSG Entertainment or the Dolan Family Group.

76. Naturally, pursuant to the Dolan Family Group's Class B Common Stock rights, the Group had a "lock" on director nominations and elections, and, accordingly, multiple members of the MSG Networks Board have been elected by the Dolan Family Group over the years. Most recently, the roster included Defendants James L. Dolan, Charles F. Dolan, Aidan J. Dolan, Kristin A. Dolan, Paul J. Dolan, Thomas C. Dolan, William J. Bell, Hank J. Ratner, and Brian G. Sweeney. The latter three, although not members of the Dolan family, were loyal to the Dolan Family Group, working in tandem alongside the Dolan family for significant periods of time, and as such, have been compensated with directorships, and executive and managerial positions at companies owned and/or controlled by the Dolan Family Group; as were the four Class A Director members of the MSGN

Board, Defendants Joseph M. Cohen, Joseph J. Lhota, Joel M. Litvin, and John L. Sykes.

[redacted]

[redacted]

78. At the helm of the Dolan Family Group is Defendant James L. Dolan.

79. In addition to his roles at MSG Networks and MSG Entertainment, Defendant James L. Dolan's other roles within the Dolan Family Group's network of companies have included his tenure as: director and Executive Chairman of MSG Sports since 2015, and CEO from 2017 to April 2020; director of Cablevision from 1991 until its sale in 2016, and during that time also serving as CEO from 1995, Vice President from 1987 to 1992, and President from 1998 to 2014; CEO of Rainbow Media from 1992 to 1995; and director of AMC since 2011, and Non-Executive Chairman since September

2020. Each job undertaken has seen James L. Dolan inextricably linked and in regular contact with several of the other Individual Defendants in this Case for decades, working alongside them, supervising them, and vice-versa. His status within the Dolan Family and the Dolan Family Group undeniably means he had conflicts of interest.

80. Defendant Charles F. Dolan's other roles within the Dolan Family Group's network of companies, have included his tenure as: director, Chairman, and CEO of Cablevision from 1985 until its sale in 2016; director and Executive Chairman of AMC since 2011; and founder of Sterling Manhattan Cable Television, HBO, and the Long Island CCDC, of which he was also the General Partner. Like his son, James L. Dolan, he also had overwhelming conflicts of interest.

81. Defendant Aidan J. Dolan, as noted, is a member of the Dolan family and thus, the Dolan Family Group, and a former member of the MSGN Board. Understandably, there was no denying the existence of his conflicts of interest.

82. Defendant Kristin A. Dolan's time working within the Dolan Family Group's network of companies, has included positions as: Chief Operating Officer ("COO") of Cablevision from 2014 until its sale in 2016, director from 2010, Senior Vice President from 2003 to 2011, President of Optimum Services from 2013 to 2014, and Senior EVP of Product Management and Marketing from 2011 to 2013; director of MSG Sports Corp. since 2015; director of AMC since 2011; and a prior stint with the Company

from 2010 to 2015. Like all the Dolans, her professional and familial status within the Dolan Family and the Dolan Family Group meant she has stark conflicts of interest.

83. Defendant Paul J. Dolan's other roles within the Dolan Family Group's network of companies include his tenure as: Vice President and General Counsel of the Cleveland Indians Major League Baseball team, President from 2004 to 2010 and from 2000 to 2004, and Chairman and CEO since 2010; director of MSG Sports since December 2019; director of Cablevision from 2015 until its sale in 2016; and Chairman and CEO of Fast Ball Sports Productions from 2006 through 2012. As a Dolan, he too had conflicts of interest.

84. Defendant Thomas C. Dolan's other roles within the Dolan Family Group's network of companies include his tenure as: Vice President and Chief Information Officer of Cablevision from 1994 to 1996, Senior Vice President and Chief Information Officer of Cablevision from 1996 to 2001, EVP and Chief Information Officer from 2001 until 2005, director from 2007, and EVP- Strategy and Development from 2008 until its sale in 2016; CEO of Rainbow Media Corp. from 2004 to 2005; General Manager of Cablevision's East End Long Island cable system from 1991 to 1994; director of MSG Sports since 2015; and director of AMC since 2011. Again, as a Dolan, he had multiple conflicts of interest.

85. Defendant Brian G. Sweeney joined the Dolan family in September 24, 1994 when he married Deborah Dolan, Charles F. Dolan's daughter. Professionally, beyond his previous position with the MSGN Board, his tenure with the Dolan Family Group's network of companies includes serving as: Strategy and Chief of Staff of Cablevision from 2013 to 2014, Senior Vice President of Strategic Software Solutions from 2012 to 2013, Senior Vice President of eMedia from 2000 to 2012, director from 2005, President from 2014, and CFO from 2015 until its sale in 2016; director at MSG Sports since 2015; and a director at AMC. As one would expect, his status meant he also had significant conflicts of interest.

86. Defendant John L. Sykes previously occupied a key position at Viacom, Inc. as part of the team that launched MTV Networks in 1981, President of New Network Development for MTV from 2005 to 2008, Chairman and CEO of Infinity Broadcasting Corporation from 2002 to 2005, and President of the VH1 Cable Television Network from 1994 to 2002; and was previously affiliated with the Pilot Group from 2008 to 2011. He has also been the acting President of Entertainment Enterprises for iHeartMedia, Inc. from 2012 through the present. More importantly, he currently serves as a Director of MSG Entertainment since April 2020, a clear

conflict of interest. In addition, he has had a longstanding relationship with Defendant James L. Dolan, dating back more than 20 years[15]:

> An active philanthropist, Mr. Sykes joined Jim Dolan and Harvey Weinstein in 2001 to co-produce the historic "The Concert for New York City," which raised more than $35 million in aid for 9/11 victims and heroes. In 2012, the three entertainment executives teamed up again to co-produce "12-12-12: The Concert for Sandy Relief," which raised more than $50 million to assist the millions of people in the tri-state area impacted by Superstorm Sandy. Mr. Sykes currently serves on the boards of the Robin Hood Foundation, Shazam Mobile, The Rock and Roll Hall of Fame and Syracuse University's Newhouse School of Communications.

87. Defendant William J. Bell’s ties to the Dolan Family Group are decades-old, starting in 1979. He formerly held a number of executive positions at the Long Island CCDC and later, Cablevision, until 2004. Thereafter he remained with Cablevision as a consultant from 2005 to 2014. From 2011 through the present, he continues to serve as a director of AMC. His fidelity to the Dolan Family Group negated any semblance of independence or disinterestedness that he may claim regarding the Merger.

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[15] *The Madison Square Garden Company Appoints John Sykes to Board of Directors*, Globe Newswire (Aug. 4, 2015), https://investor.msgentertainment.com/press-releases/news-details/2015/The-Madison-Square-Garden-Company-Appoints-John-Sykes-to-Board-of-Directors/default.aspx.

88. Defendant Stephen Mills' tenure within the Dolan Family Group's network of companies further includes serving as: President from 2017 to 2020 and EVP and General Manager from 2013 to 2017 of the New York Knicks; a director at MSG Sports since April 2020; and as a Trustee of Ariel Investments, LLC, a mutual fund management company with overlapping positions on MSG Entertainment (10.7% Total Shares Outstanding ("TSO")) since 2015, and MSG Networks (23.3% TSO). His career within the Dolan Family Group and the investments he oversees in MSG Entertainment, likewise, gave rise to various potential conflicts of interest.

89. Defendant Hank J. Ratner's work within the Dolan Family Group's network of companies includes serving as: a director and Vice Chairman from 2002 until its sale in 2016; and the Vice Chairman of Rainbow Media from 2002 to 2011, a director from 1997 to 2003, COO from 1999 to 2002, COO and Secretary from 1998 to 1999, EVP and Secretary from 1997 to 1998, and EVP of Legal & Business Affairs and Secretary from 1993 to 1997. His career within the Dolan Family Group evinced numerous potential conflicts of interest.

90. Defendant Joseph J. Lhota's relationship with the Dolan family and the Dolan Family Group is unwavering, with both professional and political ties, and a pre-acknowledged conflict of interest. Professionally, the extent and duration of his

tenure within the Dolan Family Group's network of companies displayed multiple conflicts of interest and a profound loyalty to the Dolan Family Group. He had acted as EVP of Cablevision from 2002 to 2010, before becoming EVP and Chief Administrative Office of TMSGC from 2010 to 2011. In October 2011, Lhota was nominated to serve as Chairman of the Metropolitan Transportation authority ("MTA"), serving as interim CEO, while awaiting confirmation by the New York State Senate. He was ultimately confirmed to the position on January 9, 2012, later resigning from the MTA at the end of the year to pursue his political ambitions, and run for mayor of New York City. With the wholehearted endorsement of Newsday, a print media organization serving Long Island and New York City, owned and operated by the Dolan Family Group, Lhota despite winning the majority of the vote at the Republic primary, lost the general election in 2013. He returned to Cablevision, as a director, from 2014 until its sale in 2016.

91. Thereafter, Lhota resumed his role as Chairman of the MTA, in June 2017 until November 2018, when a blatant and well-documented conflict of interest resulting from his appointment to serve on TMSGC Board of Directors (from 2017 to April 2020) culminated in his resignation[16]:

[16] Brian M. Rosenthal, *From the E.R. to the Garden, M.T.A. Chief Holds Unusually Powerful Perch*, N.Y. Times (May 22, 2018), https://www.nytimes.com/2018/05/22/nyregion/lhota-mta-nyc.html.

> The December hire, which was first reported by Politico, stunned transit activists because of [Madison Square Garden]'s reliance on the M.T.A. — Penn Station has six subway lines and houses the Long Island Rail Road, which is also operated by the authority.
>
> Talks have been going on for years about remaking Penn Station into a site that is better for travelers and also takes advantage of the opportunity for development in a thriving real estate market. But negotiations started heating up again late last fall, according to three sources familiar with the process who spoke on the condition of anonymity because they were not authorized to discuss the issue publicly.
>
> One of the options, the sources said, is the removal of the 5,500-seat Hulu Theater to make room for a grand entrance to Penn Station from Eighth Avenue. That would require compensating the Garden, and the size of the compensation is a major point of contention.
>
> The Garden's top executive, James L. Dolan, is a longtime donor to Mr. Cuomo, but advocates said it could not hurt to hire Mr. Lhota during the talks.
>
> Mr. Lhota said he had recused himself from any discussions about the overhaul of Penn Station. A Madison Square Garden spokeswoman said in a statement, "We believe Joe is a valued, independent member of our board who acts with the highest integrity."
> The terminal is not the only conflict involving The Madison Square Garden Company. The company is also an investor in a project to build an arena for the New York Islanders at Belmont Park on Long Island, and project leaders have said the site needs better transit access to be successful.
>
> Mr. Lhota said he had recused himself from that issue, too. But when asked about the proposed arena at a budget hearing in Albany in January, he answered at length.

> Though Mr. Lhota said he had avoided talks about renovating Penn Station, he has not hesitated to participate in decisions about improvements to two subway stations that serve the stadium, which arguably would also benefit Madison Square Garden.

E. The MSGN Special Committee Was Conflicted

92. As described below, Defendant Joseph M. Cohen and Joel M. Litvin were appointed to the MSGN Special Committee that ultimately, albeit expectedly, recommended the Merger.

93. Defendant Joseph M. Cohen's career within the Dolan Family Group's network of companies includes serving as: President of MSG Networks from 1977 to 1985; EVP of MSG Media & Development from 1995 to 2002; and director of MSG Sports since April 2020. Furthermore, Joseph M. Cohen is also the current Chairman and Chief Executive Officer of West Ridge Associates, a sports and media consulting firm, which includes the Cleveland Indians on its client roster. [redacted] Beyond their business ties, Joseph M. Cohen has maintained "long-term personal" relationships with the Dolan family.[17] In 2011, he established the Sports-Time Ohio RSN for Defendant Paul J. Dolan, before it was sold to Fox Corp., inspiring the following sentiments:

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[17] Blog, http://www.mrjosephmcohen.com/blog/ (last visited Jul. 7, 2021).

> "Joe's charming without being slick..." "He never reacts emotionally during a negotiation. Really, he wasn't an obvious choice to advise us — he didn't even have his shingle out then in that business. Then we talked to him and discovered he was uniquely suited. He had worn every hat that can be worn in the sports media business." *Id.*

94. The longevity of his involvement and allegiance to the Dolan Family Group cast a long shadow on his status as an independent member of the MSGN Board of Directors, yet, as described below, Defendant Joseph M. Cohen was appointed to the MSGN Special Committee overseeing the Merger, as a result of said purported "independence."

95. Defendant Joel M. Litvin, a former director on the MSGN Board, likewise suffered from conflicts of interest. For 27 years, up until September 1, 2015, he was President of League Operations for the NBA. In line with his responsibilities, "he managed several core areas of the day-to-day operations of the NBA, including the league's basketball operations, security, player development, social responsibility and legal functions. Mr. Litvin also managed, on behalf of the NBA Board of Governors, franchise matters such as revenue sharing, team sales and financings, relocations and the NBA's ownership and debt policies. Mr. Litvin initially joined the NBA as a staff attorney in 1988 and also served as Senior Vice President and General Counsel from 1999 to 2000 and Executive Vice President,

Legal and Business Affairs, from 2000 to 2006."[18] [redacted] Immediately thereafter, he joined the former MSGN Board. Furthermore, [redacted]. Along with Defendant Joseph M. Cohen, he was appointed to the MSGN Special Committee, and pursuant to the Merger, he was granted the newly created seat on the MSGE Board.

F. MSG Networks Management Was Conflicted

96. Similarly, the members of MSG Networks management also labored under the control of the Dolan Family Group and thus, potential conflicts of interest.

97. Defendant Andrea Greenberg was demonstrably conflicted. The current President and CEO of post-Merger MSG Networks, "she leads Madison Square Garden Entertainment Corp.'s… media properties, featuring two award-winning regional sports networks – MSG Network and MSG + – along with digital properties

[18] Board of Directors, https://investor.msgentertainment.com/governance/board-of-directors/default.aspx (last visited Jul. 25, 2021).

that include MSG Network's companion streaming app, MSG GO."[19] From September 2015, up until the Merger closed, she served as President and CEO of MSG Networks, the standalone entity, and as a part of the MSG Networks Management Team, members of MSG Networks management team excluding those who were part of MSGE Management who worked alongside the MSGN Special Committee to *independently* analyze and evaluate the proposed transaction with MSG Entertainment ("MSGN Management"). Previously, she had a decades-long career with Rainbow Media Holdings. Her tenure with the Dolan Family Group, saw her:

> responsible for a myriad of high-profile, consequential business transactions, including securing significant rights and partnership agreements with professional sports teams and leagues, affiliation arrangements with major distributors, and partnership and divestiture deals. In addition, she has built and managed numerous celebrated regional sports networks, where she has continued to create cutting-edge strategies and drove the development of first-of-their-kind ventures that have helped push the industry forward. *Id.*

98. Lastly, she "serves on the board of the Garden of Dreams Foundation, a non-profit organization that works closely with all areas of MSG Entertainment to assist young people in need." *Id.*

[19] Andrea Greenberg, https://www.msgentertainment.com/leadership/andrea-greenberg/ (las visited Jul. 24, 2021).

99. Defendant Bret Richter, like Andrea Greenberg, oversaw the Merger as a member of MSGN Management. The former EVP, CFO of MSG Networks, he held both positions from October 2015 until July 2021, also becoming Treasurer in April 2016. In the preceding years, he served as EVP of Finance and Development at TMSGC from January 2014 to December 2015, and CFO from September 2015 to October. His tenure with the Dolan Family Group, however, started in January 2005, over a decade earlier, as Senior Vice President of Financial Strategy of Cablevision, later transitioning to the role of EVP of Corporate Finance & Development in January 2015.

100. Adam Levine, the final member of MSGN Management, was MSG Networks' EVP of Business Affairs. He'd previously held an identical position at MSG Sports, before which, he'd been Counsel at Cablevision.

101. Further exemplifying the influence of the Dolan Family Group, as with all companies similarly owned and operated within the Dolan Family Group's network, both MSG Networks and MSG Entertainment were subject to the common exchange of resources, services and specialties, with countless "affiliation

agreements" between them,[20] including, but not limited to an "advertising sales representation agreement," a "services agreement," and a "trademark license

[20] Over the years, such agreements between MSG Networks and other companies in the Dolan Family Group's network, have included, but are not limited to: (i) Distribution Agreement, dated September 11, 2015, between MSG Networks Inc. and Madison Square Garden Sports Corp.; (ii) Contribution Agreement, dated September 11, 2015, among MSG Networks Inc., MSGN Holdings, L.P. and Madison Square Garden Sports Corp.; (iii) Distribution Agreement, dated as of March 31, 2020, between Madison Square Garden Sports Corp. and Madison Square Garden Entertainment Corp.; (iv) Transfer Consent Agreement, dated September 28, 2015 with the NBA; (v) Transfer Consent Agreement, dated September 28, 2015 with the NHL; (vi) Tax Disaffiliation Agreement, dated September 11, 2015, between MSG Networks Inc. and Madison Square Garden Sports Corp.; (vii) Employee Matters Agreement, dated September 11, 2015, by and between MSG Networks Inc. and Madison Square Garden Sports Corp.; (viii) Lease Agreement, dated December 4, 1997, between RCPI Trust and Radio City Productions LLC, relating to Radio City Music Hall; (ix) Dry Lease Agreement, dated December 17, 2018, between MSG Entertainment Group, LLC and Sterling2k LLC; (x) Flight Crew Services Agreement, dated May 6, 2019, between MSG Entertainment Group, LLC and Dolan Family Office, LLC; (xi) Contribution Agreement, dated as of March 31, 2020, between Madison Square Garden Sports Corp., MSG Entertainment Group, LLC and Madison Square Garden Entertainment Corp; (xii) Transition Services Agreement, dated as of March 31, 2020, between MSG Sports, LLC and MSG Entertainment Group, LLC; (xiii) Tax Disaffiliation Agreement, dated as of March 31, 2020, between Madison Square Garden Sports Corp. and Madison Square Garden Entertainment Corp.; (xiv) Employee Matters Agreement, dated March 31, 2020, between Madison Square Garden Sports Corp. and Madison Square Garden Entertainment Corp; (xv) NBA Transaction Agreement, dated April 15, 2020, with the NBA and Madison Square Garden Entertainment Corp.; (xvi) NHL Transaction Agreement, dated April 15, 2020, with the NHL and Madison Square Garden Entertainment Corp.; (xvii) Time Sharing Agreement, dated April 15, 2020, between MSG Entertainment Group, LLC and MSG Sports, LLC (for the G450); (xviii) Time Sharing Agreement, dated April 15, 2020, between MSG Entertainment Group, LLC

agreement." MSGN 2020 Form 10-K at 19. Also, several agreements setting forth "arrangements with respect to support services and a number of on-going commercial relationships," *id.*, and "the sale of [MSG Networks'] advertising inventory and [MSG Networks'] use of the "MSG" brand." *Id.*

102. Also, pursuant to similar agreements, MSG Entertainment provides numerous business services to MSG Networks:

> MSGE currently provides certain business services to the Company, such as information technology, accounts payable, payroll, tax, certain legal functions, human resources, insurance and risk management, investor relations, corporate communications, benefit plan administration and reporting and internal audit functions, as well as certain executive support services. These services include the collection and storage of certain personal information regarding employees and/or customers as well as information regarding the Company and our Distributors and advertisers… In addition, pursuant to a services agreement with MSGS, MSGS provides us with certain legal services. MSGN 2020 Form 10-K at 19.

G. Preliminary Merger Discussions

103. Given MSG Networks' corporate governance structure and its deep-rooted support for the Dolan Family Group's interests, it had long since been established among those at the Company that if ever circumstances arose that would

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and MSG Sports, LLC (for the G550); (ixx) Time Sharing Agreement, effective July 1, 2018, between MSG Entertainment Group, LLC and Charles F. Dolan (for the G550).

warrant an attempt at restructuring, it would be entirely dependent on the permission and endorsement of the Dolan Family Group[21]:

> The Dolan Family Group is able to prevent a change in control of our Company and no person interested in acquiring us will be able to do so without obtaining the consent of the Dolan Family Group. The Dolan Family Group, by virtue of their stock ownership, have the power to elect all of our directors subject to election by holders of Class B Common Stock and are able collectively to control stockholder decisions on matters on which holders of all classes of our common stock vote together as a single class. These matters could include the amendment of some provisions of our certificate of incorporation and the approval of fundamental corporate transactions.
>
> In addition, the affirmative vote or consent of the holders of at least 66 2/3% of the outstanding shares of the Class B Common Stock, voting separately as a class, is required to approve:
>
> - the authorization or issuance of any additional shares of Class B Common Stock, and
> - any amendment, alteration or repeal of any of the provisions of our certificate of incorporation that adversely affects the powers, preferences or rights of the Class B Common Stock. MSG Networks 2020 Form 10-K at 17.

104. Thus, it was unsurprising that MSG Networks capitulated to a transaction with MSG Entertainment, another company within the Dolan Family

[21] Various iterations of this disclosure have been inserted into every MSG Networks Form 10-K filed since 2010, when the Company operated as Madison Square Garden, Inc. *See* Madison Square Garden, Inc. 2010 Form 10-K at 35.

Group's control, despite the Merger being contrary to the best interests of MSG Networks' unaffiliated stockholders.

105. Prior to the Merger, the MSGN Board had initially established a special committee as early as 2019 (the "2019 Special Committee"), comprised, in part, of Joel M. Litvin, to actively pursue a potential transaction with TMSGC. At the time, "TMSGC owned and operated the businesses currently owned and operated by MSG Entertainment and MSG Sports." Proxy at 59. For undisclosed reasons, negotiations between the two entities collapsed in August 2019.

106. What is known, however, is that subsequently on November 21, 2019, MSG Entertainment was incorporated as a directed, wholly owned subsidiary of TMSGC. Months later, on March 31, 2020, MSG Entertainment was spun off, becoming its own entity, and TMSGC rebranded as MSG Sports.

107. Predictably, MSG Networks and MSG Entertainment soon began to explore "the potential strategic and financial benefits of a business combination transaction," Proxy at 59, initially led by both companies' boards of directors, including all eight of the companies' mutual Directors (James L. Dolan, Charles F. Dolan, Kristin A. Dolan, Paul J. Dolan, Thomas C. Dolan, Joseph J. Lhota, Brian G. Sweeney, and John L. Sykes) who owed divided loyalties to both entities and were *per se* conflicted.

108. On January 6, 2021, representatives of Sullivan & Cromwell LLP ("Sullivan & Cromwell"), outside legal counsel to *both* MSG Networks and MSG Entertainment expressed to the MSG Entertainment Board of Directors (the "MSGE Board") of "the potential conflicts of interest created by the fact that the Dolan [F]amily [G]roup is a controlling stockholder of both MSG Entertainment and MSG Networks and the need for MSG Entertainment to form a fully empowered special committee comprised solely of independent and disinterested directors in order to consider a potential transaction with MSG Networks." Proxy at 59. The subsequently formed special committee (the "MSGE Special Committee") retained Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton") as its legal counsel on January 8, 2021.

[redacted] Despite a blatant conflict of interest, representatives of Sullivan & Cromwell found themselves called upon for a second time, on January 7, 2021, by their long-term client, MSG Networks. The Proxy states that the MSG Networks Board received an identical presentation from Sullivan and Cromwell that the firm gave to the MSGE Board, [redacted]

[redacted]

[redacted]

110. The fact that the Dolan Family Group "had not formed a view regarding the merits of any transaction" signaled to the MSGN Special Committee that, throughout negotiations, they would need to placate that Dolans above any other constituency, if they deemed a merger to be desirable.

111. The Minutes from this January 7, 2021 Special Meeting of the MSG Networks Board describe Mr. Gregg Seibert, MSG Entertainment's Vice Chairman, and Vice Chairman, Executive Vice President and General Counsel of the former MSG Networks, as noting that [redacted]

112. Ms. Greenberg, President and CEO of MSG Networks, elaborated on such considerations, outlining:

[redacted]

113. Other purported [redacted] benefits of the potential Merger were that:

[redacted]

114. The purported [redacted] benefits of the potential Merger were to be as follows:

[redacted]

115. Of the benefits listed, all are abstract, conditioned on unpredictable circumstances beyond the companies' control. None are essential or crucial to MSG Networks' continued success.

116. The only tangible and [redacted] advantage disproportionately favored MSG Entertainment, at the expense of MSG Networks' minority stockholders: MSG Networks' healthy cash flow would operate as a lifeboat, rescuing MSG Entertainment from its MSG Sphere and other pandemic-related woes.

117. During the same meeting, [redacted] Indeed, this quick turnaround anticipating a rushed (and likely pre-baked) negotiation process is precisely what occurred: As described herein, the Merger Agreement was announced on March 26, 2021.

118. In accordance with Sullivan & Cromwell's counsel, the MSGN Board appointed a "fully empowered special committee comprised solely of independent and disinterested directors in order to consider a potential transaction with MSG Entertainment," Proxy at 60, unanimously adopting the following resolutions:

> [redacted]
>
> [redacted]

[redacted]

119. The MSGN Special Committee was comprised of Defendants Joseph M. Cohen, and like the 2019 Special Committee, Joel M. Litvin. Indeed, the Minutes from the Special Meeting of the Board of Directors held on January 7, 2021 specify that both men were:

> "determined by the board to be independent directors for purposes of the New York Stock Exchange corporate governance standards, (ii) are not affiliated with [MSG Entertainment] or the Dolan Family, and (iii) do not have an interest in a transaction that is different from, or in addition to, the interests of the Company's …" MSGN-220-00000014.

120. This was not accurate. In fact, as previously noted, both Litvin and Cohen labored under conflicts of interest.

121. Thereafter, the MSGN Special Committee retained Davis Polk & Wardwell LLP ("Davis Polk") as legal counsel, and on January 21, 2021:

[redacted]

122. On February 12, 2021, the MSGN Special Committee retained LionTree as its financial advisor:

[redacted]

123. Two weeks later, on February 26, 2021, with negotiations well underway, the MSGN Special Committee also retained Morgan Stanley as a financial advisor:

[redacted]

H. Negotiations

124. Negotiations were tainted from the outset.

125. Further evidencing the extent to which the Dolan Family Group's influence would pervade the Company's approach to any potential transaction, the MSGN Special Committee failed to seriously pursue and evaluate the possibility of entering into a transaction with any other entities.

126. Instead of actively pursuing the best "strategic" transaction available, from the outset, the MSGN Special Committee only ever considered a transaction with MSG Entertainment. This was in no small part a result of its mandate.

127. The MSGN Special Committee's Financial Advisors, Morgan Stanley and LionTree were similarly constrained.

128. Meanwhile, undisclosed (and likely Dolan Family Group-affiliated) "members of MSG Networks management," actively withheld "inbound inquiries" from the MSGN Special Committee.

129. Of note, these same members of MSG Networks management, in January 2021, *did* receive and evaluate an "inbound inquiry" from a non-Dolan Family Group entity interested in a transaction. Proxy. at 62. Only after the inquiry had been rebuffed, was the MSGN Special Committee informed. Any further details of the inquiry are conspicuously absent from the Proxy.

130. However, Minutes from the January 21, 2021 Meeting of the MSGN Special Committee disclosed the following:

> [redacted]

131. Despite this inbound inquiry from a potential suitor, the MSGN Special Committee did not make any reasonable efforts to follow up. Neither was any mention of the [redacted] proposal made to the MSGN Special Committee's soon-to-be Financial Advisors.

---

22 [redacted]

132. Notwithstanding, given [redacted] numerous inquiries into a potential transaction with MSG Networks and its potential opposition to MSG Entertainment and the Dolan Family Group, Davis Polk's retention as the MSGN Special Committee's legal advisor could further be seen as constraining the MSGN Special Committee's efficacy and flexibility:

> [redacted]

133. On, January 28, 2021, the MSGN Special Committee and the MSGE Special Committee participated in the first of their scheduled bi-weekly conference calls. Neither the 220 Production nor the Proxy suggest that the MSGN Special Committee ever considered using the existence of this inbound inquiry as leverage to negotiate for a better deal.

134. The MSGN and MSGE Special Committees failed to discuss any terms of a potential transaction between MSG Networks and MSG Entertainment during this meeting.

135. On February 5, 2021, MSG Networks and MSG Entertainment entered into a mutual non-disclosure and confidentiality agreement regarding a possible

transaction. Thereafter, on February 8, 2021, the MSGN Special Committee convened a meeting during which representatives of Davis Polk, Morgan Stanley, and LionTree led a discussion regarding the commencement of financial and legal due diligence in connection with the potential transaction. At the time, Morgan Stanley and LionTree both:

[redacted]

136. Subsequently, on February 17, 2021, the MSGN Special Committee and the MSGE Special Committee held their second bi-weekly meeting. Again, the Proxy indicates that the terms for a potential transaction were not discussed. But the Special Committees conveyed "a mutual desire to continue discussions and conduct the process in a diligent and efficient manner." Proxy at 62.

[redacted] Eventually, on February 24, 2021, MSG Entertainment's Management Team ("MSGE Management") delivered a presentation [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

138. Even MSGE Management had to concede the [redacted] nature of the financial projections, especially related to the unfinished and over-budget Las Vegas Sphere project:

[redacted]

[redacted]

[redacted]

[redacted]

139. The MSGN Special Committee clearly latched onto this rose-colored forecast of MSG Entertainment's future in lieu of the demonstrated and tangible security of MSG Networks' operations.

140. In furtherance of the MSGN Special Committee's "due diligence," MSG Entertainment eventually granted representatives from LionTree, Morgan Stanley and Davis Polk, and MSGN Management access to their virtual data room on March 2, 2021, facilitating "a number of discussions with respect to MSG Networks' financial projections and various due diligence topics." Proxy at 63.

141. According to the Proxy and the 220 Production, "[t]hereafter, a number of discussions occurred with respect to MSG Networks' financial projections and various due diligence topics. The participants in these discussions included MSGE management, MSGN management and the respective advisors to the MSGN special committee and the MSGE special committee and, in some cases, the MSGE special committee and the MSGN special committee." Proxy at 63.

142. On March 3, 2021, at their third bi-weekly meeting, the MSGN Special Committee and the MSGE Special Committee continued to "discuss the process of exploring a potential transaction." Proxy at 63. Again, the Proxy emphasizes that the terms of the potential transaction were not discussed. But the Special Committees found time to explore "the process." *Id*.

I. The Bloomberg Article

143. On March 10, 2021, news of a potential transaction between MSG Entertainment and MSG Networks was leaked in an article on Bloomberg.com[23] (the "Bloomberg Article,"), which stated in relevant part:

> MSG Networks Inc., which owns the cable channel that airs New York Knicks basketball games, is considering a merger with Madison Square

[23] Ed Hammond, *MSG Networks Is Said to Weigh Tie-Up With MSG Entertainment*, Bloomberg (Mar. 10, 2021), https://www.bloomberg.com/news/articles/2021-03-10/msg-networks-is-said-to-weigh-tie-up-with-msg-entertainment.

> Garden Entertainment Corp., according to people familiar with the matter, potentially recombining two pieces of the Dolan family entertainment empire. MSG Networks is working with advisers to explore a merger with the owner of the iconic Madison Square Garden arena in New York City, said the people, who asked to not be identified because the matter isn't public. Deliberations are in early stages and may not lead to a deal.
>
> The deal would mark a turnabout for Jim Dolan, who has spent years splitting up his family's holdings in a bid to extract more value. He is chairman of both companies and chief executive officer of MSG Entertainment, which was spun off last year by Madison Square Garden Sports Corp., his sports-team affiliate.
>
> The logic behind the potential tie-up: While MSG Networks makes a lot of cash, it has uncertain future prospects as consumers increasingly abandon cable TV for streaming. MSG Entertainment has a brighter outlook but needs lots of cash.
>
> A representative for MSG Networks and MSG Entertainment declined to comment.

J. MSG Entertainment's Proposal

144. Pressured by the publication of the Bloomberg Article, the MSGN Special Committee and the MSGE Special Committee hastened the progression of the transaction.

145. On March 11, 2021, the MSGN Special Committee, MSGN Management, LionTree, Morgan Stanley and Davis Polk, after merely one week of due diligence, held a meeting to:

[redacted]

146. The aforementioned questions boiled down to one inescapable complication even a compromised MSGN Special Committee couldn't ignore: the risks inherent in the MSG Spheres Project were glaring and ineludible.

147. Again, the terms of a potential transaction were not discussed.

148. Finally, on March 12, 2021, at a meeting between the MSGN Special Committee and the MSGE Special Committee, the latter announced its proposal to acquire MSG Networks for a fixed exchange ratio of 0.163 shares of MSG Entertainment for each share of MSG Networks, to be formalized in a pending written proposal (the "Proposal"). The 0.163 fixed exchange ratio implied an equity value for the Company of approximately $922 million and implied share value of $18.90, a 7.5% discount to MSG Networks' $20.44 share price at the time

[redacted] The economics of the Proposal were underpinned [redacted]

[redacted]

150. Their initial 60-day VWAP proposal illustrates an attempt by the MSGE Special Committee to negate the increase in MSG Networks' share price relative to shorter time periods when MSG Networks shares traded at a comparative premium.

151. While the Proxy discloses that LionTree and Morgan Stanley discussed the issue with Moelis and Raine, "the rationale for using a 60-day VWAP relative to other, shorter time periods as the appropriate benchmark," Proxy at 64, was neither set forth nor elaborated on in either the Proxy or the 220 Production.

152. At a March 17, 2021 meeting, the MSGN Special Committee, MSGN management, representatives from LionTree, Morgan Stanley and Davis Polk, came together to evaluate the MSGE Special Committee's initial offer:

[redacted]

[redacted]

[redacted] Therein, the Financial Advisors summarized several key terms of the MSGE Special Committee's Proposal, [redacted]

[redacted]

24 [redacted]

[redacted]

[redacted] Included in the written presentation was the following [redacted] Hinged on the resolution of MSG Sphere's financial problems (again, the only feasible solve being MSG Entertainment's unencumbered access to MSG Networks' significant cash flow) and the end of a global pandemic intensified by vicious and unpredictable variants, the following analyses maintain [redacted]

[redacted]

[redacted]

155. In light of both MSG Networks' potential, and that of MSG Entertainment, the unimpressive exchange ratio offered in the latter's Proposal was an outrageous attempt to devalue MSG Networks, by tying it to MSG Entertainment's stunted performance.

156. At $106.33, the proposed 0.163 exchange ratio would amount to $17.33, an outrageous 13.8% discount to MSG Networks' $20.10 share price at the time.

157. Worse still, it appears that in spite of the volatility of MSG Entertainment's stock price and the impressive performance of MSG Networks' stock to date, the MSGN Special Committee, determined to acquiesce to an unfair stock-for-stock acquisition, negligently failed to consider or propose a collar on the deal price, as one would expect, at any point during the Merger negotiations.

158. And by only requiring the [redacted], the Proposal provided that the approval of MSG Networks' minority stockholders was not a condition to the Merger.

159. Specifically, while discussing these documents, "Wachtell Lipton confirmed to Davis Polk that the MSGE special committee was unwilling to consider any transaction that was contingent upon the approval of the holders of a majority of the MSG Networks shares not held by the Dolan family group." Proxy at 64. Days

prior, to the detriment of the Company's minority stockholders, the MSGE Special Committee had rejected a majority-of-the-minority provision:

> The MSGE special committee also considered the potential benefits, burdens and implications of seeking to condition the completion of the transaction on the receipt of approval by a majority of the shareholders unaffiliated with the Dolan family group, including of providing unaffiliated stockholders the opportunity to vote separately on the transaction, and the potential disadvantage of creating execution risk for the transaction and the possibility of a small number of stockholders potentially having a disproportionate influence. The MSGE special committee also considered the extent, if any, that conditioning the transaction on the approval of a majority of the stockholders unaffiliated with the Dolan family group would have on the judicial standard of review of a transaction. After discussing the matter and considering these benefits and burdens, the MSGE special committee determined to proceed without seeking to condition the completion of the transaction on receipt of approval by a majority of the stockholders unaffiliated with the Dolan family group. MSG Entertainment Form 8-K dated July 1, 2021 at 5.

160. In other words, minority stockholders would have *no* say in determining MSG Networks' future, given the Dolan Family Group's voting power.

161. Towards the end of the March 17, 2021 MSGN Special Committee Meeting, the participants reviewed what the Proxy deemed a "principal issue[]," Proxy at 64, specifically how "the draft merger agreement did not contemplate a member of the MSGN board joining the MSGE board upon the closing of the potential transaction, " *id.*, and "the importance of an independent MSGN board

member joining the MSGE board upon closing given the significant ownership that MSGN's existing stockholders would have in the combined entity." *Id.*

162. Having been identified by the MSGN Board as the only "independent" and "disinterested" directors, by their own admission, one of the foremost interests of the MSGN Special Committee's members was apparently securing employment for themselves after the conclusion of the Merger.

163. On March 18, 2021, representatives from LionTree and Morgan Stanley relayed the outcome of their discussions with Moelis and Raine, and their financial analysis of the MSGE Special Committee's initial proposal to the MSGN Special Committee, MSGN Management, and representatives from Davis Polk. Immediately thereafter, the MSGN Special Committee provided the MSGE Special Committee with a written response, addressing the inadequacy of the 0.163 exchange ratio contained in the Proposal. It stated, in relevant part that:[25]

> [redacted]

25 "[redacted]

[redacted]

[redacted]

[redacted] Further addressing the perceived insufficiencies of the Proposal, the MSGN Special Committee noted as some of their [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

165. With a focus on the exchange ratio and securing a seat on the MSGE Board, neither the Proxy, nor the 220 Production discusses how, or if, the MSGN Special Committee resisted the Proposal's lack of minority protections for MSG Networks' stockholders, intimating that it did not.

166. Concurrently, Wachtell Lipton, Sullivan & Cromwell, and Davis Polk, in hopes of obtaining voting agreements from the Dolan Family Group, secured the agreement that "there would continue to be no discussion with the Dolan family group or [Debevoise & Plimpton LLP ("Debevoise")] concerning the details of any transaction unless and until there was an exchange ratio agreed between the respective special committees." Proxy at 65. But this would be cold comfort to any special committee focused on getting the best possible deal for minority stockholders, as the Dolan Family had already suggested that it would reject any deal it found not to be to its liking (and even potentially take action against any director who went against its wishes). It was the proverbial 900-pound gorilla in the room.

167. A follow-up meeting between the MSGE Special Committee and the MSGN Special Committee was set for March 21, 2021. The MSGN Special Committee was "[c]ounseled by MSGN management, LionTree, Morgan Stanley and Davis Polk "on potential negotiating points and tactics for its upcoming meeting with the MSGE special committee, potential positions that the MSGE special committee might take and potential responses to those positions." Proxy at 65. Given that the MSGN Special Committee was established, in part, to limit the intermeddling of MSGN Management, that MSGN Management "counseled" the MSGN Special Committee here was problematic. Moving forward, LionTree and Morgan Stanley [redacted]

168. The MSGN Special Committee was met by a surprisingly obsequious MSGE Special Committee. The latter indicated its willingness:

> (i) "[T]o recommend an "at market" transaction based on the 30-day VWAP of the two companies' stock prices, which translated to an exchange ratio of 0.1685 shares of MSGE common stock for each share of MSGN common stock";
> (ii) To disregard "the performance of the two companies' stock following the Bloomberg article"; and
> (iii) "[T]o accept the MSGN special committee's position that the MSGE board be expanded to include a MSG Networks director upon completion of the transaction." Proxy at 65.

169. Reconvening its earlier meeting with MSGN Management, LionTree, Morgan Stanley and Davis Polk, [redacted] a "strong desire to conclude negotiations promptly." Proxy at 65.

170. MSG Entertainment's impatience to secure a Merger bordered on desperation, and was well-communicated to the MSGN Special Committee at all times during the negotiation process. Yet, neither the 220 Production nor the Proxy suggest that the MSGN Special Committee ever used this as leverage to negotiate for a better exchange ratio. Still, after considering the revised proposal with MSGN management, LionTree, Morgan Stanley and Davis Polk, the MSGN Special Committee resumed its meeting with the MSGE Special Committee and while somewhat appeased by the provision that the MSGE Board would expand by one member to be chosen by the MSGN board from among MSG Networks' directors, countered the MSGE Special Committee's revised proposal with an exchange ratio of 0.176. In response thereto, the MSGE Special Committee indicated that an exchange ratio above a range of 0.1685 to 0.1715 was outside the range of exchange ratios that had been discussed with its financial advisors.

171. Finally, the MSGN Special Committee, "[f]ollowing discussion with its advisors," Proxy at 65, with MSGN Management in attendance, proposed a final exchange ratio of 0.172, to the approval of the MSGE Special Committee.

172. In other words, given both Companies' closing prices on March 19, 2021, the MSGN Special Committee was willing to subject MSG Networks' minority, unaffiliated stockholders to accept a 11.5% discount to MSGN's current $19.96 share price.

173. Having tentatively agreed on an exchange ratio of 0.172, on March 22, 2021, representatives from Davis Polk and Wachtell Lipton held a meeting with Debevoise, counsel to the Dolan Family Group, requesting that the Dolan Family Group enter into voting agreements with MSG Networks and MSG Entertainment.

174. After the weekend, this now translated to an implied value of $16.86 per share, markedly less than MSG Networks' $19.77 trading price.

175. Despite the offer on the table, Davis Polk still raised the idea with Debevoise that the Dolan Family Group lend their support to "any strategic transaction involving MSG Networks at this time other than a transaction with MSG Entertainment." Proxy at 66. It was once again made clear by Debevoise that the Dolan Family Group would support a "strategic transaction," *id.*, between MSG Networks and MSG Entertainment or nothing at all.

176. Over the next few days, the MSGN Special Committee held multiple meetings attended by MSGN management, LionTree, Morgan Stanley and Davis Polk, to review the fluctuations "in the MSG Entertainment and MSG Networks stock prices since the MSGN special committee's March 21 meeting with the MSGE special committee." Proxy at 66. Specifically:

[redacted]

177. There appeared to be significant focus on MSG Entertainment's interests during the meetings, but the Financial Advisors' analysis of MSG Networks, yielded some of the following observations with regard to the Merger's effect on MSG Networks:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

178. If anything, these factors further demonstrate the redundancy of the Merger from the Company's standpoint.

179. The [redacted] as acknowledged by the Financial Advisors were substantial. Without the Merger, MSG Networks would not only be spared from the gamble inherent in MSG Entertainment's immediate future, but it would remain poised for further standalone growth opportunities, with the added benefit of its free cash flow.

180. On the contrary, the [redacted] were unpersuasive and lacked the urgency that would necessitate the Merger described herein.

181. Moreover, they acknowledge how the Dolan Family Group's ability to vote contrary to any [redacted] obstructing and interfering with other opportunities that may maximize stockholder value, more so than the current Merger.

182. On March 25, 2021, at a meeting attended only by the MSGN Special Committee and representatives of LionTree, Morgan Stanley and Davis Polk, both Morgan Stanley and LionTree rendered to the MSGN Special Committee separate oral opinions setting forth each of their beliefs that the merger consideration to be received by MSG Networks' stockholders was fair to such holders from a financial point of view. Both members of the MSGN Special Committee unanimously, albeit predictably, approved the following resolutions concerning the Merger:

> [redacted]

> [redacted]

[redacted]

[redacted] The MSGN Special Committee further approved the following resolutions regarding a [redacted]

[redacted]

[redacted]

[redacted]

184. Thereafter, the MSGN Board, having been informed by the MSGN Special Committee of its decision, held a meeting with MSGN Management and representatives of LionTree, Morgan Stanley, Davis Polk and Sullivan & Cromwell in attendance, during which it formally approved the Merger.

185. On the recommendation of the MSGN Special Committee, the MSGN Board unanimously adopted the following resolutions approving the Merger and the Dolan Family Group's MSGE Voting Agreement to use their 70.7% voting power to support the Merger, A:

> (i) determined that the merger agreement, the [MSG Entertainment] voting agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of MSG Networks and its stockholders (other than MSG Entertainment, the Dolan family group and their respective affiliates), (ii) approved, adopted and declared advisable, the merger agreement, the [MSG Entertainment] voting agreement and the transactions contemplated thereby, including the merger, (iii) resolved to recommend that the stockholders of MSG Networks adopt the merger agreement and (iv) resolved to direct that the merger agreement be submitted to the stockholders of MSG Networks for adoption. Proxy at 68.

186. On March 26, 2021, MSG Entertainment and MSG Networks formally announced the Merger:[26]

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[26] MSG Entertainment to Acquire MSG Networks, Globe Newswire (March 26, 2021 07:00 AM ET),

MSG Entertainment to Acquire MSG Network

Creates Stronger, More Diversified Company with Shared Commitment to Delivering Innovative Experiences

Delivers Enhanced Financial Flexibility to Pursue Growth Opportunities Across Entertainment and Media

Acquisition Unanimously Approved by Special Committees of Independent Directors and Boards of Directors of Both Companies

Madison Square Garden Entertainment Corp. ("MSG Entertainment") (NYSE: MSGE) and MSG Networks Inc. ("MSG Networks") (NYSE: MSGN) today announced they have reached a definitive agreement for MSG Entertainment to acquire MSG Networks in an all-stock, fixed exchange ratio transaction.

The merger is expected to be tax-free for both MSG Entertainment and MSG Networks and their stockholders. Upon the closing of the transaction, MSG Networks stockholders would receive 0.172 shares of MSG Entertainment Class A or Class B common stock for each share of MSG Networks Class A or Class B common stock they own. The exchange ratio is approximately 4% above the ratio of the unaffected closing stock prices of the two companies on March 10, 2021, the last trading day before a press report speculated on a potential transaction.

This transaction would create a leading entertainment and media company with a more diversified revenue base that would be well positioned to deliver innovative experiences across all of its assets. The combined company would have a stronger liquidity position to support its live entertainment business, which following the shutdown of its venues due to the pandemic, is now on a path back to normal operations. In addition, the new company would have enhanced financial flexibility to fund current growth initiatives, including its planned state-of-the-art venue in Las Vegas, MSG Sphere at The Venetian, as well as future opportunities across both entertainment and media.

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https://www.businesswire.com/news/home/20210326005079/en/MSG-Entertainment-to-Acquire-MSG-Networks.

> With the acquisition of MSG Networks, MSG Entertainment anticipates it would capture more of the emerging revenue opportunity related to the potential expansion of legalized sports gaming in its market. The combination of the companies' media, digital and venue assets creates a powerful platform for potential sports gaming partners, which is expected to generate significant incremental revenue in the years ahead.
>
> …
>
> While MSG Networks continues to operate in an evolving media landscape, the Company reported for its fiscal 2021 second quarter a sequential improvement in its year-over-year rate of subscriber decline, which has continued to improve so far during the fiscal 2021 third quarter. And with the 2020-21 NBA and NHL seasons, MSG Networks is currently enjoying significant year-over-year increases in viewership for both its linear networks and MSG GO streaming app, which helps drive the Company's advertising revenue.
>
> MSG Entertainment's portfolio features iconic venues, including Madison Square Garden; production assets such as the Radio City Rockettes and the Christmas Spectacular and a majority interest in Tao Group Hospitality.
>
> MSG Entertainment is actively pursuing its vision for MSG Sphere – new, state-of-the-art venues that will reinvent the entertainment experience. Construction is well underway on MSG Sphere in Las Vegas, and the Company continues to pursue its plans for an additional MSG Sphere in London, pending necessary approvals.
>
> …
>
> The transaction is subject to approval by a majority of the combined voting power of the outstanding shares of MSG Networks Class A common stock and Class B common stock. MSG Entertainment's issuance of its common stock in the transaction is subject to approval by a majority of the combined voting power of the votes cast by the holders of shares of MSG Entertainment Class A common stock and Class B common stock and, separately, the issuance of MSG Entertainment Class B shares must be approved by the holders of not less than 66 2/3% of the voting power of the outstanding shares of MSG

> Entertainment Class B common stock. The Special Committee of the Board of Directors of MSG Networks, and the full board, based on the recommendation of the MSG Networks Special Committee, have each recommended that MSG Networks stockholders adopt the merger agreement. The Special Committee of the Board of Directors of MSG Entertainment, and the full Board, based on the recommendation of the MSG Entertainment Special Committee, have each recommended that MSG Entertainment stockholders approve the issuance of MSG Entertainment common stock required for the transaction.
>
> The holders of all of the outstanding shares of MSG Networks Class B common stock and MSG Entertainment Class B common stock, who have sufficient votes to approve the transaction, have entered into voting agreements pursuant to which they have agreed to vote all of the MSG Networks Class B common stock and MSG Entertainment Class B common stock in favor of the adoption of the merger agreement and the issuance of MSG Entertainment common stock required for the transaction, respectively.

K. The Aftermath

187. As expected, the Merger was swiftly criticized following its announcement. Upon learning the terms of the Merger, MSG Networks' stockholders were rightly incensed, knowing that their investments in the Company were being materially devalued, and not because of some looming threat to the Company, but to rescue the Dolan Family Group's investment in MSG Entertainment, and more specifically, its massive investment in the MSG Sphere project. Further aggravating the issue, was the knowledge that the Merger was now

a sure thing and that the MSG Networks' stockholders were being denied the power to stop it.

188. For example, Jonathan Boyar of the Boyar Value Group, which owns stock in both MSG Networks and MSG Entertainment, issued an open letter to James Dolan, stating that the Merger was "the definition of self-dealing" and that the Merger Consideration reflected a price "that can only be described as a takeunder." Mr. Boyar continued[27]:

> The proposed purchase price grossly undervalues MSGN. The price being offered values MSGN at just 5.1x MSGN's FY 2020 adjusted operating income and just 4.5x its FY 2020 free cash flow. In our view, the implied multiple of the proposed transaction is wholly inadequate, as it does not reflect MSGN's strong fundamentals and cash-generating abilities, represents a meaningful discount to publicly traded cable network comps and precedent industry transactions, and does not adequately compensate MSGN for its increasingly valuable sports media rights, which includes local broadcast rights to both the Knicks and Rangers. Both teams were listed as the most valuable sports franchises in Forbes' recent ranking for NBA and NHL teams. We currently value MSGN at 9.0x our estimated 2022 EBITDA projection, an amount we view as extremely conservative (our estimate of EBITDA is more than 30% below what was generated in FY 2020) and which yields an intrinsic value of approximately $25 per share. In addition, our projections do not fully reflect the substantial likelihood that online sports gambling will be legalized throughout New York over the next few years.

[27] Letter from Jonathan Boyar, Boyar Value Group, to James L. Dolan, MSG Networks Inc. (Mar. 29, 2021), https://www.boyarvaluegroup.com/wp-content/uploads/2021/03/Boyar_Letter_to_Dolan_ReMSGN.pdf.

189. Boyar also noted that: (i) there appeared to be "absolutely no strategic rationale" for the Merger; (ii) "[f]unding a separate entity's capital needs by purchasing another related entity (at a bargain basement price) that produces robust free cash flow is not a legitimate reason for a transaction"; and (iii) "[a]s the transaction is currently structured, MSGE and its shareholders are positioned as the primary beneficiary of MSGN's future free cash flow generating abilities." *Id.*

190. Similarly, Barron's remarked on the undesirability of the Merger, criticizing its drastic undervaluation of MSG Networks, courtesy of the "Dolan discount," [28] to facilitate the Dolan Family Group's need to consolidate the two companies[29]:

> MSG Entertainment shares were down 2.5% Monday, to $82.56, after declining about 10% on Friday. MSG Networks was off 6% Monday,

[28] The term "Dolan discount" was initially used in regard to the failed 2007 Cablevision share buyout, where several stockholders rejected the terms of the buyout as woefully adequate: "They fret that Chief Executive James Dolan plans to spend Cablevision's cash in ways that don't necessarily help the company. To some cynics, the Cablevision chief executive is punishing investors for rejecting the buyout offer, which would have given his family complete ownership of the company. This theory holds that the Dolans are hoping the stock will fall so they can come back with another buyout offer -- possibly at an even lower price." Vishesh Kumar, *'Dolan Discount' Affliction,* Wall Street Journal (May 2, 2008), https://www.wsj.com/articles/SB120968814983361367.

[29] Andrew Bary, *Madison Square Garden Deal for Network Gets Shareholder Boos*, Barron's (Mar. 29, 2021), https://www.barrons.com/articles/madison-square-garden-deal-for-network-gets-shareholder-boos-51617043814.

> to $15.10, after falling 7.5% Friday. The damage is greater because MSG Entertainment stood at $116 and MSG Networks at $19 in early March before rumors surfaced about a transaction.
>
> The situation underscores what Wall Street has called the "Dolan discount," or a discounted price of Dolan-controlled companies because of the family's reputation, deserved or not, for putting their interest above those of public holders.

191. Stating the obvious, it'd been remarked that while suffering from gargantuan losses as a result of the Covid-19 Pandemic, the Merger was MSG Entertainment continuing to engage in a high-stakes gamble with the MSG Spheres Project, now sponsored by MSG Networks[30]:

> Wall Street is afraid of the tie-up partly because MSG Entertainment, after losing more than $250 million in the pandemic, appears to be moving forward on a controversial plan to build its pricey, ball-shaped Sphere arenas across the country. To some, Friday's deal looks like a signal that MSG Entertainment needs MSG Networks as a source of cash.

192. One investor further stated that, "[t]he question for shareholders is if this is an indicator that there are financing challenges at MSGE." *Id.*

193. In the months since the Merger Announcement, MSG Entertainment and MSG Networks' participated in a joint webcast with Brandon Ross, Partner and

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[30] Josh Kosman, *Investors flee James Dolan decision to merge MSG's owner with its cable network*, New York Post (Mar. 26, 2021), https://nypost.com/2021/03/26/investors-flee-james-dolan-decision-to-merge-msgs-owner-with-its-cable-network/. As of March 31, 2021, MSG Entertainment's losses are calculated at $350 million.

TMT Analyst at LightShed Partners, on May 10, 2021 ("May 10, 2021 Joint Webcast"),[31] during which the Merger was heavily discussed. During the webcast, Gregg Seibert, Andrea Greenberg, and Andy Lustgarten touted the purported merits of the Merger, promoting their biased viewpoint. In so doing, they continued to publicize many of the already-repudiated reasons given to justify the Merger:

> **Brandon Ross -- Partner and TMT Analyst at LightShed Partners**
> OK. Why don't we just turn to the rationale for the transaction? And I think a lot of it was driven by financial benefits. Could you maybe just walk us through what the financial benefits were and what the unlock was there?
>
> **Gregg Seibert**
> Yeah. And I think there are financial benefits which, in order to -- excuse me, the shareholders on both sides. So if you take a look at what MSGN is as a separate public company, what it is today, it's a company that produces a substantial amount of free cash flow and has limited opportunities for the reinvestment of that free cash flow. They can buy back stock, which they've done.
>
> They can repay debt, which they've done. But there's no sort of organic growth opportunity within MSGN. They're also a substantial cash taxpayer. And one of the things I think you'll agree is that, over time, we've been pretty sensitive in the transactions that we've done to try and to minimize the tax impact on our shareholders so that they can benefit from long-term compounding.

[31] Motley Fool Transcribing, *Madison Square Garden Entertainment Corp. and MSG Networks Inc. Joint Webcast*, May 11, 2021, https://www.fool.com/earnings/call-transcripts/2021/05/11/msg-entertainment-and-msg-networks-joint-webcast/

On the other side of the coin, MSGE is a company that also has a business that produces, pre-COVID, substantial amounts of EBITDA and free cash flow. That was obviously thrown into a little bit of a cocktail if you will. Well, yeah, a little shutdown, you know, when COVID basically shut our venues and ended up putting where we ultimately are today. Still having restrictions on spectators at events, etc.

And that generated, unfortunately, a $350 million NOL at MSGE. So there's an immediate tax benefit, which is basically the application of the $350 million NOL. That's a number as of approximately March 31 against MSGN's taxable income going forward. So that's going to create a lot of value.

…

Brandon Ross -- Partner and TMT Analyst at LightShed Partners

You talk about that substantial free cash flow that's coming out of MSGN. It sounds like there's a lot more liquidity at the combined entity. Can you just tell us what you plan to do with that liquidity? What are you going to buy?

Gregg Seibert

What are we going to buy? Well, let me sort of -- let me spend a minute on how I think the companies and the Madison Square Garden portfolio allocate their capital because it's very consistent. It's number one -- and I'm going to modify it a tiny bit right now. It's, number one, invest in your core business in which the transformation of Madison Square Garden, which I talked about before, was obviously a key factor. Today, it's going to be reopen your core business.

We're coming back from COVID. And thankfully, the signs are here that our businesses are going to reopen bigger and better than ever. We intend to invest in them. So that's sort of -- that's job 1.

Job 2 is to have a balance sheet that provides the flexibility to do what's necessary. And in this case, as we extend that over to a combined MSGE-MSGN, I think there will be opportunities, potentially, to explore more varied types of M&A activity should it be appropriate. Third is fund growth initiatives. Well, we've got a big growth initiative at MSGE in the form of MSG Sphere in Las Vegas, which obviously is more than -- it's a bigger business than just the one building in Las Vegas that we're building.

And I'm sure you'll have questions on that later. And then the fourth is return of capital and opportunistic acquisitions. So an example of an opportunistic acquisition, not what are we going to buy but what did we just buy. Tao Group just purchased Hakkasan, which expands our strategic position in the restaurant and nightclub business, which we think has benefits --

Brandon Ross -- Partner and TMT Analyst at LightShed Partners

I think you have most of the nightclubs in Vegas now between Hakkasan and Tao – or at least the biggest ones.

Gregg Seibert

We certainly have a nice portfolio of them. And I think that those will fit into as we get into talking about gaming and we get into talking about the Sphere, I think there'll be some threads that get pulled together in terms of why we view that business as bullishly as we do.

Brandon Ross -- Partner and TMT Analyst at LightShed Partners

OK. And since you brought the Sphere up, I think in the S4, it said that costs were going up another 10%. Obviously, the cost of Sphere has some investor concern. Is that part of the reason you did this deal, for that extra liquidity to finance the Sphere, for this increased costs and potentially further increased costs if that came to it?

Gregg Seibert

> You know, when the -- first off, no, sort of the simple answer. But I will tell you that when you're in a demand shock, like we're having right now in the economy, and when we do see the price of the Sphere increasing, and our best estimate, 10% from where we had previously been from a construction perspective, the extra liquidity is nice to have, but that's not the model. That's not the reason we're looking to have these two companies come together. I think I've outlined a pretty strong financial case.
>
> …

194. Despite Seibert's statement, the financial case for the transaction—from MSG Network's point of view—was definitely not "pretty strong."

195. MSG Networks was acquired almost exclusively as a financial lifeboat for MSG Entertainment's COVID-19 Pandemic woes. Whether MSG Networks' free cash flow is being directed towards "the transformation of Madison Square Garden," the reopening of MSG Entertainment's "core business," or creating a "balance sheet that provides [MSG Entertainment] with the flexibility to do what's necessary," or funding "growth initiatives…in the form of MSG Sphere in Las Vegas" and its ever increasing price tag, MSG Networks' financial liquidity is being used to rescue MSG Entertainment and the consequent, impending threat to the Dolan Family Group's legacy.

196. Likewise, without the Merger, any perceived benefit from MSG Entertainment's $350 million NOL would similarly be negated. MSG Entertainment's success in the imminent future is admittedly dependent on their

access to MSG Networks' free cash flow pursuant to the Merger, without which MSG Entertainment is unlikely to see enough profits to make its NOL from the past year remotely worthwhile.

197. Furthermore, as described above, MSG Networks, had multiple prospects regarding sources of revenue, contrary to what Gregg Seibert would have the public believe.

198. Thereafter, Brandon Ross inquired about the companies' choice to pursue a Merger, when, as described above, the companies within the Dolan Family Group's network habitually used affiliate agreements to great success. Unsurprisingly, Andy Lustgarten and Andrea Greenberg failed to furnish a convincing reason:

> **Brandon Ross -- Partner and TMT Analyst at LightShed Partners**
>
> OK. In the past, though, you've done these things through -- as you've done spins intercompany agreements. And it seemed like the different MSG Sports, Entertainment, and Networks were very tightly aligned anyway. Why do you need to put them all together under the same roof to achieve that? Why can't you just continue to have --
>
> **Andy Lustgarten -- President**
> So look, the agreement works to a certain extent. It's not -- it definitely puts you in the right direction, but there's nothing like being under the same roof, rolling together with one focus on the bottom line, same, similar goals, similar –
>
> **Andrea Greenberg -- Chief Executive Officer**

Similar objectives. *Id.*

199. In spite of their best attempts, Gregg Seibert and Andrea Greenberg were unable to deny the veritable truth. This Merger was an entirely unnecessary transaction, structured wholly to favor MSG Entertainment, at the expense of MSG Networks.

200. And on the future of sports betting in New York State, Andy Lustgarten couldn't avoid acknowledging MSG Networks' prime positioning to take advantage of whatever advances may be made, contrary to Gregg Seibert's earlier statement that "there's no sort of organic growth opportunity within MSGN":

> **Andy Lustgarten -- President**
> …
>
> As I mentioned, I think sports betting or gaming is incredibly important.
>
> You think about sport just driving engagement. We see it across the world when you look at other places where that's already been legal. So long as you will have a partner who is established, has trust, which -- by the way, I think the state has done a great job setting up a structure whereby the operator will be somebody who's very successful, who's got the trust and the infrastructure behind it.
>
> And so we feel really good about the future and the opportunity.
>
> **Brandon Ross -- Partner and TMT Analyst at LightShed Partners**
> And you have a deal in place with DraftKings. And does that preclude you from bringing other books into the arena? Or I think is it FanDuel on the network? Is it-

> **Andrea Greenberg -- Chief Executive Officer**
> MSG Networks has deals with FanDuel, DraftKings, and bet365. So we have a multiple –
>
> **Brandon Ross -- Partner and TMT Analyst at LightShed Partners**
> I guess that answers that question on the Networks but --
>
> **Andy Lustgarten -- President**
> And in terms of -- DraftKings is a partner and an amazing partner. Jason Robins has been an excellent leader and really has been a pioneer in this space, and I'm thrilled with our relationship and our friendship goes as long as we have. He's really ran a great business as well as the rest of that company. But we think that there's -- could be other partners.
>
> As Andrea mentioned, FanDuel, bet365. There are a lot of people in the space, and we could have one partner or maybe multiple. *Id.*

201. Furthermore, during the webcast, in an attempt to distance MSG Networks' from the more problematic aspects of the Merger negotiations Gregg Seibert falsely claimed the following:

> And in this case, as you and as, hopefully, the investors that have reviewed the S-4 filings saw, because of the fact that this is a related party transaction, neither management from MSGN or management from MSGE were involved in the negotiations. The negotiations took place between two special committees. *Id.*

202. As previously noted, both the Proxy and the 220 Production unabashedly acknowledged MSGN Management's involvement in the Special Committees' negotiations, their presence at almost every MSGN Special Committee meeting, offering counsel, guidance, and influence.

203. Also questioned--but not answered--was the undeniable conflict of interest at play, the MSGN Special Committee and the MSGN Board's incontrovertible deference to the Dolan Family Group's whims as Class B shareholders, versus those of the public, unaffiliated Class A shareholders:

> **Brandon Ross -- Partner and TMT Analyst at LightShed Partners**
> …And to be honest, there's been a ton of investor pushback. And the first thing I wanted to ask you is what you say to investors who are concerned that the interest of the Class B shareholders are different from those of the Class A shareholders.
>
> **Gregg Seibert**
> …
>
> So longwinded way of saying I think everyone's interests are aligned, and that's in creating long-term value for our shareholders. *Id.*

204. Under such circumstances, MSG Entertainment's adamant refusal to include a majority-of-the-minority condition, and MSG Networks' acceptance of this presents itself as all the more inexplicable. When asked to justify the exclusion of a majority-of-the-minority condition from the Merger, Gregg Seibert, passing the buck to the MSGN Special Committee, stated that:

> Yeah. Well, I think, Brandon, two parts to that answer. The first is very simply that, you know, transactions get negotiated with terms other than just what's the price and when is the deal going to close. So there's oftentimes a tremendous amount of back and forth between the parties negotiating the transaction.
>
> …

> … So there's a little bit more in the background of the merger, but that was a decision that was made by the special committee and their advisors. *Id.*

205. These ambiguous and peripheral terms were seemingly omitted from the Proxy and the 220 production. But one can logically assume that they were contrary to the best interests of MSG Networks' unaffiliated, minority stockholders.

L. The Unfair Merger is Consummated- Without Approval from Minority Stockholders

206. On July 8, 2021 MSG Networks "held a special meeting of stockholders [the "Special Meeting"] to vote upon the proposals set forth in the joint proxy statement/prospectus of MSG Entertainment and MSG Networks, filed with the SEC on June 4, 2021, to (1) adopt the Merger Agreement…" MSG Networks Form 8-K dated July 9, 2021.

207. The filing noted "the close of business on June 14, 2021, [as] the record date for the Special Meeting." MSG Networks Form 8-K dated July 9, 2021. As of June 14, 2021:

> There were 43,459,880 shares of MSGN Class A Common Stock and 13,588,555 shares of MSGN Class B Common Stock issued and outstanding and entitled to vote at the Special Meeting. 37,429,350 shares of MSGN Class A Common Stock and 13,588,555 shares of MSGN Class B Common Stock were represented in person or by proxy at the Special Meeting, which constituted a quorum to conduct business at the meeting. In accordance with the Amended and Restated

> Certificate of Incorporation of MSG Networks then in effect, the holders of MSGN Class A Common Stock have one vote per share and the holders of MSGN Class B Common Stock have ten votes per share. *Id.*

208. The Merger was voted through with 160,846,030 (89.7%)[32] of votes approving the Merger Proposal; 12,411,740 votes against the Merger; and 57,130 abstentions.[33]

209. In deference to the Dolan Family Group, the MSGN Board chose to silence the Company's minority unaffiliated stockholders, and discouraged as futile, those who would have otherwise voted contrary to the Dolan Family Group and their affiliates, having secured the MSGN Voting Agreement described below, altogether eliminating the need for their vote:

> In connection with the execution of the merger agreement, the holders of all outstanding shares of MSGN Class B common stock entered into a voting and support agreement with MSG Entertainment... whereby such stockholders will be obligated to vote in favor of the MSGN merger proposal, the non-binding compensation advisory proposal and the MSGN adjournment proposal, among other things…The holders of

[32] The 89.7% figure as reflected in MSG Networks' filing is misleading, as it includes the Class A votes along with the votes of the Class B stock—controlled by the Dolan Family Group and which were all voted in favor of the Merger—which had ten times the voting weight of any Class A stock.

[33] Of course, the "abstentions" tallied in the filing only reflect affirmative abstentions, i.e., votes affirmatively cast as "abstain" by those stockholders who bothered to show up to the vote. As noted, millions of shares outstanding were not even voted in the Merger (i.e., "passive" abstentions), given that the Merger was a *fait accompli*, regardless of the public opposition to it.

> all outstanding shares of MSGN Class B common stock (the "**principal MSGN stockholders**"), who are all members of the Dolan family group, collectively own 76.9% of the total voting power of the outstanding MSGN common stock as of May 17, 2021 (inclusive of options exercisable within 60 days of May 17, 2021). Even though a special meeting is required to be held and all MSG Networks stockholders of record on the record date have a right to vote on the proposals presented at the MSGN special meeting, the principal MSGN stockholders' shares of MSGN common stock to be voted in favor of the MSGN merger proposal, the non-binding compensation advisory proposal and the MSGN adjournment proposal will be sufficient to approve the proposals. Proxy at 8.

210. Going by the MSGN Voting Agreement, by the July 8th Proxy Vote, Defendants had already leveraged the Dolan Family Group's majority control of both companies to impose the Merger on MSG Networks' unaffiliated stockholders.

211. The Merger closed a day later, on July 9, 2021.

212. The result of half-hearted negotiations, futilely conducted to accord the Merger a veneer of legitimacy, despite the Dolan Family Group's obviously overpowering influence, MSG Entertainment and the MSGN Board worked together to extinguish all shares of MSG Networks' unaffiliated stockholders for woefully inadequate consideration and use MSG Networks as the tool to rescue MSG Entertainment from the ravages of the COVID-19 Pandemic, a financing source to fund its overly ambitious Sphere development projects. The alternative would have had catastrophic financial and reputational consequences for not only MSG

Entertainment, but the Dolan Family Group, specifically, James L. Dolan, the mastermind behind the MSG Spheres Project.

M. The Total Merger Consideration Is Grossly Unfair

213. As the product of unfair dealing and a conflicted negotiation process, the 0.172 exchange ratio per share to Class members is inappropriate, unfair, and inadequate. On March 25, 2021, the eve of the Merger Announcement, MSGN closed at $17.38. Contrarily, MSGE closed at $93.94. At 0.172, MSG Networks' stockholders were being forced to accept a 7% negative premium, a classic "take-under." From then on, driven by the Merger Announcement, MSG Entertainment and MSG Networks saw their share prices plummet in tandem. When the Merger closed, MSGN was trading at a 6 month low of $14.17, and MSGE has only continued to freefall from its July 8th trading price of $82.28. Beyond this, the Total Merger Consideration is inequitable for several reasons:

214. *First*, both LionTree and Morgan Stanley's Discounted Cash Flow Analyses for MSG Networks, using projections prepared by a conflicted management, set MSG Network's implied per share equity value reference range to be $15.63 to $19.31. Proxy at 100. The 0.172 exchange ratio, which has an implied cash value of $15.64, is, by a cent, at the bottom of the range, and thus a "steal" to MSG Entertainment.

215. *Second,* Moelis's Selected Precedent Transactions Analysis performed on MSG Networks, similarly calculated an implied per share equity value reference range stretching far beyond the paltry Merger Consideration. Proxy at 85-86. Specifically, "Moelis noted that if a range of selected multiples of 7.0x to 9.0x were to be applied to the LTM EBITDA of MSG Networks, it would result in an implied price per share of MSGN common stock of $20.99 to $30.41." *Id.* at 86. Nevertheless, the offer ultimately accepted by the MSGN Special Committee and the MSGN Board was for the equivalent of *$15.64 in* cash, representing a 25.5% to 48% bargain to MSG Entertainment.

216. *Third*, the Total Merger Consideration fails to reflect the value that MSG Entertainment would benefit from by acquiring all of MSG Networks stock and gaining access to "MSG Networks' steady cash flow." Proxy at 70. MSG Networks' Reasons for the Merger" and "MSG Entertainment's Reasons for the Merger" both consider that among other things, an "assessment of the current and prospective economic climate generally and competitive developments in MSG Entertainment's industry, including MSG Entertainment's development of the MSG Sphere in Las Vegas and potential long-term effects of COVID-19 on the entertainment and live events industry," *id.* at 69, necessitated the Merger (for MSG Entertainment). And in the face of MSG Entertainment's financial performance over

the last year, they both acknowledge that "the potential synergies to be realized from the merger, including increased cash flow and liquidity and [MSG Entertainment's] enhanced access to capital markets [i.e., access to MSG Networks' available cash] to fund the combined company's growth initiatives," Proxy at 70, would extricate MSG Entertainment from its current circumstances.

217. *Fourth*, at a 0.172 exchange ratio, the Merger Consideration had an implied per-share value of $15.996 for MSG Networks, based on MSG Entertainment's trading price the morning of March 26, 2021, when the Merger was formally announced, and $14.15 given MSG Entertainment's $82.28 trading price on July 8, 2021, the day of the Merger Vote. This falls noticeably below: (i) MSG Networks' 52-week high of $20.61, and (ii) MSG Networks' $19.14 trading average in the weeks immediately preceding the Merger announcement.

218. *Fifth*, adopting a P/E valuation methodology, Macquarie Capital (whose research analyst follows MSG Entertainment and MSG Networks) calculated a $20 price target for MSG Networks, far in excess of the Merger Consideration.

219. Encouraged by the Dolan Family Group's overwhelming share majority and voting power, a subservient MSGN Board, a compromised MSGN Special Committee, and a Merger conditioned on the rejection and refusal of any

protective measures against the disenfranchisement of the Company's unaffiliated minority stockholders, MSG Entertainment knowingly and intentionally lowballed its offer. The inadequacy of the Merger Consideration denotes a willful and knowing failure by the Company to negotiate diligently and in good faith on behalf of all of the Company's stockholders, as well as the Board's capitulation to the Dolan Family Group.

220. Each member of the Class, including Plaintiff, has been damaged as a direct result of Defendants' actions.

N. The Proxy Contained Material Misrepresentations and Omitted Material Information

221. Further disadvantaging the public minority stockholders of the Company, the Proxy differs in several, material respects, from the Minutes provided in the 220 Demand:

222. *First*, the Proxy omits material information from Morgan Stanley and LionTree's *Discounted Cash Flow ("DCF") Analysis*. Both analyses were performed "to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that MSG Networks was forecasted to generate during MSG Networks' fiscal years 2022 through 2025 based on MSGN management Adjusted Operating Income ("AOI") forecasts included in the MSG Networks projections,

minus capital expenditures, taxes, stock-based compensation, changes to net operating working capital and other operating assets and liabilities." Proxy at 108-09. However, despite being crucial to the *DCF Analysis*, the Proxy Statement fails to disclose the line items Morgan Stanley and LionTree used to determine the free cash flow.

223. Likewise, there was no disclosure of the basis for the terminal value adjusted operating income multiple or the numeric inputs used to calculate the discount rate.

224. Furthermore, the Proxy fails to disclose the line item details of the free cash flow used by Morgan Stanley and LionTree in their *DCF Analysis* excluding synergies of MSG Entertainment.

225. Nor is there any disclosure of the basis for the terminal value adjusted operating income multiple or the numeric inputs used to calculate the discount rate. Consequently, the Proxy Statement provides a wholly insufficient description thereof.

226. The Proxy, similarly, omits material information from both Raines' and Moelis' *DCF Analyses* of MSG Entertainment and MSG Networks. Again, both *Analyses* of the two companies are based on each company's calculated free cash flow, but the line-item detail is notably missing.

227. Furthermore, there was no disclosure of the numeric inputs used to calculate the discount rate, nor did the Proxy disclose the basis for MSG Networks' terminal value perpetuity growth rate.

228. Consequently, Moelis' *DCF-Based Has/Gets Analysis* suffers from the same issues.

229. Here, the Financial Advisors' forecasted financial information was provided to MSG Networks' stockholders to perpetuate the ruse of a fair merger process. Typically, a complete and comprehensive disclosure would be material to MSG Networks' stockholders' decision on how to vote their shares. It would provide stockholders with the information necessary to assess and better understand the future financial performance and thus, the viability of their investments. In that regard, the financial information and valuation methods used to generate LionTree and Morgan Stanley's *Analyses* must also be fairly disclosed.

230. Furthermore, as noted, the Proxy failed to disclose the MSGE Special Committee's "rationale, from the MSGE special committee's perspective, for selecting the 60-day VWAP as the basis for its proposal." Proxy at 64. The MSGE Special Committee's proposal was eventually amended to account for "an "at market" transaction based on the 30-day VWAP of the two companies' stock prices," Proxy at 65, from which the Merger Consideration was ultimately

negotiated. While the Proxy states that "the MSGN special committee instructed LionTree and Morgan Stanley to discuss [the topic] with Moelis and Raine," Proxy at 64, hinting as to its peculiarity, whatever came of that discussion, whatever the MSGE Special Committee's reasoning was, was omitted from the Proxy.

231. Moreover, the Proxy fails to disclose, address, or even comment upon the potential legalization of online sports gambling in New York in the imminent future and the resulting benefit that could have on MSG Networks' business operations. With a cursory mention of "the opportunity to maximize any potential mobile sports gaming upside given the scale of the combined company," Proxy at 97, the Proxy fails to address "mobile sports betting" in any regard, despite the companies' long-term focus thereon. Going back to January 2019, MSG Entertainment Group, LLC, the company through which MSG Entertainment substantially conducts its business, was formally granted the trademark for its "MSG" Application #88228482 by the United States Patent and Trademark Office, allowing for:

> IC 009. US 021 023 026 036 038. G & S: Downloadable mobile applications for sports wagering, for organizing, arranging, conducting, and participating in sports wagering tournaments, for providing information related to sports betting, competitions and contests, for fantasy sports contests, for managing and participating in fantasy sports leagues, and for providing sports and e-sports programming, news,

> previews, alerts, replays, video clips, web cam feeds and information
>
> IC 041. US 100 101 107. G & S: Entertainment services in the nature of betting services and online betting services; providing information related to sports betting; organizing, arranging, conducting sports betting and gambling tournaments, competitions and contests; arranging and conducting interactive peer to peer gambling competitions and tournaments; betting and gambling services in the nature of interactive real time gambling; gaming services, namely, conducting online computer games; organizing, conducting and operating fantasy sport tournaments; providing information regarding sports league players and team performance and statistics, news, previews, alerts and replays, in the field of sports and e-sports; all provided via a global computer network, via social networking and via mobile phones, personal electronic devices and portable electronic game systems.
>
> IC 045. US 100 101. G & S: Social networking services in the field of gaming provided via a website and web based services.

[redacted] The 220 Production further notes that [redacted]

> [redacted]

233. [redacted]

Special Committee's March 12, 2021 Proposal Letter, it was omitted from the Proxy, and little-to-none of the information contained therein was disclosed, with the exception that "MSG Entertainment [sought] to acquire MSG Networks for a fixed exchange ratio of 0.163 shares of MSG Entertainment for each share of MSG Networks." Proxy at 64.

FIRST CAUSE OF ACTION

For Breach of Fiduciary Duty
(Against the Individual Defendants)

234. Plaintiff repeats and realleges the foregoing allegations, as if fully set forth herein.

235. The Individual Defendants, as directors and officers and controlling stockholders of MSG Networks, owed fiduciary duties to MSG Networks' public, minority stockholders. The Individual Defendants violated these fiduciary duties, acted disloyally, in bad faith, and without due care, failed to take adequate measures to ensure that the interests of MSG Networks' minority stockholders were properly protected in connection with the Merger, failed to act reasonably to obtain the highest exchange ratio for minority stockholders' MSG Networks shares, failed to provide or secure adequate or fair consideration in the Merger as a result of conflicts of interests as set forth herein, and failed to provide sufficient disclosure to minority stockholders concerning the Merger in advance of the stockholder vote.

236. The Individual Defendants served their own interests and the interests of the Dolan Family Group at the expense of the minority stockholders to which they owed fiduciary duties. As such, they breached their duty of loyalty, as well as their duties of care, good faith, fair dealing, and candor.

237. The Merger is subject to entire fairness review in which MSG Networks' controlling stockholder, the Dolan Family Group, stood on both sides of the transaction, as already admitted by Defendants in separate litigation when defending against a motion to preliminarily enjoin the Merger.

238. The Merger was not entirely fair as to price and process.

239. By the acts, transactions, and courses of conduct alleged herein, the Individual Defendants as part of a common plan, unfairly deprived the Company's public, minority stockholders of the fair and true value of their MSG Networks investment.

240. The Individual Defendants also deprived MSG Networks' minority stockholders of the opportunity to make a fully informed and uncoerced vote on the Merger.

241. Plaintiff and the other members of the Class were consequently damaged thereby.

SECOND CAUSE OF ACTION

For Breach of Fiduciary Duty
(Against the Dolan Family Group)

242. Plaintiff repeats and realleges the foregoing, as if fully set forth herein.

243. The Dolan Family Group constituted the controlling stockholder of MSG Networks, and violated its fiduciary duties owed to the Companies public minority stockholders by knowingly facilitating a corrupted process and a corrupted transaction in which they stood on both sides of the Merger, placing its personal interests ahead of the interests of the Company's unaffiliated stockholders and forcing an unfair transaction, both in terms of process and price, upon the Class.

244. The Merger is subject to entire fairness review in which the Dolan Family Group stood on both sides, as already admitted by Defendants in separate litigation when defending against a motion to preliminarily enjoin the Merger.

245. The Merger was not fair as to price and process.

246. By the acts, transactions and courses of conduct alleged herein, the Dolan Family Group deliberately and unfairly worked to deprive Plaintiff and other members of the Class of the true value of their MSG Networks stock. By reason of the foregoing, each member of the Class has suffered damages.

THIRD CAUSE OF ACTION

For Aiding and Abetting Breach of Fiduciary Duties

(against MSG Entertainment)

247. Plaintiff repeats and realleges the foregoing, as if fully set forth herein.

248. MSG Entertainment knowingly assisted, by reason of its status as a party to the Merger and its involvement with the Dolan Family Group and the Individual Defendants throughout the Merger negotiation process, and by reason of the fact that it is the controlled affiliate of the Dolan Family Group, to have aided and abetted the Individual Defendants and the Dolan Family Group in the aforesaid breach of their fiduciary duties. MSG Entertainment knew that the Dolan Family Group and MSG Networks' Directors had a fiduciary duty to ensure that the Merger was entirely fair to MSG Networks' minority stockholders, both in price and in process.

249. MSG Entertainment, for its own selfish ends, knowingly secured a materially unfair merger, which it understood constituted a violation of the Dolan Family Group's, the MSGN Special Committee Defendants', and the Individual Defendants' fiduciary duties.

250. As a result of this conduct, Plaintiff and the Class have been harmed. .

WHEREFORE, Plaintiff demands judgment against Defendants, jointly and severally, as follows:

A. Declaring this action to be a class action and certifying Plaintiff as the Class representative and Plaintiff's counsel as Class Counsel;

B. Rescinding the Merger and/or awarding rescissory damages;

C. Directing Defendants, jointly and severally, to account to Plaintiff and the Class for all damages suffered by them as a result of the wrongs complained of herein;

D. Awarding Plaintiff the costs and disbursements of this action, including a reasonable allowance for the fees and expenses of Plaintiff's attorneys and experts; and

E. Granting such other and further relief as may be just and fair in the premises.

Dated: August 31, 2021
PUBLIC VERSION DATED SEPTEMBER 3, 2021

LONG LAW, LLC

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CERTIFICATE OF SERVICE

I, Brian D. Long, hereby certify that on September 3, 2021, a copy of the foregoing Public Version of Plaintiff's Verified Class Action Complaint was served electronically via File & Serve*Xpress* upon the following counsel of record:

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