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Hollywood's 111 Billion Dollar Handshake: The Paramount Settlement Rewrites the Megamerger Playbook

Twelve state attorneys general have settled their antitrust suit against Paramount, clearing the way for its takeover of Warner Bros. Discovery. The price of peace: film-output quotas, a firewall around two newsrooms, and a court-appointed monitor. Every dealmaker should read the terms.

By **Ankit Kankar** | September 22, 2026



The biggest media deal of the decade just cleared its biggest obstacle. Paramount and a coalition of twelve Democratic state attorneys general, led by California's Rob Bonta, have settled the antitrust lawsuit that stood between the studio and its 111 billion dollar takeover of Warner Bros. Discovery. The states had argued the combination would mean mass layoffs, fewer films, higher charges to cinemas and costlier tickets, along with a risk to the editorial independence of CBS News and CNN. An antitrust trial had been scheduled for March.

Concessions with teeth

What makes this settlement worth studying is how operational the remedies are. Paramount must run Warner Bros. Studios and Paramount Pictures as separate entities, at least for now. It has accepted a binding film-output floor: a minimum of 30 theatrical releases a year for two years, rising to 32 a year for three years after that, with financial penalties for falling short. It has committed an additional 300 million dollars annually to US film production. An independent board will insulate CBS and CNN from corporate interference in their newsrooms, and a court-appointed trustee will monitor compliance, with the states retaining the right to return to court if terms are breached. Bonta called the package a strong solution that protects competition and consumers, while pointedly declining to endorse the merger itself.

The WBW view

Three signals travel well beyond Hollywood. First, state attorneys general have confirmed their arrival as a standalone merger-review force: with federal enforcers waving the deal through, twelve states extracted remedies Washington never sought, and multinationals should now budget for a second, state-level clearance track in US deals. Second, the remedies are behavioural rather than structural, quotas, spending floors and monitors instead of divestitures, which keeps the deal intact but hands the combined company a five-year compliance overhang that will shape its release calendar and cost base. Third, the newsroom-independence board is a genuine novelty: an antitrust settlement being used to protect editorial integrity, a precedent every acquirer of news assets will now meet in negotiation. The settlement still needs judicial sign-off, and the merged giant still faces the harder question no consent decree can answer: whether two challenged legacy studios add up to one company that can compete with Netflix and YouTube.

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