



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

CITY OF MIRAMAR RETIREMENT)
PLAN AND TRUST FUND FOR)
GENERAL EMPLOYEES and CITY OF)
MIRAMAR MANAGEMENT)
RETIREMENT PLAN,)

Plaintiffs,)

v.)

C.A. No. 2021-0692-KSJM

CHARLES F. DOLAN, MARIANNE)
DOLAN WEBER, THOMAS C.)
DOLAN, JAMES L. DOLAN, KRISTIN)
A. DOLAN, CHARLES P. DOLAN,)
RYAN T. DOLAN, QUENTIN F.)
DOLAN, PAUL J. DOLAN, MATTHEW)
C. BLANK, FREDERIC V. SALERNO,)
MARTIN BANDIER, JOSEPH J.)
LHOTA, BRIAN G. SWEENEY, JOHN)
L. SYKES, VINCENT TESE, and ISIAH)
L. THOMAS III,)

ORIGINAL FILED:

August 11, 2021

PUBLIC VERSION FILED:

August 16, 2021

Defendants,)

and)

MADISON SQUARE GARDEN)
ENTERTAINMENT CORPORATION,)

Nominal Defendant.)

**VERIFIED CLASS ACTION AND
STOCKHOLDER DERIVATIVE COMPLAINT**

Plaintiffs City of Miramar Retirement Plan and Trust Fund for General Employees and City of Miramar Management Retirement Plan (collectively, the “Miramar Funds” or “Plaintiffs”), by and through their undersigned counsel, submit this Verified Class Action and Stockholder Derivative Complaint derivatively on behalf of Madison Square Garden Entertainment Corp. (“MSGE” or “the Company”) and directly on behalf of themselves and a class of similarly situated stockholders of MSGE against the Defendants named herein for breaches of fiduciary duty in their capacities as directors, officers, and/or controlling stockholders of the Company.

The allegations set forth herein are based on the knowledge of Plaintiffs as to themselves, and on information and belief, including the investigation of counsel, the review of publicly available information, and the review of certain books and records produced by the Company in response to Plaintiffs’ demands made under 8 *Del C.* § 220 (the “Section 220 Demand”), as to all other matters.

NATURE OF THE ACTION

1. James L. Dolan and various Dolan family members and trusts control the entities comprising the Madison Square Garden-related sports, media, and entertainment empire. This action (the “Action”) arises out of the unfair merger in which MSGE acquired Madison Square Garden Networks, Inc. (“MSGN”) and in

which MSGN stockholders received 0.172 shares of MSGE Class A or Class B common stock for each share of MSGN Class A or Class B common stock that they owned (the “Merger”). The Merger closed on July 9, 2021.

2. MSGE is, and at all relevant times has been, controlled by the Dolan family.¹ The Dolans are infamous for their history of poor corporate governance and suspect related-party transactions. The Wall Street Journal coined the term the “Dolan Discount” to describe the phenomenon in which Dolan-controlled companies trade at a discount to their peers because of the market’s (well-founded) concerns that the Dolan family will use the corporate treasury to line their own pockets.²

3. The Dolans’ voting control is attributable to its high-vote Class B stock. The Dolans control over 70% of the voting power of MSGE and make up the

¹ Indeed, according to the Company’s most recent annual proxy, members of the Dolan family have formed a “group” for purposes of Section 13(d) of the Securities and Exchange Act. The Dolan family group consists of, among others, Defendants James L. Dolan, Charles F. Dolan, Charles P. Dolan, Kristin A. Dolan, Marianne Dolan Weber, Paul J. Dolan, Quentin F. Dolan, Ryan T. Dolan, Thomas C. Dolan, and Brian G. Sweeney, and various trusts associated with those persons and their relatives.

² See Vishesh Kumar, ‘*Dolan Discount*’ Affliction, WALL ST. J. (May 2, 2008), <https://www.wsj.com/articles/SB120968814983361367> (referring to the market’s concern that the Dolans will spend “cash in ways that don’t necessarily help the company” and their willingness to “punish[] investors” for not bowing to their will).

majority of the Company's Board of Directors (the "Board"). The Dolans also had the equivalent control over MSGN. The Dolans, meanwhile, own 21% of the cash flow rights in MSGE and owned 30% in MSGN. Therefore, for every dollar of value transferred from MSGE to MSGN, the Dolans gained nine cents, while MSGE's public stockholders lost seventy-nine.

4. As detailed below, Defendants breached their fiduciary duties by utterly failing to protect the interests of MSGE and its public stockholders in connection with the Merger. The Dolan's largest new undertaking is the "Sphere" project, located in Las Vegas, with another venue to follow. In part to fund the Sphere project, the Dolans engineered the Merger with MSGN, overpaying for MSGN and diluting MSGE's public stockholders while enhancing the Dolan's own economic and voting stake. Among other indicators of the Dolan's breaches in connection with the Merger, (a) Defendants ignored the *MFW*³ roadmap; (b) the Company's stock is now trading over 30% lower than it was before news of the Merger leaked; and (c) Defendants negotiated and finalized the Merger just before MSGE was predicted to rebound from its pandemic-induced slump.

³ *Kahn v. M&F Worldwide Corp.* ("MFW"), 88 A.3d 635 (Del. 2014) *overruled, in part, on other grounds, by Flood v. Synutra Int'l, Inc.*, 195 A.3d 754 (Del. 2018).

THE PARTIES

5. Plaintiff City of Miramar Retirement Plan and Trust Fund for General Employees is a beneficial owner of shares of MSGE Class A common stock and has continuously owned shares of MSGE Class A common stock since at least December 18, 2020.

6. Plaintiff City of Miramar Management Retirement Plan is a beneficial owner of shares of MSGE Class A common stock and has continuously owned shares of MSGE Class A common stock since at least December 18, 2020.

7. Nominal Defendant MSGE is a Delaware corporation and headquartered in New York City. MSGE provides live entertainment experiences at a diverse group of venues. MSGE's class A common stock trades on the New York Stock Exchange ("NYSE") under the ticker symbol "MSGE." Members of the Dolan family own 100% of the Company's high-vote Class B common stock.

8. Defendant **James L. Dolan** is the son of the family patriarch, Defendant Charles F. Dolan, and has served as a Class B director, Executive Chairman, and CEO of MSGE since November 2019. James L. Dolan also served as a director of MSGN from 2009 through the time of the Merger. He is the spouse of Kristin A. Dolan, the father of Charles P. Dolan, Quentin F. Dolan, and Ryan T. Dolan, the brother of Marianne Dolan Weber and Thomas C. Dolan, the brother-in-law of Brian

G. Sweeney and the cousin of Paul J. Dolan.⁴ MSGE acknowledges that James L. Dolan is not “independent” within the meaning of the rules of the NYSE and the U.S. Securities and Exchange Commission (“SEC”).

9. Defendant **Charles F. Dolan** is the 94-year-old Dolan family patriarch and has served as a Class B Director of MSGE since April 2020. Charles F. Dolan was the founder of Cablevision and served as its CEO until 1995 and as its Chairman until 2016 when Cablevision was sold to Altice. Charles F. Dolan served as a director of MSGN from 2009 through the time of the Merger. He is the father of James L. Dolan, Marianne Dolan Weber and Thomas C. Dolan, the father-in-law of Kristin A. Dolan and Brian G. Sweeney, the uncle of Paul J. Dolan and the grandfather of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Charles F. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

⁴ James L. Dolan is, perhaps, the most prominent beneficiary of the Dolan family’s tradition of promoting family members to senior positions without regard to their ability or competence. A 1999 story by Forbes described James L. Dolan—at the time, the 43-year-old CEO of Cablevision—as “less than respected among the tight brethren of cable executives,” explaining that his resume “just sparkles with items you’d want to hide from the personnel department. College-hopper a handful of times. . . . Work experience includes tree-trimmer and warehouse sweeper. Personal habits: If granted permission, he happily puffs away in the office. Recent accomplishment: bumbling presentation at a Merrill Lynch conference.”

10. Defendant **Charles P. Dolan** is the son of James L. Dolan and has served as a Class B director of MSGE since April 2020. Charles P. Dolan served as a director of MSGN from 2010 to 2015. He is also the stepson of Kristin A. Dolan, the brother of Quentin F. Dolan and Ryan T. Dolan, the grandson of Charles F. Dolan, the nephew of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin of Paul J. Dolan. MSGE acknowledges that Charles P. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

11. Defendant **Kristin A. Dolan** is James L. Dolan’s wife and has served as a Class B director of MSGE since April 2020. Kristin A. Dolan served as a director of MSGN from 2018 through the time of the Merger. She is also the step-mother of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan, the daughter-in-law of Charles F. Dolan, the sister-in-law of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin by marriage of Paul J. Dolan. MSGE acknowledges that Kristin A. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

12. Defendant **Marianne Dolan Weber** is Charles F. Dolan’s daughter and has served as a Class B Director of MSGE since April 2020. Marianne Dolan Weber was a director of MSGN from 2010 to 2014. She is also the sister of James L. Dolan

and Thomas C. Dolan, the sister-in-law of Brian G. Sweeney and Kristin A. Dolan, the cousin of Paul J. Dolan, and the aunt of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Marianne Dolan Weber is not “independent” within the meaning of the rules of the NYSE and the SEC.

13. Defendant **Paul J. Dolan** is the nephew of Charles F. Dolan and has served as a Class B director since April 2020. Paul J. Dolan was a director of MSGN from 2015 through the time of the Merger. He is also the cousin by marriage of Brian G. Sweeney and Kristin A. Dolan and the cousin of James L. Dolan, Thomas C. Dolan, Marianne Dolan Weber, Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Paul J. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

14. Defendant **Quentin F. Dolan** is the son of James L. Dolan and has served as a Class B director of MSGE since April 2020. The Company’s most recent annual proxy statement provides that Quentin F. Dolan “has held internship positions at Grubman Shire & Meiselas, P.C. and Azoff MSG Entertainment, LLC.” He is also the stepson of Kristin A. Dolan, the brother of Charles P. Dolan and Ryan T. Dolan, the grandson of Charles F. Dolan, the nephew of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin of Paul J. Dolan. MSGE

acknowledges that Quentin F. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

15. Defendant **Ryan T. Dolan** is the son of James L. Dolan and has served as a Class B director of MSGE since April 2020. Ryan T. Dolan has worked as Vice President, Interactive Experiences for MSG Ventures, a wholly-owned subsidiary of the Company, since June 2019. He is also the stepson of Kristin A. Dolan, the brother of Charles P. Dolan and Quentin F. Dolan, the grandson of Charles F. Dolan, the nephew of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin of Paul J. Dolan. MSGE acknowledges that Ryan T. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

16. Defendant **Thomas C. Dolan** is Charles F. Dolan’s son and has served as a Class B director of MSGE since April 2020. Thomas C. Dolan was a director of MSGN from 2010 through the time of the Merger. He is also the brother of James L. Dolan and Marianne Dolan Weber, the brother-in-law of Brian G. Sweeney and Kristin A. Dolan, the cousin of Paul J. Dolan, and the uncle of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Thomas C. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

17. Defendant **Martin Bandier** has served as a Class A Director of MSGE since April 2020. He also serves as the Chief Executive Officer of Bandier Ventures, LP, a music publishing and recorded music acquisition company.

18. Defendant **Matthew C. Blank** has served as a Class A Director of MSGE since April 2020. Along with Defendant Frederic V. Salerno, he served as a member of the two-person Special Committee of the MSGE Board (the “Special Committee”) charged with evaluating the Merger with MSGN. Blank has also served as a senior advisor to The Raine Group, LLC, a merchant bank focused on technology, media, and telecommunications, since September 2020. Blank served as a director of Madison Square Garden Sports Corp. (“MSGS”) (a company controlled by the Dolan family) from December 2019 until April 2020.

19. Defendant **Joseph J. Lhota** has served as a Class A Director of MSGE since April 2020. Lhota also served as a director of MSGN from 2016 through the time of the Merger and previously served as Executive Vice President of MSGN from 2010 to 2011. In addition, Lhota served as a director of MSGS from 2017 until April 2020.

20. Defendant **Frederic V. Salerno** has served as a Class A Director of MSGE since April 2020. Along with Blank, he served as a member of the two-person

MSGE Special Committee. Salerno previously served as a director of MSGS from December 2019 to April 2020.

21. Defendant **Brian G. Sweeney** is the son-in-law of Charles F. Dolan and has served as a Class B director of MSGE since April 2020. Sweeney was the President of Cablevision from 2014 and President and Chief Financial Officer of Cablevision from 2015 to 2016. He served as a director of MSGN from 2010 through the time of the Merger. He is also the brother-in-law of James L. Dolan, Marianne Dolan Weber, Thomas C. Dolan and Kristin A. Dolan, the cousin of Paul J. Dolan, and the uncle of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Sweeney is not “independent” within the meaning of the rules of the NYSE and the SEC.

22. Defendant **John L. Sykes** has served as a Class A Director of MSGE since April 2020. Sykes also served as a director of MSGN from 2015 through the time of the Merger.

23. Defendant **Vincent Tese** has served as a Class B Director of MSGE since April 2020. Tese also served as a director of MSGN from 2010 to 2015. In addition, Tese has served as a director of MSGS since 2015 and a director of AMC Networks, Inc. Tese’s brother is employed by MSG Entertainment Group, LLC, a subsidiary of the Company.

24. Defendant **Isiah L. Thomas III** has served as a Class B Director of MSGE since April 2020. He is also the Chairman and Chief Executive Officer of Isiah International, LLC, a holding company with interests in a diversified portfolio of businesses, since 2011. MSGE acknowledges that Thomas is not “independent” within the meaning of the rules of the NYSE and the SEC.

FACTUAL BACKGROUND

I. MSGE’s and MSGN’s Business

25. MSGE became a publicly traded company in April 2020, when it was spun off from Madison Square Garden Company—another Dolan-controlled entity. MSGE presents or hosts events at venues across the country, including New York’s Madison Square Garden, Radio City Music Hall and Beacon Theater, and the Chicago Theatre. MSGE is also building a new venue in Las Vegas called the MSG Sphere.

26. MSGN owned and operated sports and entertainment television networks and a streaming service in the New York metropolitan area.

27. Because MSGE owns and operates various social venues, the COVID-19 pandemic completely shut down much of its operations and severely depressed its business. In contrast, MSGN, which owned and operated television networks,

was far less impacted by the pandemic. Importantly, MSGE is expected to rebound as the pandemic subsides.

II. The Dolans Control Both MSGE and MSGN

28. At all relevant times before and through the time of the Merger, the Dolan family controlled both MSGE and MSGN.

29. Both MSGE and MSGN had a capital structure with two classes of common stock: Class A common stock and high-vote Class B common stock.

30. Class A common stock was entitled to one-vote-per-share, while Class B common stock was entitled to ten-votes-per-share.

31. Holders of the Class B stock were also entitled to elect 75% of the directors at each company.

32. The Dolans, through a series of family trusts, controlled a super-majority of the voting power at MSGE and MSGN.

33. The Dolans owned 100% of MSGE's high-vote Class B stock and 4.2% of MSGE's Class A stock. According to the joint proxy statement/prospectus filed by MSGE and MSGN with the SEC on June 4, 2021, as amended July 1, 2021 (the

“Proxy”), the Dolan family controlled over 70% of MSGE’s voting power before the Merger.⁵

34. The Dolans also owned 100% of MSGN’s Class B stock and 7.2% of MSGN’s Class A stock. According to the Proxy, the Dolan family controlled approximately 76.9% of the voting power of MSG Networks.

35. At all relevant times, a majority of MSGE’s Board and MSGN’s Board were comprised of members of the Dolan family, with numerous other directors who had deep and longstanding ties to the Dolans and/or served as dual directors inherently conflicted by the Merger.

36. Both MSGE and MSGN publicly disclosed “*We Are Controlled by the Dolan Family*,” and both were listed as “controlled companies” on the NYSE.

37. In addition, the resolutions forming the MSGE Special Committee provide that MSGE and MSGN were under the common control of the Dolan family.

⁵ The Dolan family continues to control MSGE post-Merger and, indeed, increased its economic and voting power as a result of the Merger. The Proxy disclosed that the Dolan family’s “ownership and voting power at MSG Entertainment [would] increase from approximately 21.3% of the outstanding MSGE common stock and approximately 70.7% of the total voting power prior to the transaction to approximately 23.6% of the outstanding MSGE common stock and approximately 72.7% of the total voting power upon completion of the [M]erger.”

III. Ignoring the *MFW* Roadmap, MSGE Negotiates the Merger

38. The Proxy describes the Merger as being the result of arm's length negotiation. The facts show it was anything but.

A. Conflicted Management Kicks Things Off

39. According to the Proxy, in December 2020, “members of MSG Entertainment and MSG Networks management” discussed a potential business combination transaction between the two companies.

40. In providing its recitation of the factual background to the Merger, the Proxy conspicuously points out whenever conflicted management members were purportedly excluded from a discussion or meeting. In a glaring omission, however, the Proxy does *not* claim that conflicted members of management were excluded from these critical initiating discussions in December 2020. It is reasonable to infer that these discussions, which set the stage for and kicked off the Merger process, included James L. Dolan—the Chairman and CEO of MSGE and Chairman of MSGN—and other conflicted members of MSGE management who stood on both sides of the Merger.

B. The MSGE Board Forms a Deficient Special Committee

41. On January 6, 2021, the MSGE Board held a meeting to discuss a potential transaction with MSGN. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

42. The MSGE Board appointed Blank and Salerno as a two-member MSGE Special Committee at the January 6 meeting. Importantly, however, the MSGE Board gave the MSGE Special Committee a narrow and restricted mandate. Although the MSGE Special Committee could block a strategic transaction with MSGN, it was not authorized to pursue any alternative transaction with a different counterparty. And the full MSGE Board retained full veto authority to reject a transaction with MSGN that the MSGE Special Committee recommended.

43. That same day, the MSGE Special Committee held a meeting at which it, again, received advice from conflicted legal advisors: S&C and MSGE's General Counsel, Scott Packman—an officer of MSGE whose job depends on remaining in the good graces of the Dolans. [REDACTED]

[REDACTED]

44. Two days later, the MSGE Special Committee retained Wachtell, Lipton, Rosen & Katz ("Wachtell" or "WLRK") as its legal counsel—[REDACTED]

[REDACTED]

45. Meanwhile, on January 7, 2021, the MSGN Board formed its own special committee (the “MSGN Special Committee”), after also receiving legal advice from S&C. The MSGN Special Committee retained Davis Polk & Wardwell LLP as its legal advisor and LionTree Advisors, LLC and Morgan Stanley & Co. LLC as its financial advisors.

46. The MSGE Special Committee hired two financial advisors: Moelis & Company (“Moelis”) and Raine Securities LLC (“Raine”). Raine is a relatively obscure investment bank that is not usually hired in connection with transactions of this size. Yet, Raine was paid a hefty fee of \$1.5 million upon the mere signing of its engagement letter, \$2.5 million after delivering its fairness opinion, and another \$3.5 million upon the early July 2021 closing of the Merger.⁶ Given Raine’s relative obscurity, it is difficult to understand why it was engaged and paid such hefty fees except that Blank, one half of the two-member MSGE Special Committee, is a senior advisor to Raine.

47. [REDACTED]

[REDACTED]

⁶ It appears that the Special Committee’s financial advisors—Moelis and Raine—were not authorized to undertake a market check for potential alternative transactions for MSGE.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

48. [REDACTED]

[REDACTED]

[REDACTED]

C. The News Leaks and Negotiations Accelerate

49. MSGE and MSGN promptly began the diligence process. On February 5, 2021, MSGE and MSGN entered into non-disclosure agreements. Over the course of February 2021, members of the two special committees and their advisors held meetings with management teams from each company.

⁷ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

50. On March 2, 2021, MSGE opened up a virtual data room for the MSGN advisors. Two days later, MSGN provided a data room for MSG Entertainment's advisors.

51. During this period, MSGE's stock price climbed ever higher. In January and February 2021, the Company's stock consistently traded in the high \$90s per share and low \$100s per share. By late February and early March, the stock price had risen even further and closed at \$117.61 per share on March 8, 2021.

52. On March 10, 2021, Bloomberg published a story—"MSG Networks Considering Rejoining with MSG Entertainment"—that disclosed the ongoing Merger talks:

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

53. The market reaction was telling. Although Bloomberg's story gave no hint of what the economic terms of a MSGE-MSGN merger might look like, MSGN's stock price increased by 12% in trading after the market closed while MSGE's stock price declined by 0.6%. This differential likely reflected the market's

expectation that, in any combination, the Dolans would favor the interests of MSGN over the interests of MSGE.

54. On March 11, 2021, MSGE's shares closed down 4.4% from the March 10 closing price of \$116 per share. And over the following ten trading days, the Company's stock price continued to fall, to a close of \$93.94 on March 25, 2021—a 19% decline from March 10.

55. After Bloomberg published its story, both sides moved quickly to bring negotiations to a close. Although no formal offer had been made at the time of the Bloomberg story, substantive economic negotiations commenced almost immediately and were complete just two weeks later.

56. On March 11, the day after Bloomberg's story was published, the MSGE Special Committee held a meeting and, according to the Proxy, was informed by Moelis and Raine that the MSGN Special Committee was prepared to receive a proposal. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

57. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] According to the Proxy, in weighing the “benefits, burdens, and implications” of requiring a majority-of-the-minority vote, the Special Committee considered “the potential disadvantage of creating execution risk for the transaction” and the effect such a vote “would have on the judicial standard of review of a transaction.” [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

58. The Special Committee was made aware of the *MFW* roadmap and certainly knew by March 11 that it could not satisfy those conditions. Despite

understanding the benefits to stockholders and the possible burden shift that could come with a fully-informed majority of the minority vote, the Special Committee made a calculated decision not to require that stockholder-safeguard as a condition of the Merger given the already-apparent strong stockholder opposition to a potential transaction.

59. The next day, on March 12, 2021, “the MSGN special committee ha[d] a meeting with the MSGE special committee[,]”and the MSGE Special Committee made its proposal verbally. [REDACTED]

[REDACTED]

60. Wachtell delivered the MSGE proposal in writing later that day, confirming that the MSGE Special Committee was proposing [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

61. According to the Proxy, in the course of communications between counsel over the ensuing days, WLRK further confirmed to MSGN that the MSGE Special Committee was “unwilling to consider any transaction” that required a majority of the minority vote of MSGN’s public stockholders.

62. The following week, on March 18, 2021, the MSGN Special Committee delivered a counterproposal to MSGE. The MSGN Special Committee proposed a higher exchange ratio, emphasizing that the existing proposal did not adequately give “credit” to MSGN for the “substantial tax and other financial benefits” that MSGN would purportedly bring to the table.

63. On March 21, 2021, the two special committees met and the MSGE Special Committee made a counterproposal of 0.1685 shares. After consultation with their advisors, the two committees then both ultimately agreed that they could each recommend an exchange ratio of 0.172.

64. [REDACTED]

[REDACTED]

[REDACTED]

65. The agreed-upon exchange ratio of 0.172 shares of MSGE stock for each share of MSGN stock overvalues MSGN and its declining company prospects.

██

██

The exchange ratio is, therefore, entirely unjustified based on the MSGE Special Committee’s determination to seek an at-the-market transaction.

D. Both Boards Approve the Merger; The Market Pans the Deal

66. On March 24, 2021, Raine and Moelis delivered fairness opinions (discussed in greater detail in Section IV below), and the MSGE Special Committee determined to recommend that the full MSGE Board approve the Merger and the necessary share issuance by MSGE. The next day, the MSGE Board met and—after receiving legal advice from S&C—unanimously voted to approve the Merger.

67. Also on March 25, 2021, the full MSGN Board met. After also receiving legal advice from S&C, the MSGN Board unanimously voted to approve the Merger. That same day, the “Dolan family committee”⁸ approved the Dolan

⁸ As set forth in the Proxy, “the Dolan family committee . . . has authority with respect to voting matters for the Dolan family group.” The Dolan family committee consists of Charles F. Dolan, James L. Dolan, Thomas C. Dolan, Patrick F. Dolan, Kathleen M. Dolan, Marianne Dolan Weber, and Deborah A. Dolan-Sweeney. The Dolan family committee generally acts by majority vote, except that approval of a going-private transaction must be approved by a two-thirds vote, and two votes are

family's shares being voted in favor of the Merger. Later that evening, after the parties finalized the transaction documents, MSGE and MSGN executed the Merger Agreement and the Dolans executed voting agreements. The Merger Agreement required approval by only a bare majority of MSGE stockholders.

68. The Merger was publicly announced prior to the start of trading on March 26, 2021. Once the news was revealed to the market, MSGE's stock price plummeted almost \$10 per share—from \$93.94 at the close on March 25, 2021 to \$84.67 by the close of trading on March 26, 2021.

69. Indeed, the market price for the Company's stock has consistently traded well below the \$115 level at which it was trading before news of the Merger leaked, as seen below:

sufficient to block approval of a change-in-control transaction. 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 James L. Dolan having two votes and the other members each having one.



70. The reaction from analysts and major stockholders was highly critical of the Merger. Jefferies noted that MSGE’s stock price dropped after the announcement and speculated that this reaction might “be driven by the lower multiples for MSGN and the perception of linear TV deteriorating, magnified by recent market weakness in media companies.” Oppenheimer explained that the “somewhat confusing” Merger “clouds the growth attributes of MSG Entertainment” and suggested that the Merger appeared more favorable to MSGN, which it described as a “declining business.”

71. Berenberg wrote that it “would like more industrial logic for the combination.” And Boyar Value Group published an open letter stating that “there are no aspects of the ‘synergies’ created by the transaction . . . that cannot be accomplished via a contractual relationship between both entities.”

72. On May 10, 2021, an analyst conducted a Q&A session with members of MSGE and MSGN management and asked a number of questions highlighting investor skepticism about the deal. Management's responses were unconvincing.

73. The first question focused on conflicts of interest: "And the first thing I wanted to ask you is what do you say to investors who are concerned that the interests of the Class B shareholders are different from those of the Class A shareholders?" Gregg Seibert, who is the Vice Chairman of both MSGE and MSGN, gave a rambling and entirely non-responsive answer, which concluded with the demonstrably false statement that "I think everyone's interests are aligned."

74. The next question was "if you're so confident in the merits of the transaction and everybody's interests being aligned as you just said, why not just let the merger be subject to a majority of the minority vote?" Again, Seibert's answer was unconvincing. He simply passed the buck to the special committees and their advisors, responding: "that was a decision that was made by the Special Committee and their advisors."

75. Later in the session, the analyst noted that "in the past . . . 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?” In response, Andrew Lustgarten replied that “an intercompany 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, growing together with one focus on the bottom line saying same similar goals similar objectives, incentivize together and we just think that this is a really great opportunity to really grow the business.”

76. Finally, the analyst noted that the Proxy’s optimistic projections for MSGN were “[a] little surpris[ing]” because they “showed I think revenue growth kind of continuing over the next I don’t know whether it’s four or five years and pretty steady AOI [adjusted operating income]. And as we’ve hinted at already it’s a fairly challenged business in a lot of regards, cord cutting, wherever it may be.”

77. Seibert responded by aggressively disavowing the projections: “just to refer to the numbers in the prospectus I just want to make clear that those are internal numbers that were used by the Special Committees in the negotiations and they’re not intended to be guidance for investors.”

78. The MSGE Board appeared to recognize that the transaction was unpopular with investors. In April 2021, MSGE retained PJT Partners, Goldman Sachs, and J.P. Morgan to prepare investor materials and work on stockholder

engagement. On May 6, 2021, MSGN retained Guggenheim Securities for similar reasons.

79. Despite public opposition to the Merger, the vote of the Dolan family committee was enough to ensure the Merger's approval before any stockholder vote ever took place.

80. The Merger closed on July 9, 2021, and MSGN became a wholly-owned subsidiary of MSGE.

IV. The Merger Was Not Entirely Fair

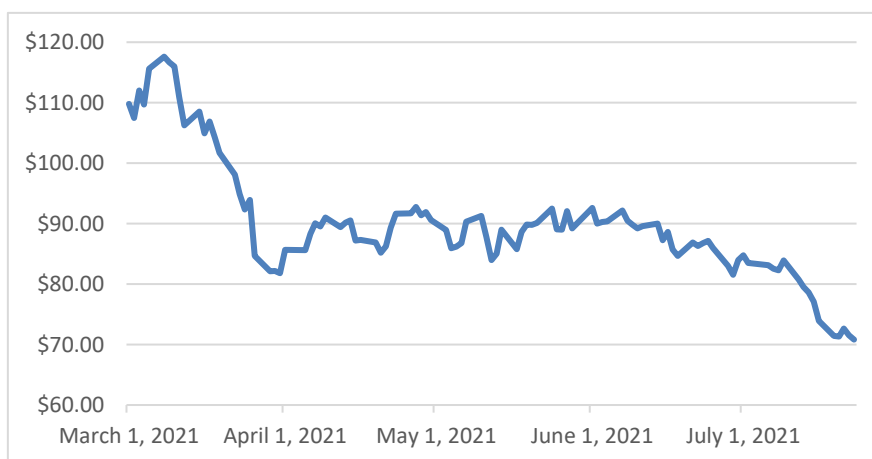
81. The Dolan family stood on both sides of the Merger, which is subject to entire fairness review.

82. The Dolan family had a financial incentive to favor the interests of MSGN over those of MSGE in a combination of the two companies. The Dolan family owned a larger percentage of the total outstanding equity at MSGN than MSGE. In addition, while the outside MSGE investors would have preferred supporting MSGE's growth with a wide range of financing options—even if they would be dilutive to the Dolan's ultimate ownership—only the Dolans viewed MSGN stock as a dilution-neutral (to positive) form of financing for MSGE's growth.

83. The process and price of the Merger were unfair to MSGE and its public stockholders for multiple reasons, including the following:

84. *First*, the parties to the Merger ignored the *MFW* roadmap. The MSGE Special Committee appears to have considered, but failed to insist upon, conditioning the Merger on approval by a majority of minority stockholders. Indeed, the Merger is the subject of voting agreements entered into by the Dolan family that essentially made approval of the Merger a foregone conclusion.

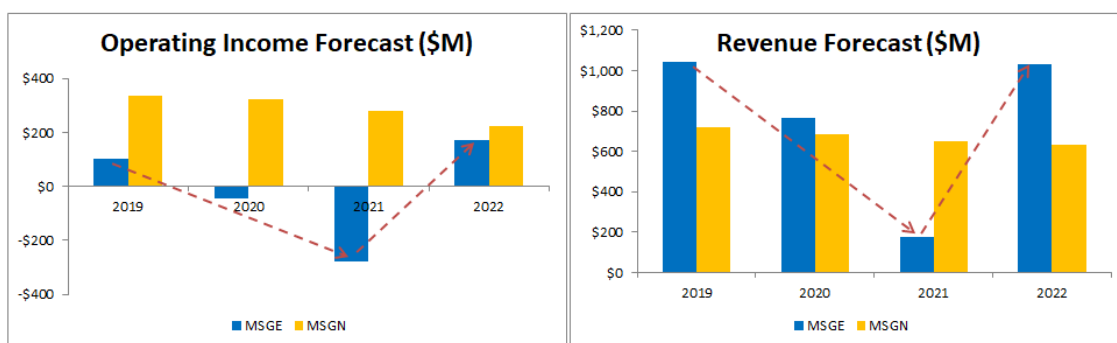
85. *Second*, the market reaction confirms that MSGE overpaid for MSGN. As set forth above, analysts criticized the deal and, following the announcement, the Company's stock consistently traded well-below its per share price before news of the Merger leaked.



86. *Third*, the timing of the merger appears to have been opportunistically timed to exploit discrepancies in the relative trading prices of MSGE's and MSGN's stock caused by the COVID-19 pandemic. Because MSGE owns and operates

various social venues, the COVID-19 pandemic completely shut down much of its operations and severely depressed its business. By contrast, MSGN, which owns and operates television networks, was far less impacted by the pandemic.⁹

87. But MSGE is expected to rebound now that the pandemic is ending. Guggenheim's financial projections for the two entities are set forth in the charts below.



88. And, as explained in a March 10, 2021 J.P. Morgan analyst report, MSGE was still trading at around a 40% discount to its fair value, largely because MSGE is in the midst of a massive expansion effort, including with respect to the Sphere project in Las Vegas.

89. Also, with respect to the suspect timing of the transaction, it appears reasonably likely that conflicted members of MSGE and/or MSGN management,

⁹ MSGE's revenue and operating income fell during Q1 by a staggering 94% and 150%, respectively, compared to the prior year's performance. The corresponding decreases at MSGN were only 22% and 4%.

participated in, at a minimum, the discussions in December 2020 that kicked off the Merger process.

90. *Fourth*, Blank (one of the two members of the Special Committee) was conflicted because he is a Senior Advisor at Raine. It is fair to infer that Blank may obtain some personal benefit for steering this work to Raine, a decidedly mid-tier firm that would likely not otherwise have been in the conversation for work on a transaction of this magnitude.¹⁰

91. *Fifth*, the Special Committee's mandate was limited in at least two key respects. The Special Committee was neither authorized to consider a transaction with a partner other than MSGN, nor to pursue alternative financing methods to fund MSGE's continued growth. Relatedly, the Special Committee's financial advisors—Moelis and Raine—were not authorized to undertake a market check for potential alternative transactions for MSGE. And the full MSGE Board retained veto authority over any transaction with MSGN.

92. *Sixth*, Sullivan & Cromwell appears to have been advising both sides of the Merger at various intervals, including advising the MSGE Special Committee.

¹⁰ The Proxy claims that Blank gets no monetary benefit, but even in the absence of a direct monetary payment, he still gets an indirect benefit from helping Raine rank higher in league tables.

In fact, the Proxy identifies Sullivan & Cromwell as both MSGE and MSGN's "regular counsel."

93. *Seventh*, both of MSGE's financial advisors—Moelis and Raine—were retained on a largely contingent basis in which the majority of their fees would be paid only if they delivered fairness opinions and the Merger closed. This created a conflict for them.

94. *Eighth*, the exchange ratio provided a mechanism for the Dolan family to increase its voting power in MSGE through the Merger. Yet, the fairness opinions of Moelis and Raine do not address the voting rights of Class A or Class B common stock and, at the direction of or with the consent of the Special Committee, do not place any financial value on such voting rights.

95. *Ninth*, there are serious irregularities with the fairness opinions offered by MSGE's financial advisors and, in particular, with their discounted cash flow ("DCF") analyses of both MSGE and MSGN. Among other things:

- In calculating the discount rate, Moelis and Raine both looked to the capital structure of selected comparable companies instead of MSGE and MSGN's actual or target capital structures. This is a "common error" that Delaware courts have routinely rejected.

Notably, Moelis' and Raine's DCF analyses calculated substantially lower values for MSGE (\$66 to \$120 per share and \$68 to \$101 per share, respectively) than the DCF analysis of MSGE performed by MSGN's advisors at LionTree and Morgan Stanley (\$121 to \$146 per share) because

Moelis and Raine used much higher discount rates than did LionTree and Morgan Stanley.¹¹

- For its DCF of MSGE, Moelis used cash flow projections from January 1, 2021 through June 30, 2025. But for its DCF of MSGN, Moelis used cash flow projections from July 1, 2021 through December 31, 2015. In other words, Moelis used 4.5 years for both companies (instead of the standard five). This artificially reduces MSGE's value by giving it less credit for a post-COVID recovery. Similarly, the 4.5 years of projections for MSGE include an additional six-months of COVID-impacted projections (January 1, 2021 through June 30, 2025) that the 4.5 years of cash flow projections for MSGN did not.

Notably, in 2025 (as the discrete period ends), MSGE's projections show MSGE's free cash flow growing at 218% and MSGN free cash flow decreasing by 14%. The decision to reduce the discrete period from 5 years to 4.5 and to forego a three-stage model for MSGE resulted in an artificially low valuation and helps explain why 178% of Moelis' implied DCF net value for MSGE comes from the terminal period.¹²

- The Proxy states that Moelis and Raine were instructed to use "adjusted" projections for MSGN that had been "modified and revised by MSGE management." The Proxy discloses both the original and adjusted projections but does not explain why adjustments were needed, given that the management of both companies substantially overlaps.

¹¹ Moelis also assumed a higher tax rate for MSGN than MSGE, resulting in a lower weighted average cost of capital for MSGN.

¹² Notably, the advisors also came up with wildly different perpetuity growth rates. Moelis used perpetuity growth rates for MSGE of 2% to 3.5% (implying terminal multiples of 7.4x – 12.8x), Raine used perpetuity growth rates for MSGE of 3.5% to 4% (implying terminal multiples of 8.7x to 12.3x). By contrast, Morgan Stanley and LionTree applied terminal multiples ranging from 14.0x to 16.0x.

96. *Tenth*, the Merger does not fairly compensate MSGE for the significant tax benefits flowing to MSGN. As explained in the Board materials [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

97. As explained in the Merger’s press release:

As of December 31, 2020, MSG Entertainment had a federal net operating loss (NOL) of approximately \$250 million, primarily due to the temporary shutdown of its venues as a result of COVID-19. Furthermore, MSG Entertainment expects to accelerate the depreciation of significant components of the capital investment for MSG Sphere in Las Vegas in calendar 2023, which is when the venue is expected to open. As a result of this transaction, the combined company would be able to more efficiently utilize MSG Entertainment’s existing NOL, as well as future bonus depreciation related to MSG Sphere in Las Vegas, to offset the taxable income of all of its businesses, including MSG Networks, which today is a full state and federal income tax cash payer.

98. And the Proxy similarly claimed that MSGE would be able to “realize meaningful tax efficiencies from the use of approximately \$250 million of MSG Entertainment’s federal tax net operating losses.”

99. In fact, however, [REDACTED]

[REDACTED]

[REDACTED]

100. In sum, the Dolans, through MSGN, were able to reduce their tax liabilities by exploiting MSGE's substantial NOL and accelerated and bonus depreciation but failed to compensate MSGE and its public stockholders for these valuable and non-ratable benefits.

* * *

101. In connection with the unfair Merger, the Dolan family obtained non-ratable benefits because, among other things, the Merger allowed them to increase their holdings in MSGE through an exchange ratio based on COVID-19 depressed prices for the Company's stock just before the impending rebound of live events. As evidenced by MSGE's past performance, there is little doubt that once COVID-19-related restrictions on live entertainment events ease, the Company's revenues will substantially increase, and the stock price will rise. The Merger allowed the Dolan family to acquire 3 million shares of Company stock at unfair, bargain prices and unfairly diluted the Company's Class A stockholders.

102. In addition, the structure of the Merger allowed the Dolan family to steer capital to the Company but also avoid the dilution to themselves that would result from a cheaper form of third-party financing preferable to MSGE's public stockholders.

168. Through the Merger, the Dolan family is also able to shift valuable tax assets that rightfully belong to the Company to offset taxable income generated by MSGN. This represents an immense benefit to the Dolan family and the other MSGN stockholders to the detriment of MSGE and its stockholders. The NOL and depreciation for MSG Sphere are tremendously valuable to MSGE, which has been forced to sustain high losses during the pandemic but is poised to begin generating taxable income once the pandemic subsides. Splitting the value of this tax asset with MSGN, for no reason other than for the benefit of the Dolans, is patently unfair to MSGE.

DEMAND FUTILITY

103. To the extent Plaintiffs' claims are derivative and/or subject to a demand requirement, demand would be futile in this Action because the Board is incapable of making an independent and disinterested decision to prosecute this action.

104. As set forth in detail above, at all relevant times, the Dolan family has controlled MSGE. And members of the Dolan family make up the majority of the Board. These directors could not be disinterested or impartial in considering a demand to prosecute a claim against the Dolans, who received unique and non-ratable benefits as part of the Merger.

105. The MSGE Board consists of 18 directors, 17 of whom have been directors since before the Merger negotiations began in December 2020.¹³ All 17 of those directors are Defendants in this Action and lack independence and/or face a substantial likelihood of liability for breaches of fiduciary duty in connection with the Merger.

106. At least ten of the directors are conflicted for the purposes of demand futility because they are members of the Dolan family:

i. **Charles F. Dolan** is the father of James L. Dolan, Marianne Dolan Weber and Thomas C. Dolan, the father-in-law of Kristin A. Dolan and Brian G. Sweeney, the uncle of Paul J. Dolan and the grandfather of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Charles F. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

ii. **Marianne Dolan Weber** is Charles F. Dolan’s daughter, the sister of James L. Dolan and Thomas C. Dolan, the sister-in-law of Brian G. Sweeney and Kristin A. Dolan, the cousin of Paul J. Dolan, and the aunt of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Marianne Dolan Weber is not “independent” within the meaning of the rules of the NYSE and the SEC.

iii. **Thomas C. Dolan** is the son of Charles F. Dolan, the brother of James L. Dolan and Marianne Dolan Weber, the brother-in-law of Brian G. Sweeney and Kristin A. Dolan, the cousin of Paul J. Dolan, and the uncle of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Thomas C. Dolan is not

¹³ As a condition of the Merger, MSGE added one Class A director to the Board, Joel Litvin, after the Merger closed. Litvin served as a director of MSGN from 2015 through the date of the Merger.

“independent” within the meaning of the rules of the NYSE and the SEC.

iv. **James L. Dolan** is the son of Charles F. Dolan, the spouse of Kristin A. Dolan, the father of Charles P. Dolan, Quentin F. Dolan, and Ryan T. Dolan, the brother of Marianne Dolan Weber and Thomas C. Dolan, the brother-in-law of Brian G. Sweeney and the cousin of Paul J. Dolan. MSGE acknowledges that James L. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

v. **Kristin A. Dolan** is the wife of James L. Dolan’s wife, the step-mother of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan, the daughter-in-law of Charles F. Dolan, the sister-in-law of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin by marriage of Paul J. Dolan. MSGE acknowledges that Kristin A. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

vi. **Charles P. Dolan** is the son of James L. Dolan, the stepson of Kristin A. Dolan, the brother of Quentin F. Dolan and Ryan T. Dolan, the grandson of Charles F. Dolan, the nephew of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin of Paul J. Dolan. MSGE acknowledges that Charles P. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

vii. **Ryan T. Dolan** is the son of James L. Dolan, stepson of Kristin A. Dolan, the brother of Charles P. Dolan and Quentin F. Dolan, the grandson of Charles F. Dolan, the nephew of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin of Paul J. Dolan. MSGE acknowledges that Ryan T. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

viii. **Quentin F. Dolan** is the son of James L. Dolan, the stepson of Kristin A. Dolan, the brother of Charles P. Dolan and Ryan T. Dolan, the grandson of Charles F. Dolan, the nephew of Marianne Dolan Weber, Thomas C. Dolan and Brian G. Sweeney, and the cousin of Paul J. Dolan. MSGE acknowledges that Quentin F. Dolan is not

“independent” within the meaning of the rules of the NYSE and the SEC.

ix. **Paul J. Dolan** is the nephew of Charles F. Dolan, the cousin by marriage of Brian G. Sweeney and Kristin A. Dolan and the cousin of James L. Dolan, Thomas C. Dolan, Marianne Dolan Weber, Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Paul J. Dolan is not “independent” within the meaning of the rules of the NYSE and the SEC.

x. **Brian G. Sweeney** is the son-in-law of Charles F. Dolan, the brother-in-law of James L. Dolan, Marianne Dolan Weber, Thomas C. Dolan and Kristin A. Dolan, the cousin of Paul J. Dolan, and the uncle of Charles P. Dolan, Quentin F. Dolan and Ryan T. Dolan. MSGE acknowledges that Sweeney is not “independent” within the meaning of the rules of the NYSE and the SEC.

107. At least eight members of the MSGE board are also inherently conflicted due to their dual-fiduciary status as directors of MSGN: 1) Charles F. Dolan, 2) Kristin A. Dolan, 3) Paul J. Dolan, 4) Thomas C. Dolan, 5) Joseph J. Lhota, 6) Brian G. Sweeney, 7) John L. Sykes, and 8) James L. Dolan (who served as Executive Chairman of both MSGE and MSGN, as well as CEO of MSGE).

108. In addition, two more Defendants lack independence because of their long-standing ties to the Dolan family. **Isiah L. Thomas III** has deep connections to the Dolans through, among other things, his roles with the Knicks, a team that is owned by MSGS. Indeed, MSGE acknowledges that Thomas is not “independent” within the meaning of the rules of the NYSE and the SEC. And **Vincent Tese** served not only served as a director of MSGN from 2010 to 2015, but he has also served as

a director of MSGS since 2015 and is a director of AMC Networks, Inc., which is also controlled by the Dolans. In addition, Tese's brother is employed by MSG Entertainment Group, LLC, a subsidiary of the Company.

CLASS ALLEGATIONS

109. Plaintiffs, stockholders in the Company, also bring this action individually and as a class action pursuant to Rule 23 of the Rules of the Court of Chancery of the State of Delaware on behalf of themselves and all stockholders of the Company at the time the Merger closed (except Defendants) (the "Class") to redress Defendants' breaches of fiduciary duty and other violations of law.

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

111. A class action is superior to other available methods of fair and efficient adjudication of this controversy.

112. The Class is so numerous that joinder of all members is impracticable. The number of Class members is believed to be in the thousands, and the Class members are likely scattered across the United States. Moreover, damages suffered by individual Class members may be relatively small, making it overly expensive and burdensome for individual Class members to pursue redress on their own.

113. There are questions of law and fact common to all Class members that predominate over any questions affecting only individuals, including, without limitation:

- (a) Whether Defendants owed fiduciary duties to the Plaintiffs and the Class;
- (b) Whether Defendants breached their fiduciary duties to Plaintiffs and the Class; and
- (c) The extent of the Class's damages.

114. Plaintiffs' claims and defenses are typical of the claims and defenses of other Class members, and Plaintiffs have no interests antagonistic or adverse to the interests of other Class members. Plaintiffs will fairly and adequately protect the interests of the Class.

115. Plaintiffs are committed to prosecuting this action and have retained competent counsel experienced in litigation of this nature.

116. Defendants have acted in a manner that affects Plaintiffs and all members of the Class alike, thereby making appropriate injunctive relief and/or corresponding declaratory relief with respect to the Class as a whole.

117. The prosecution of separate actions by individual members of the Class would create a 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 would, as a practical matter, be dispositive of the interest of other members or substantially impair or impede their ability to protect their interests.

118. Plaintiffs' claims in this litigation are dual-natured and give rise to direct claims. A breach of fiduciary duty claim is dual-natured where, as here, the controlling stockholder (the Dolan family) caused MSGE to issue excessive shares of its stock in exchange for assets of lesser value, and the exchange caused the Dolans to increase their economic and voting stake in MSGE at the expense of public stockholders.

FIRST CAUSE OF ACTION

Individual and Class Claim for Breach of Fiduciary Duty Against Defendants

119. Plaintiffs repeat and reallege all of the allegations above as though fully set forth herein.

120. As officers, directors, and/or controlling stockholders, the Defendants owed Plaintiffs and the Class fiduciary duties of loyalty and care.

121. The Defendants breached their fiduciary duties by causing and entering into the Merger through an unfair process on terms that were not entirely fair to Plaintiffs and other public stockholders.

122. As a result of the foregoing, Plaintiffs and the Class have been harmed.

SECOND CAUSE OF ACTION

Derivative Claim for Breach of Fiduciary Duty Against Defendants

123. Plaintiffs repeat and reallege all of the allegations above as though fully set forth herein.

124. As officers, directors, and/or controlling stockholders, the Defendants owed MSGE fiduciary duties of loyalty and/or care.

125. The Defendants breached their fiduciary duties by causing and entering into the Merger through an unfair process on terms that were not entirely fair to the Company and its public stockholders.

126. MSGE was damaged thereby.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment in favor of the Class, and/or in favor of the Company and against all Defendants as follows:

- A. Declaring that this action is properly maintainable as a class action and certifying Plaintiffs as class representatives;
- B. Declaring that Defendants breached their fiduciary duties;
- C. Awarding equitable relief to the Class and/or the Company;

D. Awarding monetary damages to the Class and/or the Company, including pre- and post-judgment interest;

E. Awarding Plaintiffs the costs and disbursements incurred in this action, including reasonable attorneys' and experts' fees; and

F. Granting the Company and/or Plaintiffs and the other members of the Class any and all further relief as the Court deems just and proper.

BLOCK & LEVITON LLP

OF COUNSEL:

Jason Leviton

Joel Fleming

Lauren Godles Milgroom

BLOCK & LEVITON LLP

260 Franklin Street, Suite 1860

Boston, MA 02110

(617) 398-5600

/s/ Nathan A. Cook

Nathan A. Cook (#4841)

Mae Oberste (#6690)

3801 Kennett Pike, Suite C-305

Wilmington, DE 19807

(302) 499-3600

*Attorneys for Plaintiffs City of Miramar
Retirement Plan and Trust Fund for
General Employees and City of Miramar
Management Retirement Plan*

Dated: August 11, 2021