

REPORT

MORE COMPETITION, MORE CONSUMER BENEFITS, AND MORE JOBS: WHY THE PARAMOUNT-WARNER BROS. MERGER DESERVES APPROVAL

Economic and Antitrust Analysis of the Proposed Transaction

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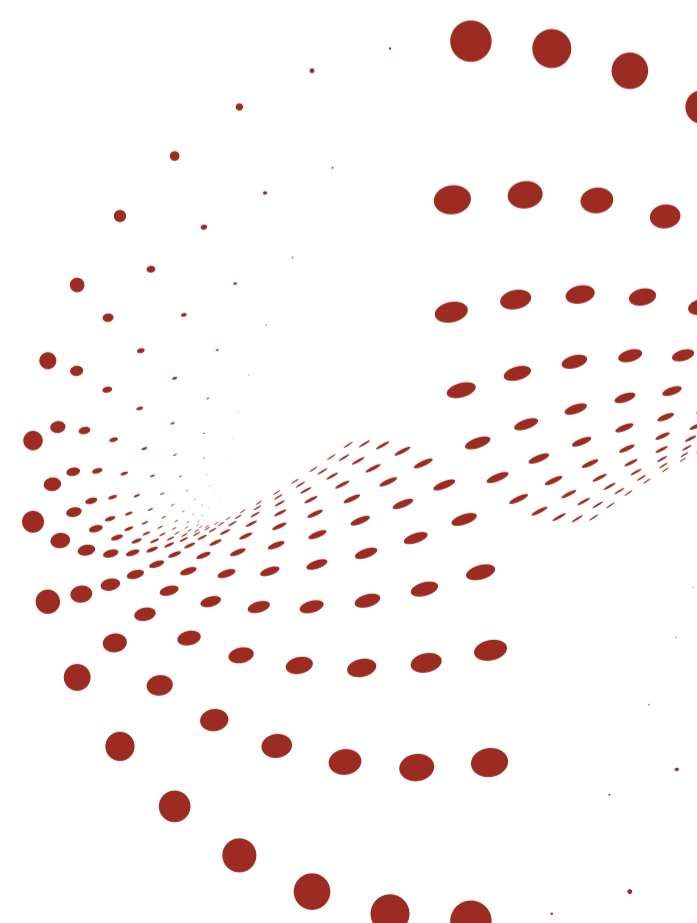
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More Competition, More Consumer Benefits, and More Jobs:

Why the Paramount–Warner Bros. Merger Deserves Approval

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By Stephen Moore and Robert Wolf

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The central question under U.S. antitrust law—and for any state attorney general considering a challenge—is not whether a merger creates a larger company, but whether the government can show that it is likely to substantially lessen competition and harm consumers, workers, or the broader ecosystem as a whole—not just competitors. On the available evidence, the Paramount–Warner Bros. Discovery transaction does not meet that standard. Instead, it would create a stronger competitor in entertainment and media, bringing new investment and dynamism to sectors under pressure while expanding choices and opportunities for consumers, workers, filmmakers, writers, directors, actors, and theater operators who would benefit from a revitalized pipeline of films and increased collaboration across the ecosystem.

Any serious analysis of the transaction must begin with the lightning rapid changes in the entertainment marketplace as it exists today. Consumers have access to an unprecedented array of content providers, streaming services, social-media platforms, gaming companies, and digital creators. The entertainment landscape extends far beyond traditional Hollywood studios, and competition for audiences, subscriptions, advertising, and creative talent is broad and intensifying.

The 90% of Americans with cellphones have instant access to a multitude of entertainment and news outlets. The entertainment industry is far from being monopolized. It's a competitive contest for survival.

A combined Paramount–Warner Bros. Discovery would face strong rivals not only in streaming but across film production and theatrical distribution. Major studios such as Sony, A24, Universal, and Lionsgate, as well as independent producers and distributors, compete vigorously for talent, content acquisition, and box office share alongside global streaming leaders like Netflix, Disney, Amazon, Apple, and Comcast/NBCUniversal. In addition, the combined company must compete against digital-first platforms like YouTube, TikTok, and social-video services which compete intensely for consumer attention and advertising dollars. In this ecosystem, consumers can move among a wide range of video platforms quickly, often at little or no switching cost.

Given this climate, a combined Paramount-Warner Bros. Discovery would face widespread competition for consumers' attention—be it on the screens in their home, in movie theaters, or on other viewing platforms in the future.

But even television and cable entertainment options are falling behind. Traditional television revenues continue to decline as audiences migrate online. And advertising dollars are increasingly captured by technology platforms such as Meta, Google, Amazon, and TikTok. The merger will promote competition by enabling Paramount and Warner Bros. Discovery to compete more effectively.

Mergers and acquisitions are a routine, efficient, and often vital way to add productivity, synergy, profitability, and competitiveness to American companies. They add wealth to American shareholders and allow American companies to outcompete foreign rivals. These marriages are a hallmark of the growth and profitability of U.S. businesses. The ability to sell or merge companies profitably adds to the feasibility of starting a firm in the first place and has converted America into an entrepreneurial powerhouse.

Challenging a Paramount-Warner Bros. Discovery deal simply because the result would be a larger company confuses size with market power. The real question is whether consumers would be harmed by the merger. We learned the hard way recently with the blocking of the JetBlue and Spirit Airlines merger, that the alternative to mergers can be bankruptcy, fewer consumer choices, and job losses.

The available evidence, including the breadth of entertainment choices, the scale of larger technology-backed rivals, and Paramount's commitments to increase theatrical output—suggests consumers would not be harmed by the merger. Consumers could benefit from stronger and more financially powerful and resilient players in one of the most competitive and rapidly changing industries in the world. That is precisely the kind of outcome antitrust law should permit.

THE COMPETITIVE LANDSCAPE AT A GLANCE

The transaction would create a stronger challenger in a broad, dynamic industry—not a dominant gatekeeper.

<p>47.5%</p> <p>Streaming share of total TV viewing <i>December 2025</i></p>	<p>13.2%</p> <p>YouTube share of TV watch time <i>March 2026</i></p>	<p>79.6M</p> <p>Paramount+ global subscribers <i>March 2026</i></p>
<p>131.6M</p> <p>WBD global streaming subscribers <i>December 2025</i></p>	<p>325M+</p> <p>Netflix global paid memberships <i>2025</i></p>	<p>30</p> <p>Minimum annual theatrical films <i>Company commitment</i></p>

Takeaway: Paramount and WBD would gain the scale to compete more effectively, while consumers would continue to choose among numerous larger and similarly sized platforms.

Potential Antitrust Challenges to the Paramount-Warner Bros. Discovery Merger

The attorney general of California, Rob Bonta, has indicated that his office may sue to block the Paramount–Warner Bros. Discovery merger: “There is a lot of indication that costs will go up, jobs will get cut or wages will go down,” he told the Wall Street Journal. “And you’ll see decreases in competition, choice and quality. That’s what antitrust law is supposed to protect against.”¹

Other state AGs are apparently threatening to join Bonta in challenging the merger. States with Democratic attorneys general weighing a lawsuit include Washington, Oregon, Massachusetts, Nevada, Colorado, Connecticut and New York, the [Insurance Journal reported](#) in June.

Those concerns deserve careful review. But careful review is not the same as presumptive opposition. As [former California Attorney General Bill Lockyer](#) has argued, the question is not whether the combined company would be larger, but whether the transaction would substantially lessen competition in a way that harms consumers, workers, or the broader marketplace. [Former Connecticut Attorney General George Jepsen](#) has made a complementary point: blocking the deal would not necessarily strengthen competition if the practical effect is to leave legacy studios less able to compete against Netflix, Amazon, Disney, Google-owned YouTube, and other technology-backed rivals. Their arguments underscore the principle that should guide state review: evidence, market realities, and likely competitive effects—not reflexive opposition to scale.

For a state challenge to succeed under the antitrust laws, enforcers would need to do more than identify generalized policy concerns about size, layoffs, or media ownership. They would need to define a legally cognizable market, show how the transaction materially increases concentration in that market, and establish a likely, merger-specific reduction in competition. State attorneys general remain independent, but any lawsuit should be able to explain what competitive harm the federal review overlooked and why that harm is sufficiently concrete to prevail in court.

That evidentiary burden matters because, after an eight-month investigation, the [U.S. Justice Department closed its investigation](#) and determined that the transaction was not likely to harm competition or American

¹ The Wall Street Journal, “States Flex Muscle on Antitrust Enforcement as Trump Administration Pulls Back” (quoting California Attorney General Rob Bonta), [source](#).

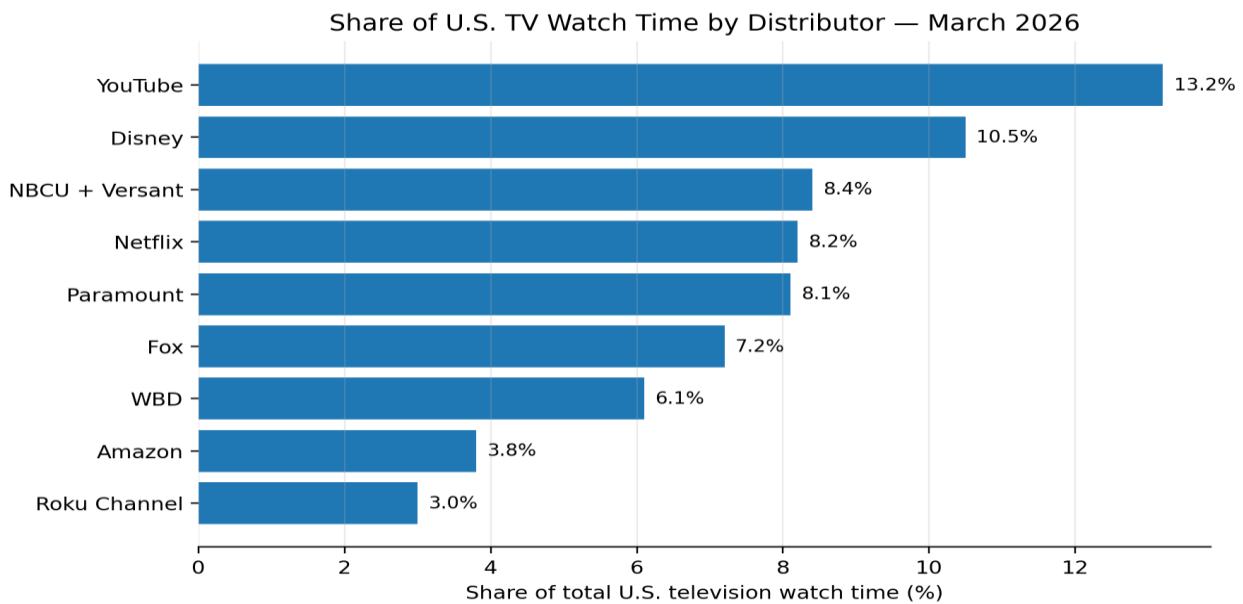
consumers or workers in streaming video on demand, linear television, or theatrical film development, production, and distribution. DOJ reviewed more than two million documents from more than 80 custodians, substantial data, and third-party submissions, and concluded that “the impact of the transaction will be to increase competition across the media and entertainment ecosystem, with benefits for American consumers and workers.” State attorneys general participated through confidentiality waivers. The federal decision does not bind the states, but it raises the bar for any challenger to present a stronger, market-specific evidentiary case. The transaction has also received regulatory approval in China.^{2,3}

The Television/Entertainment Landscape Today

Consumer viewing of television has dramatically changed over the past decade. Consumers no longer depend on a handful of television networks or cable channels for entertainment. We’ve also come a long way from when most Americans got their news each night from Walter Cronkite. Instead, Americans, especially younger Americans, choose among dozens of streaming services, social-media video platforms, broadcast networks, FAST channels, and digital creators. Competition is broad and increasingly fragmented.

Emblematic of the new era is the prominence of YouTube, which today has the largest share of U.S. television viewing in [Nielsen’s distributor gauge](#) (see chart below). YouTube itself launched in 2005; its live television service, [YouTube TV, launched in 2017 and expanded nationwide in 2019](#). The platform’s rapid growth on the television screen speaks to the market’s dynamism and fluidity. Today’s leader could become tomorrow’s laggard.⁴

The image below also underscores how competitive and fragmented the television market is. According to Nielsen, YouTube accounted for 13.2 percent of total U.S. television watch time in March 2026. Paramount and WBD accounted for 8.1 percent and 6.1 percent, respectively, or 14.2 percent when simply added. Those figures are viewing shares, not formal antitrust market shares, and March Madness boosted both companies that month. Even so, the chart shows that the combined company would operate amid substantial competition from Disney, Netflix, NBCUniversal, Fox, Amazon, Roku, and others. If it attempted to raise prices or reduce quality, consumers would retain many alternatives.



² U.S. Department of Justice Antitrust Division, “Statement on the Closing of Its Investigation of the Merger of Paramount Skydance and Warner Bros.,” June 12, 2026, [source](#).

³ Reuters, “Chinese regulators clear Paramount Skydance–Warner Bros. Discovery merger,” June 17, 2026, [source](#).

⁴ YouTube Blog, “YouTube TV’s Gearing Up for the Big Game and Going Nationwide,” Jan. 23, 2019, [source](#).

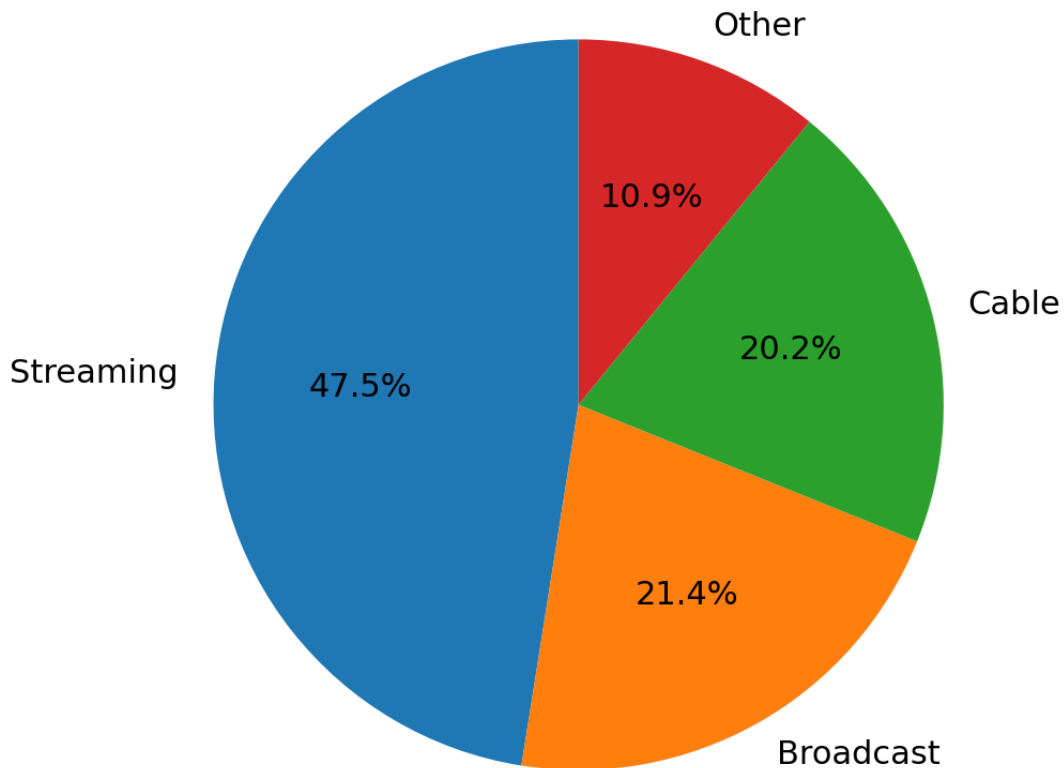
Source: [Nielsen, Media Distributor Gauge, March 2026](#). Viewing shares are not formal antitrust market shares; March Madness boosted Paramount and WBD shares for that month.

On a gross basis, the companies reported a little more than 200 million global streaming subscriptions—[79.6 million for Paramount+](#) and [131.6 million for WBD](#) at the cited reporting dates—compared with Netflix’s [more than 325 million paid memberships worldwide](#). These are gross reported global subscriptions—not unique subscribers or households—because some customers may subscribe to both services and the companies may use different reporting methodologies.

This is another reminder that the largest competitors in video are no longer traditional Hollywood studios. They are global technology platforms with enormous scale, user data, and advertising capabilities. Blocking consolidation among legacy media companies would not preserve competition; it could simply weaken competitors trying to keep pace with companies like YouTube, Amazon, Disney, and Netflix.

The other massive change in television is the spread of streaming. [Nielsen reported](#) that streaming surpassed broadcast and cable combined for the first time in May 2025 and that streaming usage had risen 71 percent since 2021. By December 2025, streaming represented 47.5 percent of total TV viewing, compared with 20.2 percent for cable and 21.4 percent for broadcast. [Pew Research Center found](#) that 83 percent of U.S. adults use streaming services, while 36 percent subscribe to cable or satellite television.

How Americans Used Television — December 2025



Source: [Nielsen, The Gauge, December 2025](#).

Notably, Paramount and Warner Bros. Discovery lag several larger platforms in total television streaming usage. In [Nielsen’s December 2025 Gauge](#), Paramount represented 2.5 percent of total TV viewing and WBD 1.4 percent; together, 3.9 percent. That remained below YouTube at 12.7 percent, Netflix at 9.0 percent, Disney

streaming at 4.7 percent, and Prime Video at 4.3 percent. These are shares of total television viewing, not formal antitrust market shares, but they provide useful context for the competitive environment.⁵

Given this highly competitive landscape, any antitrust challenge to the transaction would be divorced from the reality of the movie business today. The [Justice Department identified](#) extensive competition from traditional studios, technology-backed entrants, and independents such as A24, NEON, Blumhouse, and Lionsgate. Recent examples include A24’s “Backrooms” and Angel Studios’ “Sound of Freedom,” while Netflix, Apple, Amazon MGM, and other nontraditional players have also invested in theatrical releases, with Amazon MGM going all in on theatricals, promising 15 films in 2026 and 2027.⁶ Several large-budget films from independent or non-legacy studios are set to be released.

As has been proven time and again, these studios and others can survive and thrive based on the quality of the films they produce and distribute, not the size of their competitors. They would not be handicapped in any way by a merged Paramount-Warner Bros. Discovery.

Benefits of the Merger

Antitrust law is designed to protect competition, not competitors. If a merger enables two weaker firms to compete more effectively against larger rivals, that is procompetitive rather than anticompetitive. And it’s at the core of why the Paramount-Warner Bros. Discovery merger should be approved.

Paramount projects more than \$6 billion in annual savings from combining streaming technology, back-office systems, real estate, procurement, and marketing. Greater scale and lower duplicated operating costs can support more investment in content and technology, more films and series, and more production-related jobs. As with any efficiency claim, the most important test is whether the combined company follows through on its commitments to expand output, improve its streaming product, and create more opportunities for creators and audiences. See Paramount’s [court filing](#).

The consumer benefits of the transaction are concrete. A combined Paramount–Warner Bros. Discovery would be better positioned to offer a stronger streaming alternative to Netflix, Disney, Amazon, and Apple; bring complementary content libraries into a more complete offering at a lower combined price; improve search, discovery, and the overall user experience; and support additional films and television programming, and, by extension, more production jobs. A combined service could also reduce the need for some households to maintain two separate subscriptions to access both companies’ libraries. A broader offering can increase value and place downward pressure on a household’s total streaming costs—an affordability benefit that [Jepsen has emphasized](#). Nearly one-third of consumers say streaming fragmentation interferes with their viewing experience, according to a Nielsen Gracenote survey:

HOW CONSUMERS COULD BENEFIT	
<p>MORE VALUE</p> <p>A broader library may reduce the need for multiple subscriptions.</p>	<p>STRONGER CHOICE</p> <p>A more credible rival to larger global streaming platforms.</p>
<p>BETTER EXPERIENCE</p> <p>Integrated technology can improve search, discovery, and usability.</p>	<p>MORE CONTENT</p> <p>Commitments include at least 30 theatrical films annually across the two companies.</p>

⁵ Nielsen, “Streaming Shatters Multiple Records in December 2025 with 47.5% of TV Viewing,” Jan. 20, 2026, [source](#).

⁶ <https://www.aboutamazon.com/news/entertainment/amazon-mgm-studios-films>

When viewers can't quickly and easily find something good to watch, negative outcomes can result for platforms . . . Nineteen percent of people will abandon a viewing session if their content search is not successful. This jumps to 29 percent for viewers in the 18-24 age group. Going further, 49 percent are willing to cancel a service based on difficulty finding what to watch.⁷

Fundamentally, the merged company would create a stronger option for consumer entertainment, particularly in streaming video on demand (SVOD). As DOJ emphasized in closing its antitrust investigation, “the combined firm is likely to increase competition by offering consumers a more robust competitive alternative to the larger SVOD offerings.” DOJ also concluded that “the parties have a clear path to injecting additional competitive pressures across the media ecosystem to innovate and provide value to creators and consumers.”⁸

Employment

California’s entertainment industry has been shedding jobs as productions have slowed or moved elsewhere. A [Wall Street Journal analysis](#) reported a 30 percent decline in work for actors, carpenters, costumers, and other professionals connected to film and television over less than four years. Federal data point in the same direction: the [Bureau of Labor Statistics](#) reports that motion-picture and video production shed 49,000 jobs over the decade ending in February 2026, a 21 percent decline.

The actors and filmmakers who oppose the merger claim that that it will result in “fewer opportunities for creators, fewer jobs across the production ecosystem, higher costs, and less choice for audiences in the United States and around the world.”⁹ But this merger could well be a rescue plan for jobs in the entertainment business. Employment in traditional Hollywood studios has already fallen by almost half over the past decade.

Advances in technology have dramatically lowered the barriers to producing high-quality movies and television shows. Today, creators around the world can leverage digital cameras, editing software, and streaming platforms to bring their stories to life, often outside the confines of traditional studio settings. This shift has made the old model of centralized production in large studios less essential, as evidenced by the fact that all eight nominees for the 2026 Oscar for Best Picture were produced outside of conventional Hollywood studios. The industry is evolving rapidly, and the ability to produce and distribute content is now accessible to a broader range of talents globally.

A merger alone cannot reverse these trends, but increased investment and production could help support a more durable pipeline of work.¹⁰

Lockyer emphasizes that the consequences extend far beyond studio headquarters. When financially strained studios delay, relocate, or cancel productions, the losses reach writers, actors, camera operators, editors, set builders, drivers, costume designers, caterers, technicians, independent contractors, and small businesses. His argument is not that every merger-related job will be preserved—administrative consolidation is a legitimate concern—but that financially stable studios are better positioned to greenlight projects, sustain production pipelines, and keep investment in California. [Read Lockyer’s full argument here.](#)

⁷ Nielsen Gracenote, “New Report Highlights Impact of Ineffective Content Discovery on Consumer Happiness with Streaming,” 2025, [source](#).

⁸ U.S. Department of Justice Antitrust Division, June 12, 2026, [source](#).

⁹ Block the Merger, industry open letter opposing the transaction, [source](#).

¹⁰ The Wall Street Journal, “See How Hollywood’s Job Market Is Collapsing,” [source](#); U.S. Bureau of Labor Statistics, “Picture this: a decade of employment in the motion picture and video industries,” April 29, 2026, [BLS data](#).

One of the most articulate statements on this topic has been made by Bob Wieckowski, a Democrat and a former member of the state Assembly, where he served as chairman of the Judiciary Committee.

The entertainment industry is no longer primarily domestic. It is a global, capital-intensive competition involving technology platforms, international studios and streaming giants with enormous resources. In this environment, scale is not optional; it is what allows companies to invest, produce and compete.

The Paramount deal is fundamentally about building that capacity. It's about letting America's entertainment industry remain on top in a globalized world.

Without the merger, the likely outcome will be a weaker domestic market. That will mean fewer productions, investments and jobs here in California.

California is already seeing what happens when production leaves: soundstages go idle, contracts dry up, small businesses lose steady work. Discouraging investment will only deepen these woes. Companies will delay decisions while investors look elsewhere.

For California, the consequences could be serious. The state's leadership in entertainment rests not only on talent but also on credibility. If businesses begin to question whether California evaluates deals on stable, evidence-based grounds, capital will move to jurisdictions that offer greater clarity. That shift is already underway. Workers ultimately bear the cost.

Larger and well-capitalized media companies are better positioned to sustain production, invest through downturns and expand distribution. That translates into more consistent employment across the industry. Fragmentation and financial weakness lead in the opposite direction: fewer projects, tighter budgets, and reduced opportunities. That is not worker protection.¹¹

Jepsen makes a complementary national point: the entertainment industry has lost more than 15,000 jobs since 2021, and greater studio output can mean more productions, more paychecks, and more consistent work for the people who create films and television. [BLS data](#) independently confirm a substantial longer-term decline in motion-picture production employment. The relevant labor question is therefore not only whether some overlapping corporate roles are eliminated, but whether the transaction increases or reduces long-term demand for creative and production labor. [Read Jepsen's full argument here.](#)

The Movie Business

The opponents charge that the merger will result in less output. But in a recent speech to movie theater owners, David Ellison said, "I wanted to look every single one of you in the eye and give you my word once we combine with Warner Bros., we are going to make a minimum of 30 films across both studios."¹² (Paramount made just eight films last year.)

¹¹ Bob Wieckowski, San Francisco Chronicle, opinion essay on the Paramount-Warner Bros. transaction, [source](#).

¹² The New York Times, reporting David Ellison's CinemaCon commitment, [source](#); see also the defendants' filed opposition, [court filing](#).

Paramount also says every film will receive a full theatrical release with a minimum 45-day window before paid video on demand; that Paramount Pictures and Warner Bros. Discovery will remain distinct studios, each producing at least 15 films annually; and that the combined company will make additional investments in television and streaming production. These are [company commitments](#), not yet realized outcomes, but they provide measurable standards against which the merger can be judged, and they have been made to the public, to the parties' shareholders, and to Congress.

It's noteworthy that one supporter of the merger is Adam Aron, the CEO of America's largest chain of cinemas, AMC. "I greatly appreciate David Ellison's track record of success and his passion to make movies that will dazzle audiences the world over," Aron said recently of Paramount's current CEO.¹³ Also supporting the merger is the CEO of Cinemark, Sean Gamble,¹⁴ and the director James Cameron.¹⁵

Paramount says that the merger creates "a prospect of rivaling their much larger competitors, in part by leaning into theatrical releases to attract audiences and ultimately subscribers." This focus on theatrical releases is precisely what the entertainment industry needs to grow. It could also help lay the groundwork for the combined streaming service to win new customers, further strengthening the business.¹⁶

Any fears that Paramount and Warner Bros. will exercise undue influence on theater owners should be weighed against a simple data point: public box-office data indicates that their films together accounted for roughly one-quarter of domestic box-office revenue in 2025, leaving the majority to other distributors. The continuing presence of Disney, Universal, Sony, Amazon MGM, Lionsgate, A24, and others ensures that theater owners will retain multiple suppliers and programming options. [See 2025 distributor data.](#)

With new capital and new energy, the merged company can help revive moviegoing. Movie theater attendance has sharply declined over the past two decades. The number of movie tickets bought in the United States and Canada has declined from 1.6 billion in 2002 to 769 million in 2025.¹⁷

The Merger Makes Sense for Shareholders, Workers, and Consumers

The entertainment industry is fragmenting across viewing platforms, not consolidating into a single monopoly. Consumers have more viewing options than ever before. In such an environment, a Paramount-Warner Bros. Discovery merger would not eliminate competition; it could strengthen the combined company's ability to compete against numerous companies operating in the same space, several with larger footprints. As Lockyer and Jepsen both argue, the appropriate standard is careful, evidence-based review—not automatic resistance to scale.

With more investment, more content offerings, and more innovation, the combined Paramount-Warner Bros. Discovery company can deliver an array of benefits: more options for consumers, more opportunities for actors and others working in entertainment, and a more dynamic industry. Those benefits are not guaranteed. The combined company should be held to its public commitments on 30 theatrical films annually, meaningful theatrical windows, continued investment in two distinct studios, streaming improvements, and editorial independence. If it follows through, the result will be a stronger competitor and a healthier creative ecosystem.

¹³ Variety, "AMC Theatres Boss Supports Paramount Deal to Buy Warner Bros.," 2026, [source](#).

¹⁴ The Hollywood Reporter, reporting Cinemark CEO Sean Gamble's comments, [source](#).

¹⁵ The Hollywood Reporter, reporting James Cameron's support, [source](#).

¹⁶ Defendants' Opposition to Plaintiffs' Motion for Preliminary Injunction, *Faust v. Paramount Skydance Corp.*, No. 4:26-cv-03790-AMO (N.D. Cal. June 3, 2026), [court filing](#).

¹⁷ Pew Research Center, "As the Academy Awards approach, a look at moviegoing habits in the United States," March 6, 2026, [source](#).

Source Verification and Methodology

The paper prioritizes government findings, original company filings, SEC disclosures, official audience measurements, federal labor data, and relevant published opinion pieces. Company projections and commitments are identified as such and should not be treated as completed outcomes.

1. [U.S. Department of Justice Antitrust Division](#) — Eight-month federal review; more than two million documents; findings on SVOD, linear television, theatrical film, output, and labor.
2. [Nielsen — March 2026 Media Distributor Gauge](#) — Total television viewing shares for YouTube, Paramount, WBD, Disney, Netflix, NBCU/Versant, Fox, Amazon, and Roku.
3. [Nielsen — December 2025 The Gauge](#) — Streaming’s 47.5% share of total TV viewing and platform-level viewing shares.
4. [Nielsen — May 2025 Streaming Milestone](#) — Streaming surpassed broadcast and cable combined; streaming usage increased 71% from May 2021 to May 2025.
5. [Pew Research Center](#) — 83% of U.S. adults use streaming services; 36% subscribe to cable or satellite television.
6. [Paramount 2026 Form 10-Q](#) — 79.6 million Paramount+ subscribers as of March 31, 2026.
7. [Warner Bros. Discovery 2025 Results](#) — 131.6 million global streaming subscribers at year-end 2025.
8. [Netflix 2026 Proxy Statement](#) — More than 325 million paid memberships and approximately \$45.2 billion in 2025 revenue.
9. [U.S. Bureau of Labor Statistics](#) — Motion-picture and video production shed 49,000 jobs over the decade ending February 2026.
10. [Defendants’ Opposition to Preliminary Injunction](#) — Primary court filing for projected efficiencies and specific output and theatrical-window commitments.
11. [Bill Lockyer — Hollywood Reporter](#) — Former California attorney general’s case for careful review rather than automatic resistance.
12. [George Jepsen — TheWrap](#) — Former Connecticut attorney general’s argument that the deal could strengthen Hollywood against Big Tech.

Methodological caution: Nielsen’s Gauge and Media Distributor Gauge measure television viewing time, not a legally defined antitrust market. Global subscriber totals are not U.S. market shares and may include overlapping households. The \$6 billion savings estimate, 30-film annual commitment, 45-day theatrical windows, and related production plans are company representations contained in legal and investor materials.