

Jordan v. Endeavor Group Holdings, Inc.

Corporate Governance

Role	BFA is sole counsel representing stockholder derivative plaintiff Jonathan Jordan in this action.
Background	On March 27, 2026, BFA filed claims on behalf of Mr. Jordan, derivatively on behalf of TKO Group Holdings, Inc., regarding breaches of fiduciary duty arising out of TKO’s acquisition of certain businesses (collectively referred to as the “Businesses”) from Endeavor Group Holdings, Inc. The Businesses include Professional Bull Riding, IMG Media, and On Location Events.
Court	Delaware Court of Chancery
Case Number	2026-0422-LWW
Status	Pending

On March 27, 2026, BFA filed a derivative lawsuit on behalf of plaintiff Jonathan Jordan against the board of directors of TKO Group Holdings, Inc. (“TKO” or the “Company”), TKO’s controlling stockholder Endeavor Group Holdings, Inc. (“Endeavor”), and others (the “TKO Derivative Complaint”). The TKO Derivative Complaint alleges that defendants breached their fiduciary duties in bad faith in connection with the Company’s acquisition of the Businesses pursuant to a Transaction Agreement (the “TA”). The TA was executed on October 23, 2024, and the Transaction closed on February 28, 2025.

TKO paid Endeavor \$3.25 billion entirely in units of TKO’s wholly owned operating subsidiary (“TKO OpCo”). In the TKO Derivative Complaint, Plaintiff alleges that this price represented an overpayment of at least \$1.5 billion and seeks damages in an amount to be determined at trial.

Endeavor has been TKO’s controlling stockholder since TKO’s formation in 2023. It therefore owes fiduciary duties to TKO and its minority stockholders. Seven TKO

directors are Endeavor designees, and several are dual fiduciaries of both TKO and Endeavor. This includes defendant Ariel Emanuel, who is TKO's CEO and the Executive Chair of TKO's board, in addition to serving as Endeavor's CEO and the Chairman of Endeavor's board. Because TKO paid Endeavor in TKO OpCo units, Endeavor's ownership in TKO increased from approximately 53% to approximately 60% after the Transaction.

Endeavor itself is controlled by the private equity fund manager Silver Lake Group, L.L.C. ("Silver Lake"). In 2025, Endeavor and Silver Lake executed a merger agreement that provided for Silver Lake to acquire, for \$27.50 per share, all outstanding equity interests that Silver Lake did not already own (the "Endeavor Take-Private"). Cashed-out stockholders of Endeavor have filed two high-profile lawsuits related to the Endeavor Take-Private (seeking a judicial appraisal of their Endeavor shares in one and alleging breach of fiduciary duty claims in the other) in the Delaware Court of Chancery (the "Endeavor Lawsuits"). The Endeavor Lawsuits, which name many of the same defendants named in the TKO Derivative Complaint, have been consolidated and are currently pending.

As part of negotiating the Endeavor Take-Private, Endeavor's management prepared financial projections that Endeavor's financial advisor, Centerview, used to value the Businesses. Endeavor later filed Centerview's analyses publicly with the SEC. Centerview's work revealed that Endeavor valued the Businesses at over a billion dollars less than the Transaction purchase price. In the Endeavor Lawsuits, Endeavor and other overlapping defendants have taken the position that Centerview's work accurately valued Endeavor and its constituent business units, including the Businesses. The Transaction was negotiated between the signing and close of the Endeavor Take-Private. Endeavor first offered to sell the Businesses to TKO in May 2024, which was just one month after Centerview completed its analyses in the Endeavor Take-Private.

TKO's board created a special committee to negotiate the Transaction on behalf of TKO, which retained Moelis as its financial advisor. On October 23, 2024, Moelis rendered a fairness opinion, the special committee and full TKO board approved

the Transaction, and TKO announced the Transaction. TKO's stock price dropped approximately 9% immediately after the deal was announced.

The TKO Derivative Complaint alleges that the deal price was unfair and resulted from an unfair process, including because the special committee failed to consider the Centerview analyses made public just months earlier and failed to quantify non-ratable tax benefits that Endeavor obtained in the Transaction. The TKO Derivative Complaint alleges that these failures resulted from bad faith. The complaint also alleges that members of the special committee and Moelis had disabling ties with Endeavor. Moelis is also named as a defendant for aiding and abetting breach of fiduciary duty.

The TKO Derivative Complaint became public on April 6, 2026. BFA and counsel for Defendants are currently negotiating a motion to dismiss briefing schedule.